

ILBE

Sector: Media

OUTPERFORM

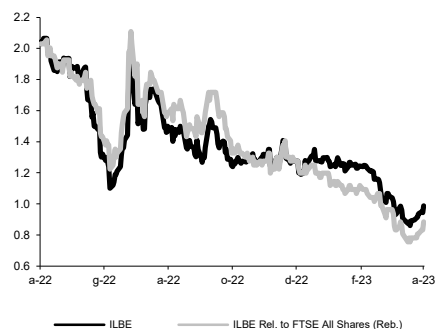
Price: Eu0.99 - Target: Eu2.20

2023 To Be A Transitional Year

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 3.00 to 2.20		
	2023E	2024E	2025E
Chg in Adj EPS	-17.7%	-17.8%	

ILBE - 12M Performance



Stock Data			
Reuters code:	IE.MI		
Bloomberg code:	IE IM		
Performance	1M	3M	12M
Absolute	-5.9%	-22.4%	-51.3%
Relative	-10.3%	-25.4%	-64.2%
12M (H/L)	2.06/0.86		
3M Average Volume (th):	13.87		

Shareholder Data	
No. of Ord shares (mn):	35
Total no. of shares (mn):	35
Mkt Cap Ord (Eu mn):	35
Total Mkt Cap (Eu mn):	35
Mkt Float - Ord (Eu mn):	7
Mkt Float (in %):	20.9%
Main Shareholder:	
Andrea Iervolino	31.7%

Balance Sheet Data	
Book Value (Eu mn):	103
BVPS (Eu):	2.93
P/BV:	0.3
Net Financial Position (Eu mn):	-31
Enterprise Value (Eu mn):	66

- FY22 adj. EBIT in line with expectations, one-off charges for Eu11mn, better debt.**
 The consolidated accounts for 2022 closed with total revenues at Eu161mn, up 5.7% YoY and 3.7% better than expected, with a sharp acceleration in 4Q22 (Eu61mn). Revenues from film and audiovisual rights and government grants reached Eu108.6mn (Eu93.6mn in 2021). EBIT was Eu20.8mn, down 14.9% YoY and broadly in line with our expectations. Below this line were Eu11.0mn of non-recurring one-offs (Eu9.5mn in 4Q22), related to the change in the commercial strategy and consequent higher amortisation of family movies. Net debt excluding IFRS16 closed over Eu5mn better than expected at Eu23.1mn, down more than Eu6mn vs. YE21.
- Management indications and outlook.** The contracted production portfolio (minimum guaranteed revenues from productions yet to be realised) stands at Eu172.9mn. The value of projects under development for future activities for which the group is likely to develop and sign contracts in 2023-25 is estimated at c.Eu311.1mn. For 2023, management foresees growth in revenue and capitalised projects, but with slightly lower profit margins than in 2022.
- Estimate update.** In this report we are raising our 2023-24 revenue estimates to take into account the visibility offered by the backlog, while remaining a touch more cautious than management indications. In terms of EBIT and cash flow generation, it remains difficult to get a clear grasp of the impact of the various projects, which are likely to provide different contributions in terms of both margins and cash profile. The core animation business should continue to grow thanks to new projects and new formats (e.g. animation movies, TikTok clips) but evidence of public appreciation for these types of products remains mixed. Live action films seems to be a higher-risk, higher-margin business, with the further possibility of some quite promising projects in 2023. We remind that ILBE is investing in Serbia to develop future business in innovative areas, such as the metaverse, on which we expect more visibility during the year. All in all, we are broadly confirming our 2023-24 EBIT estimates. At the same time, we are factoring higher financial charges and a slightly higher tax rate into our estimates. Looking ahead, our focus will be on tracking ILBE's success in exploiting the great potential of intellectual property for animated characters, working in partnership with other industry players. In terms of cash flow, we expect net debt to grow again after the positive 2022 reduction, without including any new investments related to productions that could be announced in the coming months.
- OUTPERFORM; target from Eu3.0 to Eu2.2.** On a positive note, group business is more diversified than in the past; however, it is difficult to gain a clear understanding of the profitability and cash profile of individual projects. We expect 2023 to be characterised by the production of some good quality live-action movies such as "Paradox Effect", but also to show slightly declining adjusted EBIT and increasing net debt. In conclusion, by moving our 2023 EV/EBIT fair valuation from 7.0x to 6.0x, our target price comes down to Eu2.2 from Eu3.0. We stress that confirming a sustainable cash flow balance and stronger evidence of public appreciation of the company's animated products remain essential conditions for triggering a re-rating.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	152	161	158	162	163
EBITDA Adj (Eu mn)	138	131	125	126	129
Net Profit Adj (Eu mn)	18	3	12	12	13
EPS New Adj (Eu)	0.523	0.099	0.334	0.333	0.372
EPS Old Adj (Eu)	0.526	0.328	0.406	0.405	
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	1.1	0.7	0.5	0.5	0.5
EV/EBIT Adj	6.2	4.2	3.6	3.4	3.0
P/E Adj	1.9	10.0	3.0	3.0	2.7
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	0.2	0.2	0.2	0.2	0.2

