

**Manufacturing**

 IR TOP RESEARCH  
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## ILPRA

### Leading player in the food packaging machine industry

**COMPANY DESCRIPTION**

ILPRA, founded in 1955, is **specialized in the design and production of packaging machines**, and is a primary player in the of **food, cosmetics and medical packaging markets**. With over 16,000 machines sold worldwide, and 185+ employees, the Company offers technological solutions **manufactured in-house, insuring high Italian quality**.

The Company distinguishes itself for its **wide product range** (traysealers, fillers & sealers, thermoformers, buckets fillers, traysealers Seal Box) **and innovative technological solutions**. FY 2018 closed with revenues of 28.4 Eu m and an EBITDA margin of 19.5%. About 74% of total revenues were realized outside Italy.

ILPRA listed on the Italian AIM market on February 15, 2019. The IPO price was set at a 2.1 Eu per share, corresponding to a market capitalisation of 25.3 Eu m. The offer consisted of a capital increase of 2,538,600 m new shares for 5.3 Eu m and a resulting free float of 18.34%.

**INNOVATION**

ILPRA is a registered innovative SME with **significant investments in R&D (>3% of 2017 revenues) and patent holder of ProGas**, an innovative technology based on an exclusive work cycle that can be applied to ILPRA's packaging machines. The Company has also developed **E-Mec**, a technology based entirely on the electro-mechanical motion of work stations.

**REFERENCE MARKET AND DRIVERS**

In 2017 the Italian packaging machine market reached **7.2 Eu b** (+8.9% vs 6.6 Eu b in 2016), exceeding the growth recorded in 2016 (+6.6% vs 2015). For the period 2018-2020 the Research Department of UCIMA estimates growth rate between 6.0% and 6.5% per year, thanks to the continuation of good performance in Italy and Europe, and the improvement of the performance in Asia and Africa.

**STRATEGY**

The growth strategy of the Company for the next years is based on:

- **Innovation:** continuous investments in training, innovative technological tools and R&D activities
- **Quality:** adapt production facilities to "Industry 4.0" requirements and introduction of Lean Manufacturing logics
- **Internationalization:** opening of new branches abroad. Focus on France, Germany, Eastern Europe, Russia, Australia and USA.
- **Marketing:** increase brand awareness by participating in smaller local fairs in addition to the main international industry fair.
- **M&A:** focus on targets active in the production of highly specialized machines, end-of-line parts and dosing systems.

**2019-2021 ESTIMATES**

We believe ILPRA can grow **revenues** at a 2018-2021 CAGR of +9%, given expected market growth and the Company's competitive position. **EBITDA** should grow at a 2018-2021 CAGR of +14% principally thanks to operative leverage with fixed costs spread over higher revenues. We expect **Net Profit** to reach 4.3 Eu m in 2021. On the back of the above,, ILPRA should be **cash positive** at the end of the period considered (5.1 Eu m).

**VALUATION**

We set a target price for Ilpra of 3.30 Eu p.s., providing for a 46% upside to the current share price. Our valuation is based on a DCF an on a multiple comparison, weighted equally. At our target price the stock would be trading at 8.0x and 6.9x 2019 and 2020 EBITDA respectively.

<b>Target Price (Eu)</b>	<b>3.30</b>
Market Price (Eu)	2.26
Capitalisation (Eu m)	27
Enterprise Value (Eu m)	37
<i>(as of March 10<sup>th</sup>, 2019)</i>	

**AIM Positioning**

<b>FY 2017 (Eu m)</b>	<b>Company</b>	<b>AIM Sector*</b>	<b>AIM Italia</b>
Revenues	27	84	42
Revenues YoY	n.a.	8%	11%
EBITDA Margin	19%	12%	13%
Net Debt (Cash)	8.4	17.1	10.0
Net Debt/EBITDA	1.6x	1.6x	1.5x
<b>Market Data (Eu m)</b>	<b>Company</b>	<b>AIM Sector*</b>	<b>AIM Italia</b>
Capitalisation	27	62	61
Perf. YTD	+8	-19%	+3%
Free Float	18%	33%	39%
ADTT YTD (Eu)	39,744	50,321	83,386

Source: Factset Data - \* Manufacturing, according to Osservatorio AIM

**Results & Estimates**

<b>Key Figures (Eu m)</b>	<b>17PF</b>	<b>18A</b>	<b>19E</b>	<b>20E</b>	<b>21E</b>
Revenues (VoP)	27.2	31.5	32.2	34.5	37.9
YoY growth	n.a.	+15.8%	+2.5%	+7.0%	9.9%
EBITDA	5.3	5.5	6.2	7.2	8.3
EBITDA%	19.4%	19.5%	20.1%	21.4%	22.5%
EBIT	4.0	4.2	4.9	5.7	6.7
EBIT%	14.9%	14.8%	15.9%	17.0%	18.0%
Net Profit	2.5	2.9	3.1	4.4	4.6
Net Debt (Cash)	8.4	9.5	2.7	(1.6)	(6.1)

Source: Company data and IR Top estimates

**Peers Comparison**

<b>EV/EBITDA (x)</b>	<b>19E</b>	<b>20E</b>
ILPRA	6.8	5.8
Median Peers AIM	5.0	4.2
Discount/Premium to AIM Peers	+36%	+41%
Industrial peers median	10.7	9.7
Discount/Premium to Industrial Peers	-25%	-32%
<b>P/E (x)</b>	<b>19E</b>	<b>20E</b>
ILPRA	13.3	9.4
Median Peers AIM	9.5	8.5
Discount/Premium to AIM Peers	+41%	+11%
Manufacturing peers median	18.7	16.5
Discount/Premium to Industrial Peers	-40%	-75%

Source: IR Top Estimates for Ilpra and Factset for comparable

**Performance**

	<b>1M</b>	<b>3M</b>	<b>1Y</b>
Absolute	4.1	n.d.	n.d.
Relative (FTSE AIM Italia)	1.7	n.d.	n.d.
52-week High/Low (Eu)*	2.4 / 2.11		

Source: Factset data  
\* Intra-day values

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

**SHARE DATA**

Market	AIM Italia
Reuters/Bloomberg	ILP.MI / ILP IM
ISIN	IT0005359101
N. of Shares	12,038,600
Free Float	18,34%
Main Shareholder	Maurizio Bertocco (39.46%)
Chairman and CEO	Maurizio Bertocco





**AIM ITALIA**

**Dimension**

117 companies  
6.9 Eu b of capitalisation

**Growth**

89 IPOs in 2015-19  
4.2 Eu b of total capital raised since 2009

**Performance**

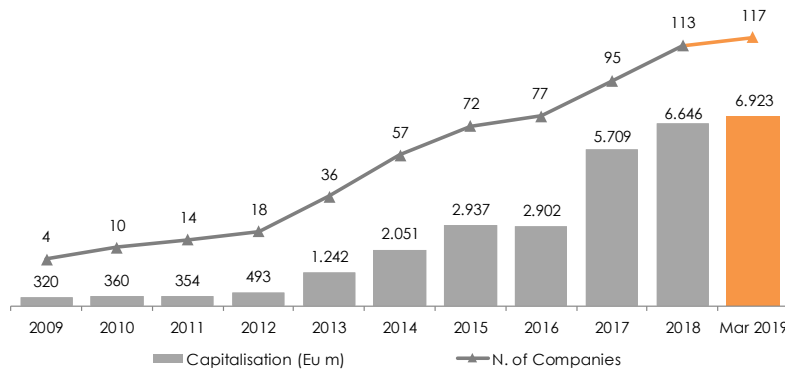
FTSE AIM Italia +14% since 2017

**Liquidity**

ADTT in 2018 was 96 Eu k (4.1x vs 24 Eu k in 2016)

AIM Italia, the equity capital market for small growing companies, has grown significantly since 2013: as of March 29<sup>th</sup>, 2019 the listed companies were 117 for a total capitalisation of 6.9 Eu b.

