

Caleffi

1H 2018 affected by difficult market conditions

IR TOP RESEARCH

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1H 2018 RESULTS

Caleffi Group's revenues slowed down in 1H 2018 to **22.4 Eu m** (26.8 Eu m in 1H 2017) after disappointing market conditions in the home linen sector. **EBITDA** came in at -0.7 Eu m (0.7 Eu m in 1H 2017). **EBIT** was -1.5 Eu m (-0.02 Eu m in 1H 2017), after D&As of 0.8 Eu m, in line with those in 1H 2017. Group's Net loss was of 1.1 Eu m vs. net loss of 0.2 Eu m in 1H 2017. **Net Debt was of 13.2 Eu m**, down by 1.6 Eu m vs. year end 2017.

Given, however the A/W 2018 order portfolio, the seasonality of the home linen sector and the contracts already defined for loyalty activities, **Management expect economic and financial results at year end 2018 to be substantially in line with those of FY 2017.**

Based on 1H 2018 results, we made a slight cut in our FY 2018-2020 estimates by c. 3.1% on average.

COMPANY DESCRIPTION

Caleffi Group is market leader in the Italian Home Fashion industry and specialized in **high quality home linen products**. With over 55 years of history and 205 employees, the Group is present in over 2000 stores in Italy and in over 600 stores in more than 50 countries world wide.

The Group, that includes Caleffi SpA and Mirabello Carrara (70% controlled), closed FY 2017 with revenues of 57 Eu m.

STRATEGY

In the next three years Caleffi Group intends to grow through:

- Openings of Monobrand stores and shop-in shops to boost revenues and brand awareness;
- Focus on luxury licences and growth in foreign markets
- Made-to-order collections
- E-commerce
- M&A: particular focus on targets in sectors different from home linen but synergic with the Group's business and with expected high growth rates.

MTA POSITIONING

Compared to average 2017 SMALL CAPS of MTA "Personal & Household Goods" Super Sector by Borsa Italiana, Caleffi shows:

- Lower Net Debt in absolute term
- Lower EBITDA margin
- Higher free float

2018-2020 ESTIMATES

For the next three years we estimate that Caleffi will:

- Grow revenues at 2017-2020 CAGR of +4%, to reach 65.2 Eu m in 2020
- EBITDA CAGR of 27%, and an increase in EBITDA margin by 260 bps as fixed costs are spread over higher volumes
- Total Capex in the period of 3.0 Eu m
- Net debt at year end 2020 of 14.2 Eu m (14.8 Eu m in FY 2017), with NFP/EBITDA ratio of 3.5 vs. 7.5x at year end 2017.

VALUATION

We set a 1.56 p.s. target price for Caleffi Group based on the average of a DCF analysis (2.01 Eu p.s) and a relative valuation (1.11 Eu p.s), implying a potential upside of 11%.

Target Price (Eu)

Target Price (Eu)	1.56 (1.69 previously)
Market Price (Eu)	1.40
Capitalisation (Eu m)	22
Enterprise Value (Eu m)	35

(as of September 13th, 2018)

MTA Positioning

FY 2017 (Eu m)	Company	Super Sector*	MTA Small&Mid Cap
Revenues	57	520	852
Revenues YoY	-3%	4%	155%
EBITDA Margin	3%	6%	2%
Net Debt (Cash)	15	27	545
Net Debt/EBITDA	10.3	3.1	12.1

Market Data (Eu m)	Company	Super Sector*	MTA Small&Mid Cap
Capitalisation	23	768	749
Perf. TTM	0%	-17%	-8%
Free Float	43%	40%	37%
ADTT YTD (Eu)	34,411	1,627,983	1,381,875

Source: Factset Data - *Personal & Household Goods

Results & Estimates

Key Figures (Eu m)	15A	16A	17A	18E	19E	20E
Revenues	55.5	59.2	57.2	57.0	60.9	65.2
YoY growth	6%	7%	-3%	0%	7%	7%
EBITDA	3.1	2.9	2.0	2.1	3.3	4.0
EBITDA%	5.6%	5.0%	3.4%	3.7%	5.3%	6.0%
EBIT	1.4	1.4	0.4	0.6	1.6	2.2
EBIT%	2.5%	2.3%	0.7%	1.0%	2.5%	3.2%
Group's Net Profit	0.3	0.5	(0.1)	0.2	0.8	1.1
Net Debt (Cash)	13.6	13.1	14.8	14.9	14.5	12.2
EPS	0.02	0.03	(0.01)	0.01	0.05	0.07

Source: Company Data for 2015-17 (IAS+IFRS) and IR Top Estimates for 2018-20 consolidated results