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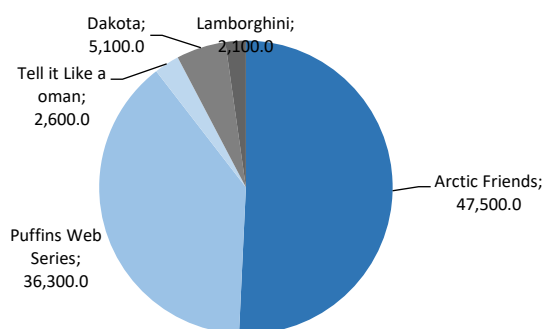
ILBE – Key Figures						
Profit & Loss (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Sales	121	152	161	158	162	163
EBITDA	112	138	131	125	126	129
EBIT	22	24	10	18	18	20
Financial Income (charges)	-1	-3	-5	-5	-5	-5
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	21	20	5	13	13	15
Taxes	-2	-2	-1	-2	-2	-2
Tax rate	8.8%	9.5%	22.3%	12.0%	12.0%	12.0%
Minorities & Discontinued Operations	0	0	-0	0	0	0
Net Profit	19	18	3	12	12	13
EBITDA Adj	112	138	131	125	126	129
EBIT Adj	23	24	21	18	18	20
Net Profit Adj	19	18	3	12	12	13
Per Share Data (Eu)	2020A	2021A	2022A	2023E	2024E	2025E
Total Shares Outstanding (mn) - Average	35	35	35	35	35	35
Total Shares Outstanding (mn) - Year End	35	35	35	35	35	35
EPS f.d	0.553	0.523	0.099	0.334	0.333	0.372
EPS Adj f.d	0.553	0.523	0.099	0.334	0.333	0.372
BVPS f.d	1.901	2.427	2.535	2.928	3.334	3.794
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Gross Cash Flow	96	140	123	116	119	122
Change in NWC	2	-5	-21	-17	-6	-4
Capital Expenditure	-109	-147	-99	-104	-110	-115
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-10	-13	3	-5	3	3
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	-15	-14	3	-5	3	3
Balance Sheet (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Total Fixed Assets	69	101	78	77	80	89
Net Working Capital	6	4	26	46	52	56
Long term Liabilities	-1	-1	-0	-0	-0	-0
Net Capital Employed	83	115	115	135	146	159
Net Cash (Debt)	-16	-29	-26	-31	-28	-25
Group Equity	67	86	89	103	118	134
Minorities	0	0	0	0	0	0
Net Equity	67	86	89	103	118	134
Enterprise Value (Eu mn)	2020A	2021A	2022A	2023E	2024E	2025E
Average Mkt Cap	137	123	61	35	35	35
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-16	-29	-26	-31	-28	-25
Enterprise Value	153	152	87	66	63	60
Ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
EBITDA Adj Margin	93.1%	90.8%	81.1%	79.2%	78.1%	78.9%
EBIT Adj Margin	18.9%	16.0%	12.9%	11.6%	11.4%	12.2%
Gearing - Debt/Equity	23.3%	34.2%	28.9%	30.3%	23.8%	18.6%
Interest Cover on EBIT	33.5	7.5	1.9	3.7	3.7	4.0
Net Debt/EBITDA Adj	0.1	0.2	0.2	0.2	0.2	0.2
ROACE*	33.7%	23.8%	8.5%	14.7%	13.1%	13.1%
ROE*	34.0%	24.1%	4.0%	12.2%	10.6%	10.4%
EV/CE	2.3	1.5	0.8	0.5	0.4	0.4
EV/Sales	1.3	1.0	0.5	0.4	0.4	0.4
EV/EBITDA Adj	1.4	1.1	0.7	0.5	0.5	0.5
EV/EBIT Adj	6.7	6.2	4.2	3.6	3.4	3.0
Free Cash Flow Yield	-29.9%	-36.1%	9.3%	-15.7%	9.5%	9.0%
Growth Rates (%)	2020A	2021A	2022A	2023E	2024E	2025E
Sales	50.9%	26.2%	5.7%	-1.8%	2.2%	1.1%
EBITDA Adj	49.1%	23.0%	-5.6%	-4.1%	0.8%	2.1%
EBIT Adj	0.6%	7.3%	-14.9%	-11.5%	-0.3%	8.5%
Net Profit Adj	-3.7%	-5.5%	-81.1%	239.3%	-0.4%	11.7%
EPS Adj	-8.9%	-5.5%	-81.1%	239.3%	-0.4%	11.7%
DPS						