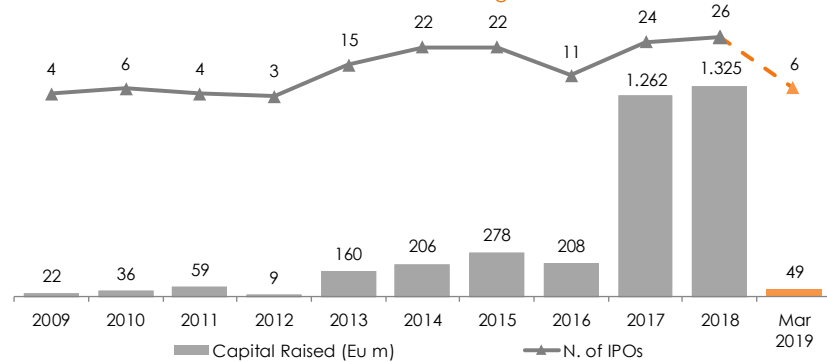
AIM Italia: 2009-2019 market dimension trend



Over the years, the number of IPOs and the amount raised has increased significantly with a peak registered in 2018, with the listing of 26 new companies and 1.3 Eu bn of capital raised. When compared to the Italian main market (MTA), AIM Italia has been far more dynamic with 89 listings vs. 25 on MTA in the 2015-2018 period.

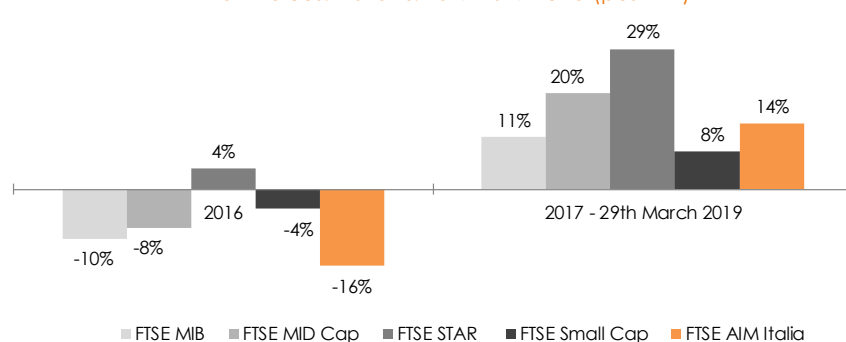
Since 2009, total equity raised in IPO on AIM Italia is 3.6 Eu bn; if including capital increases, warrant exercise and bond subscription, total capital raised is 4.2 Eu bn.

AIM Italia: 2009-2019 market growth trend



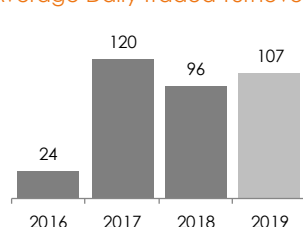
After the introduction of PIR (Piani Individuali di Risparmio, the Italian equivalent of UK Individual Savings Accounts) in 2017, all Italian indices highlight positive trends. In particular, FTSE AIM Italia has grown by +14% since 2017 vs. -16% in 2016.

FTSE Indices: 2016 vs. 2017-2019 trend (post PIR)

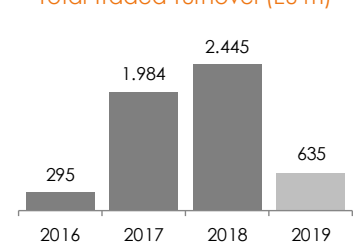


Market liquidity improved after the introduction of PIRs: Average Daily Traded Turnover (ADTT) strongly increased in 2017, with an average value of 120 Eu k (5.1x vs 24 Eu k in 2016). In 2018 ADTT was 96 Eu k (4.1x vs 24 Eu k in 2016), with a peak in July (196 Eu k). Total Traded Turnover (TTT) in 2018 amounted to 2.45 Eu b, 1.2x in 2017 (2.0 Eu b) and 8.3x in 2016 (295 Eu m).

Average Daily Traded Turnover (Eu k)



Total Traded Turnover (Eu m)



AIM ITALIA BY SECTOR

Finance is the main sector in terms of n. of companies (20%) and capitalisation (25%)

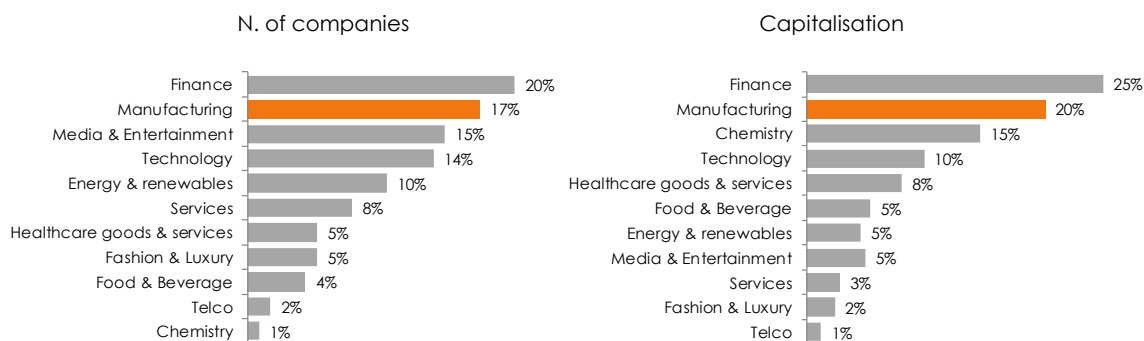
Best share performance 2017-2019: Media and Entertainment (+150%)

Best 2017 revenues yoy growth, excluding Chemistry: Services (+22%)

Average 2017 EV/EBITDA multiple: 10.1x

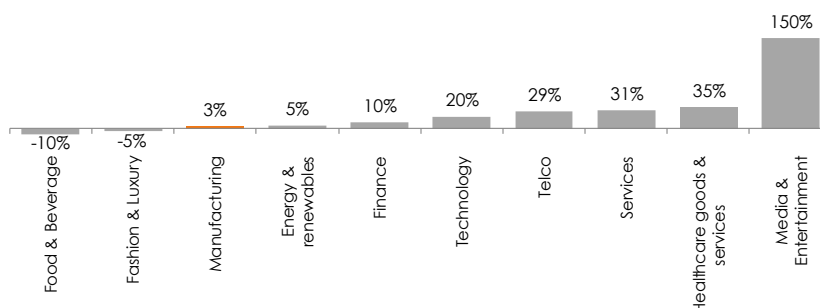
The most important sectors in terms of number of companies are: Finance including SPACs (20%), Manufacturing (17%) and Media & Entertainment (15%); main sectors in terms of capitalisation are Finance (25%), Manufacturing (20%) and Chemistry (15%).

AIM Italia: breakdown by Sector



Excluding Chemistry (+269%), which is represented only by 1 single company, Media & Entertainment is the sector that has shown best share performance in 2017-2019 (+150%), followed by Healthcare goods & services (+35%).

AIM Italia: average 2017-March 28<sup>th</sup>, 2019 share price performance



In 2017 Manufacturing had the highest level of average revenues (84 Eu m), followed by Food & Beverage (73 Eu m) and Healthcare goods & services (56 Eu m). Excluding Chemistry, the best yoy growth was realized by Services (+22%), followed by Healthcare (+21%), while the sector registering the highest level of indebtedness was Energy & renewables (38.7 Eu m).

AIM Italia: average 2017 financial data

Sector	Revenues (Eu m)	Revenues YoY growth (%)	EBITDA margin (%)	NFP (Cash) (Eu m)	NFP/EBITDA (x)
Chemistry	11	114%	62%	(24.2)	(3.6)
Energy & renewables	35	13%	22%	38.7	7.4
Fashion & Luxury	33	10%	11%	4.7	(0.1)
Food & Beverage	73	3%	8%	13.8	0.9
Healthcare goods & services	56	21%	17%	7.8	1.4
Manufacturing	84	8%	12%	17.1	1.6
Media & Entertainment	22	(1%)	2%	5.5	0.7
Services	15	22%	18%	(0.4)	0.2
Technology	36	18%	14%	(1.4)	0.9
Telco	11	14%	40%	4.3	1.2
<b>AIM Italia</b>	<b>42</b>	<b>11%</b>	<b>13%</b>	<b>9.9</b>	<b>1.5</b>

Excluding Chemistry (represented by 1 company), the first sector in terms of average capitalisation is by Healthcare goods & services (94 Eu m), followed by Finance (76 Eu m). In terms of 2017 EV/EBITDA multiples, Technology (17.9x) shows the highest value, followed by Energy & renewables (17.4x).