*Excluding extraordinary items Source: Intermonte SIM estimates

4Q/FY22 Results

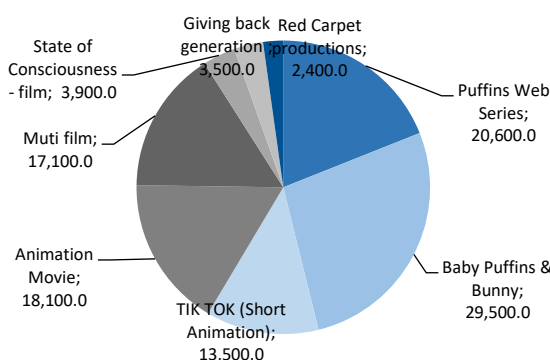
The consolidated accounts for 2022 closed with total revenues at Eu161mn, up 5.7% YoY and 3.7% better than expected, with a sharp acceleration in 4Q22 (Eu61mn). Revenues from film and audiovisual rights and government grants reached Eu108.6mn (Eu93.6mn in 2021). Notably, in 2021 more than half of total film revenues were generated by the web series Arctic Friends, with the delivery of the episodes that completed the project. In 2022, ILBE was not able to offset the missing contribution from this important project, nor did it succeed in achieving a more widely differentiated revenue stream. In FY22 the overall contribution from animation projects came to 87.3% of the total, compared to 89.5% in FY21.

ILBE: FY21 film revenue breakdown



Source: Intermonte SIM

ILBE: FY22 film revenue breakdown



Source: Intermonte SIM

In 2H22, adjusted EBIT came in at Eu9.6mn, in line with our estimates, but this figure was almost cancelled out by the non-recurring one-offs booked in 4Q22 (Eu9.5mn); the press release describes them as “changes in the sales strategy for the distribution of family movies”. We note that half-year accounts showed Eu12mn in distribution rights booked for 6 Christmas films, mainly made in 2021; the book value of these distribution rights was amortised by almost Eu7mn in 2H22 and amounted to just Eu4.6mn in total at YE22 (from Eu14.7mn at YE21). While on the one hand a more prudent amortisation approach is to be appreciated, on the other we imagine this prudence is also likely to be based on a lower probability of realising the proceeds initially hoped, at least in the short to medium term.

ILBE – 4Q/FY22 Results

Income Statement	4Q21A	4Q22A	YoY	4Q22E	A. vs. E	2H21A	2H22A	YoY	2H22E	A. vs. E	2021A	2022A	YoY	2022E	A. vs. E
Value of production	18.3	61.0	233.8%	55.2	10.5%	38.1	77.7	103.8%	71.9	8.1%	152.3	161.0	5.7%	155.2	3.7%
Labour costs						(1.7)	(2.4)		(0.6)		(3.4)	(5.8)		(4.0)	
Operating costs						(6.2)	(10.8)		(32.5)		(10.6)	(24.6)		(46.3)	
EBITDA						30.3	64.5		38.8		138.3	130.6		104.9	
D&A						(21.7)	(54.9)		(29.2)		(113.8)	(109.8)		(84.0)	
EBIT before one-off	6.2	7.6	21.7%	7.7	-0.8%	8.5	9.6	12.3%	9.7	-0.6%	24.4	20.8	-14.9%	20.9	-0.3%
margin %	34.2%	12.5%		13.9%		22.4%	12.3%		13.4%		7.3%	12.9%		13.4%	
one-off items	0.2	(9.5)		-		(0.0)	(9.5)		-		(0.9)	(11.0)		(1.5)	
EBIT	6.4	(1.9)	nm	7.7	nm	8.5	0.1	-99.4%	9.7	-99.4%	23.5	9.8	-58.5%	19.3	-49.6%
margin %	35.0%	-3.2%		13.9%		22.3%	0.1%		13.4%		15.4%	6.1%		12.5%	
Net financial income/expense						(1.2)	(1.6)		(1.4)		(3.1)	(5.2)		(5.0)	
Pretax Profit						7.3	(1.5)		8.3		20.4	4.5		14.3	
YoY %						-26%	-121%		14%		-5%	-78%		-30%	
Taxes						(1.2)	1.7		(0.2)		(1.9)	(1.0)		(2.9)	
Tax Rate						-16.3%	-109.2%		-2.2%		-9.5%	-22.3%		-20.0%	
Group net profit						6.1	0.1		8.1		18.4	3.5		11.5	
YoY %						-38.7%	-97.7%		33.2%		-5.5%	-80.9%		-37.7%	
minorities						-	(0.0)		0.0		-	(0.0)		-	
Net profit						6.1	0.1		8.1		18.4	3.5		11.5	
Net Cash (Debt) excl. IFRS16						(29.3)	(23.1)		(28.7)		(29.3)	(23.1)		(28.7)	

Source: Intermonte SIM estimates

ILB – Detail of “Other film rights”

€/000	At YE21	Increases in the period	Reductions / Amortisation in 1H22	Reductions / Amortisation in 2H22	Reclassifications in the period	At end of December 2022
Library	110.0		(18.0)	(19.0)		73.0
Arctic Justice Characters - IP	10,696.0		(547.0)	(547.0)	(843.0)	8,759.0
Lamborghini distribution rights	6,600.0	120	0	(4,265.0)		2,455.0
Distribution rights Arctic Justice film	1,288.0		0	(429.0)		859.0
Distribution rights Christmas Thieves	3,048.0		(418.0)	(1,853.0)	(150.0)	627.0
Distribution rights The Good Witch of Christmas	3,482.0		(624.0)	(2,072.0)	150.0	936.0
Distribution rights Vote for Santa	2,840.0		(710.0)	(1,065.0)		1,065.0
Distribution rights A Day with Santa	2,560.0		(640.0)	(960.0)		960.0
Distribution rights Detective Santa	2,753.0		(688.0)	(1,033.0)		1,032.0
Save Christmas Distribution Rights		866.0	0	(394.0)		472.0
KID Santa Distribution Rights		2,133.0	0	(1,066.0)		1,067.0
Billie's Magic World Distribution Rights		2,133.0	0	(1,066.0)		1,067.0
Rights Puffins - IP	3,317.0	14.0	(633.0)	(629.0)		2,069.0
Memento Assets		2,145.0	0	0.0		2,145.0
Other rights - IP	491.0	321.0	0	(112.0)		700.0
TOTAL	37,185.0	7,732.0	(4,278.0)	(15,510.0)	(843.0)	24,286.0

Source: Company data

In 2022 the Group started production of three Animation Films, based on the characters of the animated series Puffins (A Stellar Adventure), Arctic Friends (In Search of the Arctic Idol) and Puffins Impossible (The Walrus Who Wanted too Much), lasting 85 minutes each.

These 3 films recorded revenues of Eu16.2mn, tax credits of Eu1.9mn, but also depreciation and amortisation of Eu14.6mn (therefore their contribution to EBIT was approximately Eu3.5mn). Ilbe has already sold global rights, including backend rights, so the residual value is very limited and relates exclusively to the rights for the distribution of the 3 films in Italy.

At YE22 net debt amounted to Eu23.1mn, having come down by Eu6.7mn in 4Q22 alone: this important reduction was enabled by an agreement with the international producers of the film “Verona”, worth about Eu6.5mn. The musical film, produced by the US Verona Partner Picture LLC with executive production by Iervolino & Lady Bacardi Entertainment S.p.A, is to be directed by Timothy Scott Bogart. It will be the first film in an original pop musical trilogy based around the real-life story that inspired Shakespeare’s Romeo and Juliet. Wide cinematic release is planned for Christmas 2023. The film is being produced by Tim Bogart, Jessica Martins (Spinning Gold, Forsaken) and Chris Torto through their newly-launched Hero Entertainment Partners. Verona is the first in Hero Entertainment Partners’ commitment to financing a \$100M production slate of music-driven films and live theatre.

Acting as executive producer, ILBE was able to pay taxes owed by the international producer Verona Partner Picture (VPP) using group tax assets related to ILBE’s past productions. ILBE then provided VPP with a Eu6.5mn credit line (2 year maturity, 11% annual rate). This credit line will be reimbursed with the tax credit matured by VPP for Verona. The impact at YE22 is that ILBE has reduced its receivables by transferring Eu6.5mn of tax credits, while the credit line granted to VPP is booked as liquidity.