AIM Italia: average market data

Sector	N. of companies	Market Cap (Eu m)	Free Float (%)	ADTT YTD (Eu)	EV/EBITDA 2017 (x)
Chemistry	1	1,026	37%	2,867,402	n.a.
Energy & renewables	12	27	24%	35,122	17.4
Fashion & Luxury	6	28	23%	15,467	7.4
Finance	23	76	71%	106,273	n.m.
Food & Beverage	5	75	41%	39,735	9.6
Healthcare goods & services	6	94	33%	90,179	14.0
Manufacturing	20	70	31%	63,495	12.7
Media & Entertainment	17	20	29%	36,269	9.8
Services	9	22	29%	30,647	11.8
Technology	16	43	31%	141,544	17.9
Telco	2	43	42%	538,942	11.3
<b>AIM Italia</b>	<b>117</b>	<b>59</b>	<b>38%</b>	<b>107,137</b>	<b>10.1</b>

Source: Osservatorio AIM and FactSet data as of April 1<sup>st</sup>, 2019.  
n.m. = not meaningful  
\* 30% as median value

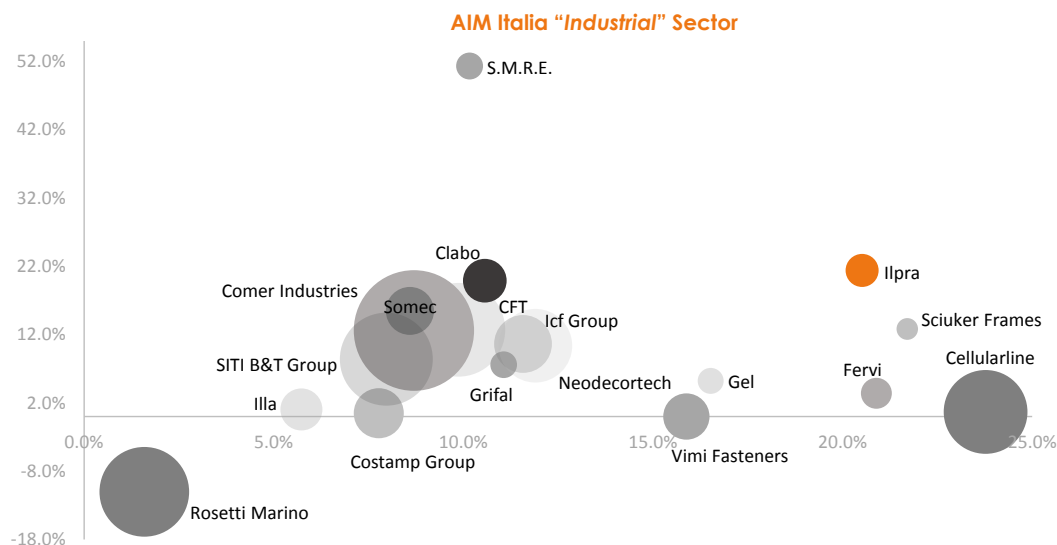
AIM POSITIONING

Higher sales growth but lower NFP within the AIM "Industrial" Sector

ILPRA positions itself in the AIM "Industrial" Sector.

Compared to average values of AIM Italia "Industrial" Sector, ILPRA shows:

- Higher EBITDA margin (19% vs. 12%);
- Lower net financial debt (8 Eu m vs. 17 Eu m).



2017 Data	Revenues (Eu m)	Revenues YoY growth (%)	EBITDA margin (%)	NFP (Cash) (Eu m)	EV/EBITDA (x)	NFP/EBITDA (x)
Askoll EVA	4	-0.2%	n.m.	15	n.m.	n.m.
Cellularline	166	1%	23%	65	5.7	1.7
CFT	207	13%	10%	35	5.8	1.7
Clabo	45	20%	11%	19	7.2	4.0
Costamp Group	59	n.m.	8%	27	27.2	5.9
Comer Industries	342	13%	9%	41	9.3	1.4
Energica Motor Company	1	-37%	n.m.	3	n.m.	n.m.
Fervi	22	3%	21%	6	7.6	1.2
Gel	16	5%	17%	2	4.4	0.9
Grifal	16	9%	12%	7	30.1	3.5
Icf Group	79	11%	12%	14	6.7	1.5
Illa	42	1%	6%	7	6.1	2.8
Ilpra	27	n.a.	19%	8	6.8	1.6
Neodecortech	128	11%	11%	47	4.2	3.3
Rosetti Marino	190	-11%	2%	-60	33.0	-20.0
S.M.R.E.	17	73%	10%	3	n.m.	1.7
Sciuker Frames	11	13%	22%	6	6.2	2.7
SITI B&T Group	203	8%	8%	34	5.4	2.1
Somec	54	n.a.	9%	45	44.2	9.7
Vimi Fasteners	50	n.a.	16%	20	6.4	2.5
<b>Industrial</b>	<b>84</b>	<b>8%</b>	<b>12%</b>	<b>17</b>	<b>12.7</b>	<b>1.6</b>
<b>AIM Italia*</b>	<b>42</b>	<b>11%</b>	<b>13%</b>	<b>9.9</b>	<b>13.9</b>	<b>1.5</b>

Compared to average values of AIM Italia "Industrial" Sector, ILPRA shows:

- lower market capitalisation (27 Eu m vs. 70 Eu m);
  - Lower free float (18% vs. 31%);
  - lower average daily traded turnover year-to-date (40k Eu vs. 63k Eu).
- The share performance from IPO is positive (+8% vs. -7%).

Market Data	Market Cap (Eu m)	Free Float (%)	Perf. from IPO (%)	ADTT YTD (Eu)
Askoll EVA	49	22%	-11%	9,613
Cellularline	153	81%	-30%	95,785
CFT	84	56%	-47%	44,315
Clabo	15	30%	-33%	19,559
Costamp Group	237	15%	0%	267,563
Comer Industries	98	7%	-8%	7,042
Energica Motor Company	40	36%	-21%	138,232
Fervi	30	19%	-23%	14,229
Gel	9	30%	-52%	14,537
Grifal	49	19%	98%	32,121
Icf Group	48	100%	-37%	86,337
Illa	8	20%	-64%	15,377
Ilpra	27	18%	8%	39,744
Neodecortech	13	27%	-6%	34,861
Rosetti Marino	160	0%	33%	3,020
S.M.R.E.	132	43%	140%	308,918
Sciuker Frames	9	29%	-44%	11,607
SITI B&T Group	54	25%	-46%	18,605
Somec	161	25%	29%	91,065
Vimi Fasteners	31	24%	-32%	17,372
<b>Industrial*</b>	<b>70</b>	<b>31%</b>	<b>-7%</b>	<b>63,495</b>
<b>AIM Italia*</b>	<b>59</b>	<b>38%</b>	<b>-4%</b>	<b>107,137</b>

Source: Osservatorio AIM Italia and FactSet data as of April 1<sup>st</sup>, 2019  
\* Average values

**PACKAGING MACHINE MARKET**

7.2 Eu b in 2017

CAGR 2015-17 +7.7%

Export 79.1% of total turnover

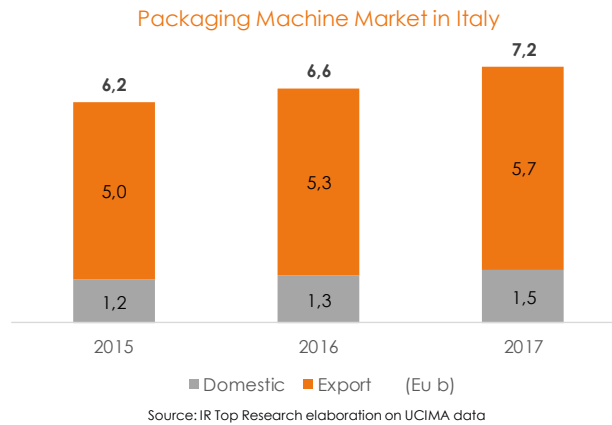
Highly Fragmented Market

Food & Beverage represents 56.1% of total turnover

Growth rate between 6.0% and 6.5% per year for 2018-2020 period.

42.7 Eu b in 2018E worldwide

ILPRA operates in the worldwide packaging machine market. According to a research by UCIMA **one in five packaging machines sold in the world is Made in Italy. In 2017 the total market value reached 7.2 Eu b** (+8.9% vs 6.6 Eu b of 2016). The domestic market drove growth by +14.4% vs 2016 (1.5 Eu b in absolute terms), but also **export increased by 7.5% to 5.7 Eu b** (vs 5.3 Eu b). In 2017 **export represented 79.1% of total turnover**, of which 37.4% to European Union (1.9 Eu b), 21.8% to Asia and 11.6% to North America.