ILBE – Key Balance Sheet figures

Balance Sheet	2019	1H20A	2020A	1H21A	2021A	1H22A	2022A
Trade Working Capital	(6.2)	(7.5)	(8.5)	(6.0)	(3.5)	16.0	17.7
Other current Assets/Liabilities	1.6	6.4	14.4	18.5	7.2	1.3	8.5
Net working capital	(4.6)	(1.1)	5.9	12.5	3.7	17.3	26.2
Net Fixed Asset	53.2	63.8	77.3	84.8	111.9	101.1	89.4
Other LT Liabilities	(0.3)	(0.4)	(0.6)	(0.6)	(0.7)	(0.4)	(0.4)
Net capital employed	48.2	62.2	82.7	96.7	114.9	118.0	115.2
Financed by:							
Net (debt) cash	(0.5)	(4.8)	(15.6)	(17.3)	(29.3)	(28.6)	(25.8)
<i>o/w IFRS 16 (leasing)</i>	-	-	-	-	-	(2.1)	(2.7)
Net Equity	47.7	57.4	67.0	79.4	85.6	89.4	89.4

Source: Intermonte SIM estimates

In 2023 ILBE will have to refinance a portion of the existing loans. The average cost of long-term loans was 4.4% in FY22, we expect a gradual increase in the cost of financing.

ILBE – Bank Loans

Company	Bank	Interest rate	Amount	Open	Maturity	Within 1 year	between 1 and 5 years	Beyond 5 years
ILBE	BancaProgetto	Euribor1M + spread 5%	500	2019	2024	113		73
ILBE	BancaProgetto	Euribor1M + spread 5%	500	2019	2024	113		64
ILBE	BancaProgetto	Euribor1M + spread 5%	500	2019	2023	144		
ILBE	Intesa SanPaoloS.p.A.	4.07%	8,000	2020	2027	2,464		5,600
ILBE	UnicreditS.p.A.	Euriobor3M+spread 1.5%	3,000	2021	2023	2,501		
ILBE	Banca Ifis	Euriobor3M+spread 3.25%	3,000	2021	2026	779		1,815
ILBE	UnicreditS.p.A.	2.55%	10,000	2021	2028	1,652		6,620
ILBE	Intesa SanPaoloS.p.A.	Euriobor3M+spread 2.55%	4,200	2021	2026	100		516
ILBE	Intesa SanPaoloS.p.A.	Euriobor3M+spread 2.44%	3,800	2021	2027	102		714
ILBE	Intesa SanPaoloS.p.A.	Euriobor3M+spread 2.3%	2,100	2021	2027	25		407
ILBE	Intesa SanPaoloS.p.A.	Euriobor3M+spread 2.75%	2,400	2022	2027			2,395
ILBE	BPM	Euriobor3M+spread 2.65%	1,500	2022	2027	292		1,199
ILBE	MedioCredito Centrale S.p.A.	Euriobor3M+spread 2.3%	3,000	2022	2026	627		2,351
ILBE	Deutsche Bank	Euriobor3M+spread 2.75%	1,500	2022	2025	499		876
Red Carpet	Intesa SanPaoloS.p.A.	Euriobor3M+spread 2.75%	800	2022	2024			800
						9,411	23,430	1,335

Source: Company data

Management indications and backlog

Regarding the outlook on 2023, management foresees higher revenues, but with a slightly declining EBIT margin; no indication was provided on net debt. We note that the backlog of minimum guaranteed contracts for 2023 onwards amounts to Eu172.9mn (of which Eu95.8mn related to 2023); this level is c.Eu13mn above the corresponding figure reported at the end of June 2022, while the soft backlog figure, relating to projects for which contracts are yet to be signed, is down c.Eu85mn (from Eu395.5mn to Eu311.4mn). The group is now more cautious in assuming the average size of future projects (in particular, the soft backlog for animation projects was cut by 38%, even though the number of projects has remained unchanged).

ILBE – Project backlog

Projects	#Episodes	2023	2024 onwards	Status	Exp. Delivery
Baby Puffins & Bunny	270	46.0	46.0	Fully contractualised	
Mini Puffins Wonder, Swifty..	100	5.3		Fully contractualised	
Puffins: Impossible (servicing)	270	31.2	31.2	Fully contractualised	
In the Fire (Film)		4.5		Fully contractualised	
Paradox Effect (Film)		4.0		Fully contractualised	
Animation Films	3	4.9		Fully contractualised	
Total		95.8	77.1		

Projects	#Episodes	2023-24 onwards	Status	Exp. Delivery
Production: Animation Projects (10)		114.9	To be contractualised	
Production: Audiovisual Projects (9)		22.6	To be contractualised	
Production: Films (12)		74.7	To be contractualised	
Production: Unscripted projects (16)		21.5	To be contractualised	
Servicing, Licensing and Post Production		25.9	To be contractualised	
Celebrity Management and Digital Adv		51.8	To be contractualised	
Total		311.4		

Source: Company data

Among the expected 2023 projects, the film Paradox Effect is particularly promising, as it boasts an exceptional cast (Olga Kurylenko and Harvey Keitel) and is directed by Californian director Scott Weintrob. International sales and distribution are being handled by Red Sea Media (<https://www.redseamediainc.com/>) while US and Canadian distribution is being handled by Wonder Film (<https://www.wonderfilm.com/>)

Change in estimates

In this report we are raising our 2023-24 revenue estimates to take into account the visibility offered by the backlog, while remaining a touch more cautious than management indications. In terms of EBIT and cash flow generation, it remains difficult to get a clear grasp of the impact of the various projects, which are likely to provide different contributions in terms of both margins and cash profile. The core animation business should continue to grow thanks to new projects and new formats (e.g. animation movies, TikTok clips) but evidence of public appreciation for these types of products remains mixed. Live action films seems to be a higher-risk, higher-margin business, with the further possibility of some quite promising projects in 2023. We remind that ILBE is investing in Serbia to develop future business in innovative areas, such as the metaverse, on which we expect more visibility during the year. All in all, we are broadly confirming our 2023-24 EBIT estimates. At the same time, we are factoring higher financial charges and a slightly higher tax rate into our estimates. Looking ahead, our focus will be on tracking ILBE's success in exploiting the great potential of intellectual property for animated characters, working in partnership with other industry players. In terms of cash flow, we expect net debt to grow again after the positive 2022 reduction, without including any new investments related to productions that could be announced in the coming months.

ILBE – Changes to estimates

(Eu mn)	NEW			OLD			% CHANGE		
	2022A	2023E	2024E	2022E	2023E	2024E	2022A	2023E	2024E
Value of production	161.0	158.1	161.5	155.2	147.0	144.2	3.7%	7.5%	12.0%
	5.70%		2.16%	1.88%		(1.91%)			
EBIT adjusted	20.8	18.4	18.3	20.9	18.8	18.6	-0.3%	-2.2%	-1.4%
margin %	12.9%	11.6%	11.4%	13.4%	12.8%	12.9%			
EBIT	9.8	18.4	18.3	19.3	18.8	18.6	-49.6%	-2.2%	-1.4%
margin %	6.1%	11.6%	11.4%	12.5%	12.8%	12.9%			
Net financial charges	(5.2)	(5.0)	(5.0)	(5.0)	(3.0)	(2.9)			
Pretax Profit	4.5	13.4	13.3	14.3	15.8	15.8	-68.4%	-15.2%	-15.3%
margin %	2.8%	8.5%	8.3%	9.2%	10.8%	10.9%			
Taxes	(1.0)	(1.6)	(1.6)	(2.9)	(1.6)	(1.6)			
Tax Rate	-22.3%	-12.0%	-12.0%	-20.0%	-10.0%	-10.0%			
Group net profit	3.5	11.8	11.7	11.5	14.2	14.2	-69.3%	-17.1%	-17.2%
YoY%	(80.9%)	234.7%	(0.4%)	(37.7%)	24.0%	(0.3%)			
margin %	2.2%	7.5%	7.3%	7.4%	9.7%	9.8%			
minorities	(0.0)	-	-	-	-	-			
Net profit	3.5	11.8	11.7	11.5	14.2	14.2	-69.7%	-17.1%	-17.2%
Net Cash (Debt)	(25.8)	(31.3)	(28.0)	(28.7)	(26.8)	(21.9)	3.0	(4.5)	(6.1)

Source: Intermonte SIM estimates

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	ILBE		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	2.20	Previous Target (Eu):	3.00
Current Price (Eu):	0.99	Previous Price (Eu):	1.53
Date of report:	27/04/2023	Date of last report:	07/10/2022

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

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NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	20.83 %
OUTPERFORM:	51.67 %
NEUTRAL:	25.83 %
UNDERPERFORM	01.67 %
SELL:	00.00 %

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OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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