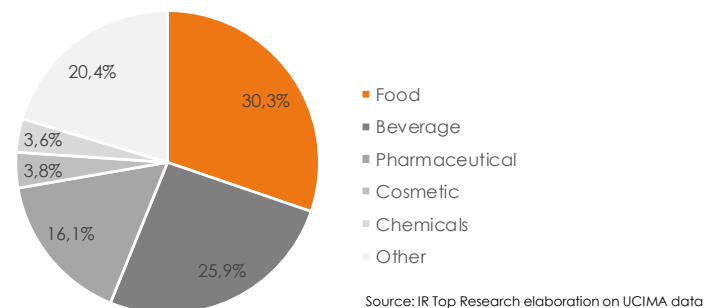
The packaging machine market in Italy is highly fragmented, with a total of 634 firms (+5.5% vs 2016) and 32,227 employees (+8.7% vs 2016).

**Among Italian producers of packaging machines 65.8% are companies with revenues less than 5 Eu m**, which contributes only for 8.9% to total turnover of the market. On the contrary, the **48 largest companies, with revenues of over 25 Eu m, account for 66.8% of total turnover of the market.**

The largest companies are also the only ones that register the increase in the average number of employees. Despite this polarization, in 2017 there was a strengthening of medium-sized companies (10-25 Eu m in turnover) which went from 52 to 77 (+25 units) and generated 15.4% of total turnover. Most of the companies are located in Emilia Romagna (36%) where 61.9% of the total turnover is produced. This is followed by Lombardy (28.1% of companies and 17.6% of turnover), Veneto (11.8% of companies and 8.9% of turnover) and Piedmont (11.4% of companies and 6% of turnover).

The **Food & Beverage industry is predominately among the clients of companies of packaging machines.** In particular Food contributes for 30.3% to the total turnover of the market and Beverage for 25.9%. The incidence of export in these industry is very high: 74% for the Food industry and 83% for Beverage. Among the other industries we find: Pharmaceutical (16.1%), Cosmetic (3.8%), Chemicals (3.6%) and other (among which there are tobacco, tissue, etc; 20.4%).

Packaging Machine Market in Italy by industry



For the period 2018-2020 the Research Department of UCIMA estimates growth rate between 6.0% and 6.5% per year, thanks to the continuation of good performance in Italy and Europe, and the improvement of the performance in Asia and Africa. In the last 10 years, the **demand for high and medium/high quality products** is becoming increasingly important, while mid-range products are less in demand. This trend will increase more and more in the future

According to BPC International research the **packaging machine market will reach at the end of 2018 42.7 Eu b worldwide**, with a CAGR 2016-2018 of 5.4%, driven by Asia (7.8%) and Africa-Australia (+7.4%).

**FOOD PACKAGING**

**50% of global turnover of this market segment is generated by Italian and German firms**

70% of ILPRAS revenue are relative to traysealers for the food sector. This market segment is dominated by European companies, with a leading role played by Italian and German companies.

According to ILPRA's Management Italy and Germany generate 50% of the global turnover of this market segment. The machines produced by Italian firms are appreciated by customers specially for high level of design and quality, typical of Made In Italy, on the contrary the German machines are appreciated for their reliability.

The main growth driver of this market niche are:

- **Change in eating habits:** preference for consumers to consume more and more ready and packaged foods;
- **Increased product shelf-life:** preference for products with longer life and conservation.

The reference market in Italy is very fragmented with c. 40 companies producing food packaging machines in Italy in 2016. Most of the players small local companies with revenues < 10 Eu m.

**COMPETITIVE LANDSCAPE**

**Reference market in Italy is highly fragmented**

Company	Activity	ILPRA Competitor	Revenues
G. Mondini	Manufacturer of complete lines (dosing machines, automatic packaging machines, filling machines)	30%	76.9 (2017)
<b>ILPRA</b>	<b>Trysealers, Thermoforming, Filler &amp; Sealers, Buckets Fillers, Trysealers Seal Box</b>	-	<b>28.4 (2018)</b>
Reepack	Thermoforming machines, vacuum machines, sealers	100%	10.9 (2017)
Italian Pack	Vacuum packaging machines in modified atmosphere	100%	9.8 (2017)
Coligroup	Trysealers, thermoforming machines, automatic vacuum systems, automatic food lines	80%	10.3 (2016)
Tecnovac	Trysealers machines, thermoforming machines, automatic fillers, bell machines	100%	3.7 (2016)
Migliorini	Realization of thermoforming and heat-sealing lines.	100%	2.6 (2016)
CA.VE.CO	Trysealers, Thermoforming and dosing systems	100%	2.4 (2016)

**COMPANY PROFILE**

**Global player specialized in the design and production of packaging machines**

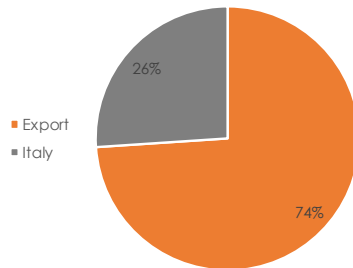
**74% of 2017 revenues realized abroad**

ILPRA is a primary player in the packaging market, and is **specialized in the design and production of packaging machines** for food, non food and medical healthcare products. The Company's products are 100% manufactured in-house in order to ensure high quality "Made in Italy" products.

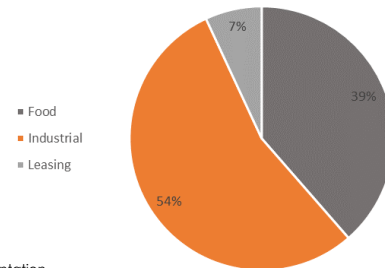
With 185 employees and 13,000 square meters of production area, the Company distinguishes itself in the market by **a wide range of packaging machines** (traysealers, fillers & sealers, thermoformers, buckets fillers, traysealers Seal Box) **and innovative technological solutions** (sealing, modified atmosphere packaging – MAP, vacuum packaging, skin packaging).

The Company provides its solutions to **over 1,500 clients in more than 129 countries worldwide** (export revenues c. **74%**), in particular in Europe, USA, Asia and Dubai, also thanks to direct presence through company subsidiaries. **Top 10 clients represent c. 70% of revenues.**

Revenues breakdown by geographical area FY 2018



Revenues breakdown by client's business<sup>1</sup>



Source: Analyst Presentation

**IPO on AIM Italia**

**Dividend pay-out ratio of 32%**

**ILPRA listed on the Italian AIM market on February 15, 2019.** The IPO price was set at a 2.1 Eu per share, corresponding to a market capitalisation of 25.3 Eu m. The offer consisted of a capital increase of 2,538,600 m new shares for 5.3 Eu m and a resulting free float of 18.34%. With the examination of FY 2018 results, the board has announced a dividend payment of 0.05 Eu p.s. (32% pay-out ratio) corresponding to a dividend yield of 2.2%.

**PRODUCT PORTFOLIO**

**Wide range of packaging machines fully customizable**

As one of the world leaders in the packaging machine market, ILPRA stands out for its vast range of **packaging machines** suitable for various types of packaging (sealing, Modified Atmosphere Packaging (MAP), Vacuum Packaging, and Skin Packaging). Product offering includes:

- **Traysealers:** allow the packaging and sealing of products in pre-formed trays (in PS, PP, APET, CPET, aluminium and coupled paperboard) by sealing only as well as modified atmosphere (MAP) or skin packaging. Pre-formed thermosealed trays are ideal for packaging a wide variety of food, non-food and medical products.
- **Fillers & Sealers:** dose, fill and seal packages of yoghurt, dressings, soups, ready-to-eat sauces, jams, liquid and dense/paste-like products in general, even at different temperatures. The product is filled inside pre-formed containers onto which an aluminium or coupled paperboard lid is sealed.
- **Thermoformers:** create and form product packages using packaging film onto which a sealing film is sealed. This line of models can also perform vacuum, modified atmosphere and skin packaging. These machines are ideal for all food and non-food products, particularly suitable for the packaging of medical products like instruments, devices or injectable products.
- **Buckets fillers:** designed for packaging liquid, creamy, dense and granulated products, by performing sealing only, vacuum and modified atmosphere packaging (MAP) operations. They are designed to be highly customizable thanks to a wide range of accessories available: denesters, dosing and lid-covering devices and more.
- **Traysealers Seal Box:** Filler and Sealer Line ideal for various production requirements (from small to high productions in fully automated lines). They use the same technology and work cycle as the Fill Seal series, although they are designed for non-stackable containers. The product is placed inside pre-formed plastic, glass and metal containers, which are sealed by an appropriate film drawn from a reel.

**BUSINESS MODEL**

**Customized products thanks to internal industrial production process**

ILPRA's business model is based on the design and manufacturing of packaging machines "Made In Italy" and sold worldwide and designed to provide customized solutions for clients and to ensure product quality and shelf-life.. An important part of the business model is maintenance and post sale services.



**VALUE CHAIN**

**Customized machines based on clients' specific needs**

ILPRA designs and manufactures the entire product range in its own production sites located in Italy. The production process is highly industrialized but with focus on customization in order to provide the market with machines able to satisfy clients' specific needs. The Company works on orders and has developed a detailed and accurate planning process of both purchases from suppliers and the management of the finished and semi-finished products warehouse in order to guarantee punctuality and precision. The production is in compliance with ISO9001:2015, that guarantees the full control and traceability of the entire production process.



**Value added thanks to maintenance and customer services**

## INNOVATION AND R&D

**Significant R&D investments**

**Innovative technologies to reduce air pollution and improve productivity of the machines**

## INTERNATIONAL PRESENCE AND SALES NETWORK

**4 subsidiaries, strong sales network, international branches and Area Manager network**

## STRATEGY

**International expansion, innovation and improvement of productive and corporate structures**

ILPRA distinguished itself in the market by offering a **full set of maintenance and post-sale services** including on site installation by specialized technicians, 24/7 assistance (on-line and on-site), preventive maintenance programs, personalized updating and timely supply of spare parts, training of personnel involved in the use of ILPRA's machines.

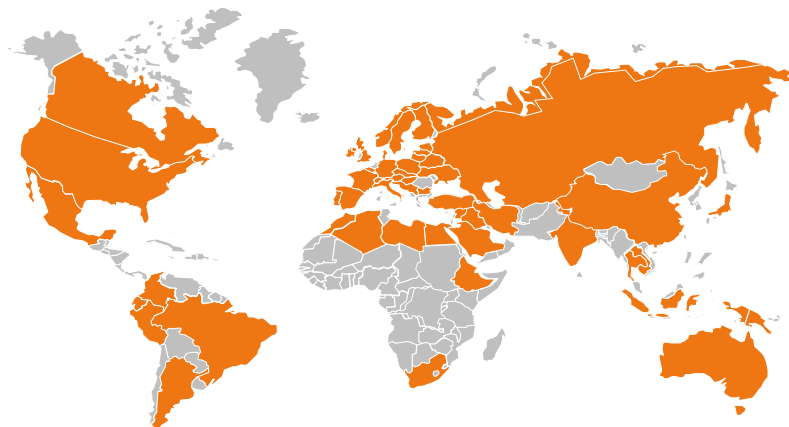
**ILPRA is a registered innovative SME since July 2018 and invests annually over 3% of total revenues in R&D.**

ILPRA's products are produced using cutting-edge technologies and offer packaging solutions with high standards of quality, precision and performance. The machines are designed by an internal R&D team of 8 FTEs. Thanks to two internally developed technologies ILPRA manages to produce machines that drastically reduce packaging costs thus improving the customer's competitiveness on the market:

- **ProGas** is an **innovative technology developed and patented by ILPRA**, which is based on an exclusive work cycle and can be applied to its packaging machines. The advantages are:
  - ✓ The reduction of air pollution as a consequence of the reduction of gas consumption;
  - ✓ The increase in productivity thanks to a much faster operating speed.
- **E-Mec** technology is applicable to ILPRA's machines and it is based entirely on the electro-mechanical motion of work stations, combined with a latest generation electronic management system. This technology allow to reduce energy wastage and air pollution to a minimum. In addition E-mec technology is able to reduce compressed air consumption by 70% and limit noise emissions by about 60%.

About 70% of the Company's total revenues are realized outside Italy and its international presence is guaranteed by **4 subsidiaries**: ILPRA Espana SA (23.33% owned), founded in 1995, ILPRA UK System Ltd (51% owned), founded in 1990, who owns 95% of ILPRA Hong kong Ltd (founded in 2012) and 100% of ILPRA Middle East (founded in 2016).

ILPRA operates with a worldwide sales network. In Italy the sales team is composed by n. 10 people divided in geographical areas: n. 4 in North, n. 2 in Middle and n. 4 in South Italy. Export markets are covered by a **capillary sales network**, based on **international branches and an Area Manager network** (considering only ILPRA SpA in 2017 the order backlog for foreign countries was about 13.9 Eu m).



Source: Company Presentation

**Innovation:** continuation of the innovation process of the Company based on ongoing investments in training, in innovative technological tools to guarantee maximum reliability of the product and in R&D activities.

**Production:** investments in production facility, in accordance to the requirements of *Industry 4.0* program, in order to improve the quality of production machines, following the ideas of "Lean Manufacturing" and "Lean Management".

**Corporate Structure:** concentration of the entire production and management activity in a single factory and improvement in the efficiency of business processes. Expansion of the sales network.

**Internationalization:** open of new branches abroad, with focus on France, Germany, Eastern Europe, Russia, Australia, USA, in order to made competitive positioning stronger in the main European and global markets.

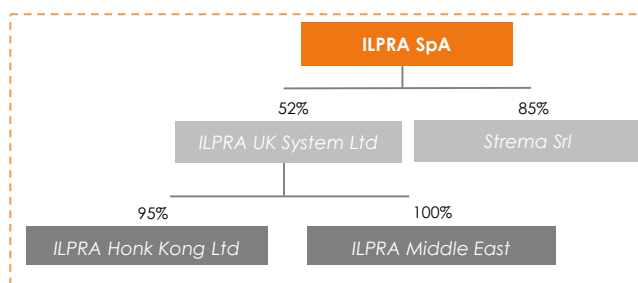
**Marketing and exhibitions:** in addition to the main international exhibitions of its reference market, the Company intends to make its presence stronger in the smaller local exhibitions, also and above all abroad, in order to penetrate more and more markets and sectors.

**M&A activity:** the Company intends to develop a growth strategy also identifying one or more companies to acquire. In particular the target companies will be looked for among firms producing highly specialized machines, end-of-line parts and dosing systems.

**GROUP STRUCTURE**

The Group structure is the following:

Scope of consolidation



**OWNERSHIP**

Main shareholders **Maurizio Bertocco and Cristina Maldifassi (both 39.46%)**

The share capital subscribed and paid up is 2,407,720 Eu, made up by n. 12,038,600 ordinary shares. The Company currently has the following shareholders' structure:

Shareholder	N° of shares	%
Maurizio Bertocco	4,750,000	39.46%
Cristina Maldifassi	4,750,000	39.46%
Market	2,538,600	21.09%
- of which Free Float	2,208,000	18.34%
- of which other shareholders < 5%	330,600	2.75%
<b>Total</b>	<b>12,038,600</b>	<b>100.0%</b>

Source: Company data

**GOVERNANCE**

5 directors, 1 independent

The Board of Directors is composed by 5 members, of which 1 independent.

**Maurizio Bertocco – Chairman and CEO:** after graduating in Accounting in 1977 at the "Luigi Casale" Commercial Technical Institute in Vigevano, Mr. Bertocco joined ILPRA in 1980 and after 8 years of experience as domestic and export Sales Manager, he reached his current position as Sole Administrator of ILPRA in 1988. Mr. Bertocco has contributed to the development of the Company, by driving the opening of branches in export markets and by the internalization of the production activity within the Company.

**OPPORTUNITIES**

The Company provides wide range of products and ad hoc solutions

**Strong expertise:** the Company has more than 60 years of experience, with strong know-how in the study, design and develop of innovative and modern technology in the packaging industry.

**Made in Italy:** design and production of the packaging machines entirely in Italy, using innovative 3D software and ERP/MRP systems. ILPRA controls the entire productive process by acting directly on time, cost and quality of the product made with its packaging machines.

Italian packaging machines market is constantly growing

**Wide range of products and customised solutions:** ILPRA provides its clients with different machines for different types of packaging and production lines, designed and produced to offer customised solutions. All the machines produced by the Company can be customized by the clients in order to meet the needs of both the single craftsman and the large company.

**International presence and competitive positioning:** with about 74% of 2018 revenues realized abroad and with a capillary presence worldwide, also thanks to the subsidiaries, the Company is able to provide its clients with a complete product/service offering (design, production, sales, add on services, maintenance and assistance).

**One in five packaging machines sold in the world is Made in Italy:** the Italian packaging machines market is constantly growing (CAGR 2015-17 +7.7%), mainly thanks to the attention to the materials used for packaging, which help to increase the safety of products and to ensure greater shelf-life.

**MAIN RISKS**

High number of competitors and low product characterization

**Macroeconomic situation and evolution of the reference market:** the industry performance is related to the general economic outlook and therefore any period of recession can lead to reduced demand for the products and services offered.

**Competitiveness risk:** the Italian packaging machine market is very fragmented, although many competitors are of a smaller size compared to ILPRA and serves only the domestic market. Presence of larger competitors, mainly German companies, with similar strategy as the Company in terms of product differentiation in the export market on the "premium" segment

**High product offering in the market:** especially in Italy, as many smaller players manufacture packaging machines by assembling parts, not producing them. This generate a high offer of the product in the market and hence lower customer loyalty.

**Exchange rate fluctuation risk:** especially related to Euro/Dollar exchange rate.

## FINANCIAL PERFORMANCE

## FY 2018

Revenues 28.4 Eu m

EBITDA 5.5 Eu m

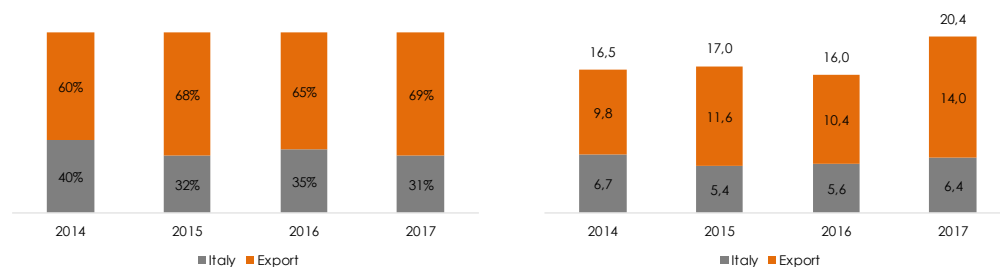
EBITDA margin 19.5%

NFP 9.5 Eu m

## FY 2018 RESULTS

In 2018 the Company reorganized the group structure. In order to provide a meaningful comparison, Management has provided audited **pro-forma 2017 consolidated results**, including ILPRA UK System and Strema for the full 12 months (previously not consolidated). PF 2017 results are however not completely comparable with FY 2018 consolidated results, as the latter in addition to UK System and Strema also include ILPRA Hong Kong and ILPRA Middle East. FY 2017 and 2016 Actual results represent Ilpra Spa stand alone. As shown in the figure below, ILPRA Spa has recorded a 2014 – 2017 CAGR of 7%.

Revenue History ILPRA Spa (Eu m)



FY 2018 revenues came in at 31.5 Eu m, up by +16% vs. PF 2017 (27.2 Eu m). Growth was mainly driven by export +12%, although also the domestic market performed well (+10% yoy). 75% of total revenues were realized abroad (up from 74% PF 2017) thanks to the international expansion in important foreign markets (e.g. Hong Kong and Dubai).

EBITDA came in at 5.5 Eu m, with an EBITDA margin of 19.5%, down slightly vs. PF 2017 (20.6%) also as a consequence of an increase in personnel costs (+1.2 Eu m) following the strengthening of corporate functions, and costs related to a change in production method for two of the Company's models. EBIT stood at 4.2 Eu m (14.8% of sales), after D&As of 1.3 Eu m, up slightly from PF 2017 (1.1 Eu m). Group's Net profit came in at 2.4 Eu m with and an EPS of 0.20 Eu p.s., after minorities of 0.5 Eu m (16% of total Net Profit).

The Company reported fixed assets of 9.5 Eu m, mainly represented by tangibles (7.1 Eu m). Intangible assets were of 2.0 Eu m of which 1.3 Eu m relative to development costs. The Company features rather significant Working Capital, typical for the businesses with trade receivables of 8.1 Eu m, Inventory of 10.8 Eu m and Trade Payables of 4.6 Eu m.

Eu m – IAS/IFRS	PF 17	18A
Trade receivables	8.0	8.1
Inventory	9.0	10.8
Trade payables	(5.0)	(4.6)
<b>Operating Working Capital</b>	<b>12.0</b>	<b>14.3</b>
Other current assets	1.3	3.7
Other current liabilities	(3.2)	(5.0)
<b>Net Working Capital</b>	<b>10.6</b>	<b>13.0</b>

Net debt at the end of the period considered stood at 9.5 Eu m, and includes 4.5 Eu m overdue tax payables. PFN/EBITDA ratio was of 1.7x (1.6x PF2017).

ITA GAAP	ILPRA SPA			ILPRA GROUP		
	15A	16A	17A	17PF	18A	
<b>Eu m</b>	<b>17.0</b>	<b>16.0</b>	<b>20.3</b>	<b>25.6</b>	<b>28.4</b>	
<b>Net Sales</b>		-5.7%	27.2%	n.a.	11.0%	
<b>Revenues (VoP)</b>	<b>17.9</b>	<b>17.6</b>	<b>21.4</b>	<b>27.2</b>	<b>31.5</b>	
	yoy	n.a.	-1.9%	+21.4%	n.a.	+15.8%
<b>EBITDA</b>	<b>1.7</b>	<b>2.4</b>	<b>3.1</b>	<b>5.3</b>	<b>5.5</b>	
	margin	9.2%	13.7%	14.7%	19.4%	19.5%
<b>EBIT</b>	<b>0.8</b>	<b>1.5</b>	<b>2.1</b>	<b>4.0</b>	<b>4.2</b>	
	margin	4.6%	8.8%	9.9%	14.9%	14.8%
<b>Pre-tax profit</b>	<b>0.3</b>	<b>1.0</b>	<b>1.7</b>	<b>3.7</b>	<b>3.8</b>	
<b>Net Profit</b>	<b>0.03</b>	<b>0.4</b>	<b>1.1</b>	<b>2.5</b>	<b>2.9</b>	
<b>Group's Net Profit</b>	-	-	-	<b>2.1</b>	<b>2.4</b>	
Net Working Capital (NWC)	10.9	8.5	12.0	10.6	13.0	
Fixed net assets	6.8	9.3	7.1	8.3	9.5	
Funds	(1.6)	(1.8)	(2.0)	(2.2)	(2.5)	
<b>Net Capital Employed</b>	<b>16.2</b>	<b>16.1</b>	<b>17.1</b>	<b>16.6</b>	<b>20.0</b>	
Net Debt (Cash)	8.6	8.1	8.1	8.4	9.5	
Equity	7.6	8.0	9.1	8.2	10.5	
Group's Equity	-	-	-	6.4	8.6	
<b>Sources</b>	<b>16.2</b>	<b>16.1</b>	<b>17.1</b>	<b>16.6</b>	<b>20.0</b>	

Source: Company data (ITA GAAP)

## ESTIMATES

## 2019-2021 ESTIMATES

For 2019-2021 we believe that:

- ILPRA can grow sales at a CAGR of +9% given expected market growth and the Company's competitive position.
- IPO proceeds (4.4 Eu m net of IPO costs) should give the Company financial resources necessary to carry out the opening of new geographical markets and pursue an external growth strategy through M&A should the right opportunity occur (not considered in our plan).
- EBITDA should grow at a CAGR of 14% principally thanks to operational leverage with fixed costs spread over higher revenues and we expect EBITDA margin to grow by 370 bps (from 19,4% to 23.1% in 2021).
- We have assumed a tax rate of 25% in line with FY2018, as the Company will continue to be able to benefit from Tax credits and "super ammortamento" related to Industria 4.0 investments
- We expect Net Profit to reach 4.4 Eu m in 2021 (2.9 Eu m FY 2018). We have not assumed payment of dividends although the Company has announced a dividend for 2018 (payout ratio of 32%) of 0.05 Eu p.s. (total amount of 0.6 Eu m)
- We estimate total CAPEX of 3.1 Eu m over the period considered mainly referring to investments in R&D and to increase production capacity and implement lean manufacturing and lean management.
- The Company should reach a cash position at the end of the period considered vs. a Net Debt of 9.5 Eu m at FY 2018, thanks to an average operating cash flow of 4.6 Eu m over the three year period.

## MAIN FINANCIAL INDICATORS

Eu m	18A	19E	20E	21E
<b>Revenues</b>	<b>31.5</b>	<b>32.2</b>	<b>34.5</b>	<b>37.9</b>
	yoy	+15.8%	+2.5%	+7.0%
<b>EBITDA</b>	<b>5.5</b>	<b>6.2</b>	<b>7.2</b>	<b>8.3</b>
	margin	19.5%	20.1%	21.4%
<b>EBIT</b>	<b>4.2</b>	<b>4.9</b>	<b>5.7</b>	<b>6.7</b>
	margin	14.8%	15.9%	17.0%
<b>Pre tax profit</b>	<b>3.8</b>	<b>4.5</b>	<b>5.7</b>	<b>6.7</b>
<b>Net Profit</b>	<b>2.9</b>	<b>3.1</b>	<b>4.4</b>	<b>4.6</b>
<b>Group's Net Profit</b>	<b>2.4</b>	<b>2.7</b>	<b>3.8</b>	<b>3.9</b>
<b>Eu m</b>	<b>18A</b>	<b>19E</b>	<b>20E</b>	<b>21E</b>
Net Working Capital (NWC)	13.0	14.7	15.1	16.1
Fixed net assets	9.5	9.4	9.3	8.4
Funds	(2.5)	(2.5)	(2.5)	(2.6)
<b>Net Capital Employed</b>	<b>20.0</b>	<b>21.6</b>	<b>21.8</b>	<b>21.88</b>
Net Financial Position (Cash)	9.5	2.7	(1.6)	(6.1)
Equity	10.5	19.0	23.4	28.0
Group's Equity	8.6	16.6	20.4	24.3
<b>Sources</b>	<b>20.0</b>	<b>21.6</b>	<b>21.8</b>	<b>21.8</b>

Source: Company data (ITA GAAP) and IR Top estimates

## AIM POSITIONING DISCOUNT/PREMIUM

### AIM POSITIONING DISCOUNT/PREMIUM

When using market multiples to determine the fair value of an AIM Italia listed company, we apply a discount on the average peer multiple based on an algorithm that measures the positioning of the company compared to the AIM Italia market as a whole and to the relevant AIM Sector .

In partnership with "Osservatorio AIM" (IR Top proprietary database) all companies listed on AIM Italia have been analysed over 4 dimensions:

1. Market Data (capitalisation, liquidity, free float)
2. Financials (growth and profitability)
3. Sustainability (ESG)
4. Transparency (strategic plan)

The Market Data establishes a base discount that runs from 20% to 30%. According to a scoring system, the other 3 dimensions (Financials, Sustainability and Transparency) determine an additional discount/premium in a range of +/- 5%.

Applying the algorithm on ILPRA, we consider fair a discount of 27.25% to Industry peers based on:

- Market Data discount of 30.0%
- A 2.75% discount as a sum of the scoring for Financials, ESG and Transparency.

The figure below summarizes ILPRA's relative positioning for the items considered.

### 27.25% discount to Industry peers multiples according to AIM Positioning

ILPRA's AIM Positioning	AIM Sector		AIM Italia		YES	NO
	<AVG	>AVG	<AVG	>AVG		
<b>Market Data</b>						
Capitalisation	X		X			
Liquidity (ADTT YTD)	X		X			
Free Float	X		X			
<b>Financials</b>						
	<AVG	>AVG				
YoY Revenues growth		X				
EBITDA Margin		X				
Dividend policy						X
<b>Sustainability (ESG)</b>						
Independent Directors					X	
List vote					X	
Relevant Environmental Data						X
Relevant Social Data					X	
<b>Transparency</b>						
Strategic Plan						X

Source: Osservatorio AIM Italia and FactSet data as of April 10<sup>th</sup>, 2019

## VALUATION

We value ILPRA through 2 different approaches:

- Market multiples comparison with national and international peers;
- Discounted Cash Flow (DCF) model.

## MULTIPLES

We have identified 2 different peer groups: AIM listed peers active in Manufacturing sectors and International peers active in the manufacturing of packaging machines. We applied a 27.25% discount on Industry peers, in line with average discount as calculated by Osservatorio AIM Italia. No discount was applied on AIM Peers.

	Country	Market Cap (Eu m)	2017 Revenues (Eu m)	yoy	2017A EBITDA %	2018E EBITDA %
Askoll EVA		48	4	-0%	n.s.	-25%
Cellularline	Italy	158	166	1%	23%	26%
CFT	Italy	80	207	13%	10%	8%
Clabo	Italy	16	45	20%	11%	12%
Costamp Group	Italy	93	59	n.s.	8%	11%
Comer Industries	Italy	263	342	13%	9%	n.a.
Energica Motor Company	Italy	38	1	-37%	n.s.	n.a.
Fervi	Italy	30	22	3%	21%	20%
Gel	Italy	9	16	5%	17%	25%
Grifal	Italy	49	16	9%	12%	14%
Icf Group	Italy	49	79	11%	12%	11%
Illa	Italy	7	42	1%	6%	3%
Neodecortech	Italy	13	128	11%	11%	14%
Rosetti Marino	Italy	161	190	-11%	2%	2%
S.M.R.E.	Italy	133	17	73%	10%	12%
Sciuker Frames	Italy	6	11	13%	22%	23%
SITI B&T Group	Italy	59	203	8%	8%	8%
Somec	Italy	161	54	n.d.	9%	11%
Vimi Fasteners	Italy	31	50	n.d.	16%	15%
<b>Median AIM Peers</b>		<b>49</b>	<b>47</b>	<b>9%</b>	<b>11%</b>	<b>12%</b>
ILPRA	Italy		21 <sup>1</sup>	+21% <sup>1</sup>	21%	20%

	18E	19E	20E
Askoll EVA	n.s.	38.0	10.
Cellularline	5.3	4.5	3.7
CFT	3.5	2.8	2.2
Clabo	6.5	4.8	4.2
Costamp Group	16.1	12.4	9.1
Comer Industries	n.d.	n.d.	n.d.
Energica Motor Company	n.d.	n.d.	n.d.
Fervi	5.6	4.6	3.7
Gel	3.8	5.6	4.7
Grifal	21.1	15.0	4.9
Icf Group	6.9	5.7	4.9
Illa	13.4	4.8	3.5
Neodecortech	3.2	2.6	2.0
Rosetti Marino	18.7	7.5	3.9
S.M.R.E.	39.6	20.9	8.4
Sciuker Frames	2.5	1.6	1.2
SITI B&T Group	5.0	5.0	4.4
Somec	9.3	6.3	5.2
Vimi Fasteners	5.1	4.4	3.8
<b>Median AIM Peers</b>	<b>6.0</b>	<b>5.0</b>	<b>4.2</b>

Source: IR Top Research estimates for ILPRA; estimates and multiples computed on the base of the consensus of the researches published in the last year and available about the listed Company, as of April 8<sup>th</sup>, 2019, for the AIM Italia companies of Manufacturing sector.

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

<sup>1</sup> data related to ILPRA SpA

	Country	Market Cap (Eu m)	2017 Revenues (Eu m)	yoy	2017A EBITDA %	2018E EBITDA %
Alfa Laval	Sweden	8,742	3,665	-3%	19%	19%
GEA Group	Germany	4,435	4,605	3%	10%	10%
GIMA TT	Italy	612	152	51%	40%	40%
I.M.A.	Italy	2,658	1,320	1%	17%	17%
John Bean Technologies	USA	2,761	1,449	19%	12%	13%
Krones	Germany	2,629	3,691	9%	9%	8%
SPX Flow	USA	1,305	1,730	-4%	10%	12%
<b>Median International Peers</b>		<b>2,658</b>	<b>1,730</b>	<b>3%</b>	<b>12%</b>	<b>13%</b>
ILPRA	Italy		21 <sup>1</sup>	+21% <sup>1</sup>	21%	20%

	18E	19E	20E
Alfa Laval	11.2	11.4	10.5
GEA Group	8.8	9.9	9.1
GIMA TT	7.7	14.7	11.4
I.M.A.	9.2	10.7	9.7
John Bean Technologies	10.5	13.1	11.6
Krones	6.3	7.3	6.3
SPX Flow	7.5	7.3	6.6
<b>Median International Peers</b>	<b>8.8</b>	<b>10.7</b>	<b>9.7</b>

Source: IR Top Research estimates for ILPRA and FactSet data as of April 10<sup>th</sup>, 2019 for peers

n.a. = not available

<sup>1</sup> data related to ILPRA SpA

**DCF AND SENSITIVITY ANALYSIS**

Main assumptions:

- Risk-free interest rate: 2.7 % (12-month average of Italian 10y BTP yield)
- $\beta$  unlevered: 0.9 (industry average Packaging peers)
- WACC: 9.4%
- Perpetual growth: 1.0%

Sum of PV 2019-2021 FCFs (Eu m)	9.0	19%
Discounted Terminal Value (Eu m)	38.4	81%
<b>Enterprise Value (Eu m)</b>	<b>47.3</b>	<b>100%</b>
Net Debt FY 2018 (Eu m)	9.5	
Cash proceeds from IPO	(5.3)	
Minorities FY 2018 (Eu m)	1.4	
<b>Equity Value (Eu m)</b>	<b>41.7</b>	
Number of outstanding shares fully diluted (m)	12.0	
<b>Fair Value per share (Eu)</b>	<b>3.47</b>	

**DCF Sensitivity analysis**

Eu m		WACC				
		8.4%	8.9%	9.4%	9.9%	10.4%
g	0.5%	3.78	3.51	3.27	3.06	2.87
	1.0%	4.03	<b>3.73</b>	<b>3.47</b>	<b>3.23</b>	3.02
	1.5%	4.32	3.98	3.68	3.42	3.19

**VALUATION SUMMARY**

Our valuation yields a Target Price of 3.30 Eu p.s.

Weighting the two approaches equally, we set a **target price of 3.30 Eu per share**, implying an upside of 45% and an implicit 2019-2020 EV/EBITDA multiples of 8.0x and 6.9x respectively.

Method	Weight	Price (Eu)
Multiple analysis	50%	3.13
DCF	50%	3.47
<b>Target Price</b>	<b>100%</b>	<b>3.30</b>

**ILPRA ON AIM**

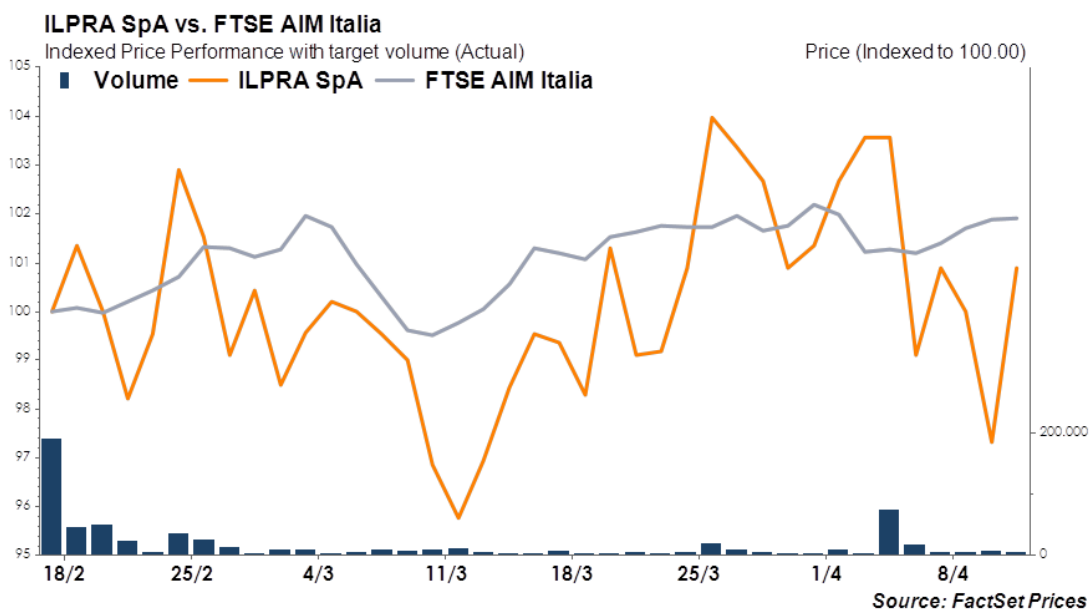
**+8% from IPO**

**IPO**

Date: February 15<sup>th</sup>, 2019  
 Capital raised: 5.3 Eu m  
 Price: 2.10 Eu  
 Capitalisation: 25.3 Eu m

**SHARES** (as of April 10<sup>th</sup>, 2019)

Code: ILP  
 Bloomberg: ILP IM  
 Reuters: ILP.MI  
 ISIN: IT0005359101  
 Shares: 12,038,600  
 Price: 2.26 Eu  
 Performance from IPO: +7.62%  
 Capitalisation: 27.2 Eu m  
 Free Float: 18.34%  
 NomAd: Integrae SIM  
 Specialist: Integrae SIM





## KEY FIGURES

Profit&Loss Statement	2017PF	2018A	2019E	2020E	2021E
Revenues (VoP)	27,2	31,5	32,2	34,5	37,9
EBITDA	5,3	5,5	6,2	7,2	8,3
EBIT	4,0	4,2	4,9	5,7	6,7
Financial Income (charges)	(0,4)	(0,4)	(0,4)	0,0	0,0
Pre-tax profit (loss)	3,7	3,8	4,5	5,7	6,7
Taxes	(1,1)	(0,9)	(1,4)	(1,3)	(2,1)
Net profit (loss) Group	2,5	2,9	3,1	4,4	4,6

## Balance Sheet

Fixed assets	8,3	9,5	9,4	9,3	8,4
NWC	10,6	13,0	14,7	15,1	16,1
M/L Funds	(2,2)	(2,5)	(2,5)	(2,5)	(2,6)
Net Capital Employed	16,6	20,0	21,6	21,8	21,8
Net Debt	8,4	9,5	2,7	(1,6)	(6,1)
Equity	6,4	8,6	16,6	20,4	24,3

## Cash Flow

EBIT	n.a.	4,2	4,9	5,7	6,7
D&A	n.a.	1,3	1,3	1,5	1,6
Tax	n.a.	(0,9)	(1,4)	(1,3)	(2,1)
Other	n.a.	0,0	0,0	0,0	0,0
Change in M/L Funds	n.a.	0,3	(0,0)	0,0	0,1
Gross Cash Flow	n.a.	4,9	4,7	5,9	6,3
Change in NWC	n.a.	(2,5)	(1,7)	(0,3)	(1,0)
Operating Cash Flow	n.a.	2,4	3,0	5,6	5,3
Capex	n.a.	(2,2)	(1,1)	(1,3)	(0,7)
Change in Financial Assets	n.a.	(0,3)	0,0	0,0	0,0
Financial Income (charges)	n.a.	(0,4)	(0,4)	0,0	0,0
Free Cash Flow	n.a.	(0,5)	1,6	4,3	4,6
Dividend	n.a.	0,0	0,0	0,0	0,0
Change in Equity	n.a.	(0,6)	4,8	(0,7)	(0,7)
Change in Net debt	n.a.	(1,2)	6,4	3,6	3,9

## Per Share Data

## Price

## Total shares out (mn) average

EPS	0,2	0,2	0,3	0,4	0,4
DPS	n.a.	0,0	0,0	0,0	0,0
FCF	n.a.	(0,0)	0,1	0,4	0,4
Pay out ratio	0%	0%	0%	0%	0%

## Ratios

EBITDA margin	19,4%	17,6%	19,1%	20,7%	21,8%
EBIT margin	14,9%	13,4%	15,2%	16,5%	17,5%
Net Debt/Equity (Gearing)	131,4%	109,8%	16,1%	-7,8%	-25,3%
Net Debt/EBITDA	1,60	1,71	0,43	-0,22	-0,74
Interest cover EBIT	10,83	10,08	13,40	n.s.	n.s.
ROCE	31,1%	25,7%	29,1%	31,9%	39,9%
ROE	39,6%	33,1%	18,8%	21,8%	18,9%

## Growth Rates

Revenues (VoP)	n.a.	16%	2%	7%	10%
EBITDA	n.a.	5%	11%	16%	15%
EBIT	n.a.	4%	16%	16%	17%
Net Profit	n.a.	13%	9%	42%	4%

Source: Company data (ITA GAAP, OIC) 2017PF and IRTop Research estimates for 2019-2021  
n.a. = not available

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