Peers Comparison

EV/EBITDA (x)	18E	19E	20E
Caleffi	16.8	10.6	8.7
Brand Peers	12.2	10.8	9.8
Discount/Premium to Brand Peers	+38.3%	-2.1%	-11.0%

P/E (x)	18E	19E	20E
Caleffi	102.0	25.4	17.7
Brand Peers	27.4	23.9	20.5
Discount/Premium to Brand Peers	+272.3%	+6.5%	-13.7%

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

Performance

	1M	3M	1Y
Absolute	-4.8%	+0.0%	-2.6%
Relative (FTSE Italia Small Cap)	-4.7%	+4.4%	+12.4%
52-week High/Low* (Eu)	3.12 / 1.02		

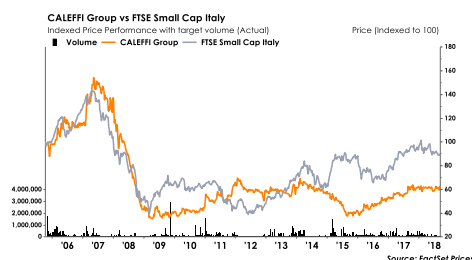
Source: Factset data

*Intra Day

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

SHARE DATA

Market	MTA
Reuters/Bloomberg	CLF.MI/CLF IM
ISIN	IT0003025019
N. of Shares	15,628,081
Free Float	43.08%
Main Shareholder	Giuliana Caleffi (40.40%)
CEO	Guido Ferretti



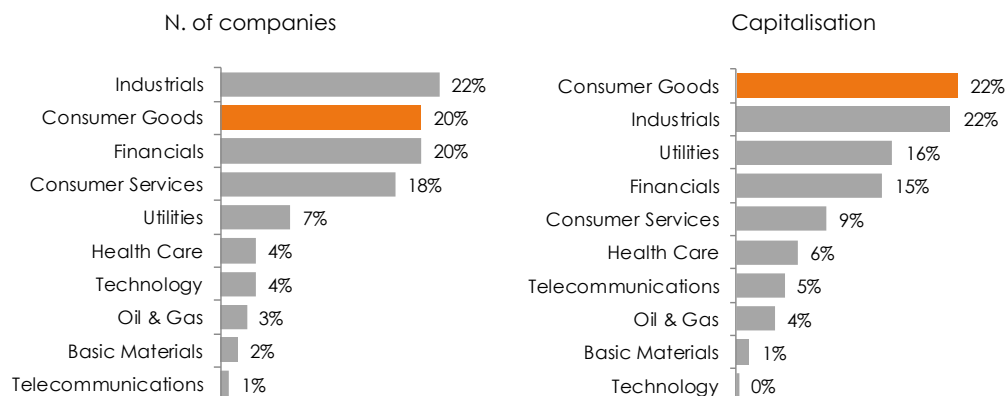
MTA POSITIONING

Consumer Goods is second most represented sector after insutrials

Caleffi is leader in the Italian Home Fashion industry and specialized in high-end **home linen products**. It has been listed since 2005 (former on Expandi market and, since 2009, on MTA) and it is included in the **FTSE Italia small cap** index and in **Borsa Italiana's Super Sector "Personal and Household Goods"** (part of the **Consumer Goods sector**).

Of the total listed companies, Consumer Goods represents 20% in terms of number of companies and 22% in terms of market capitalisation.

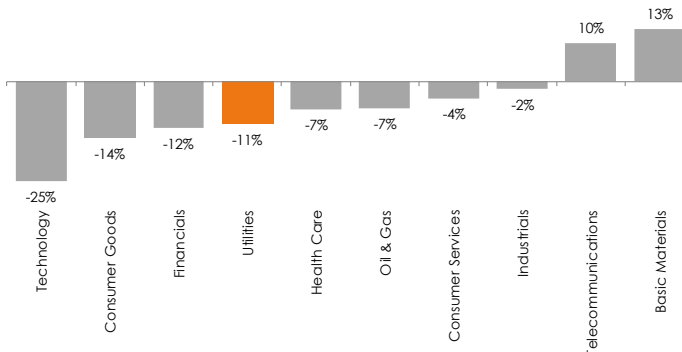
MTA Small&Mid Cap: breakdown by Sector



Best YTD performance: Basic Materials (+13%)

Best YTD performance is Basic Material (+13%), followed by Telecommunications (+10%).

MTA Small&Mid: average YTD share price performance



Personal & Household Goods average EBITDA margin: 6%

According to Borsa Italiana's classification, the Consumer Goods Industry is made up of three Super Sectors: Food & Beverage, Automobiles & Parts and Personal & Household Goods where Caleffi is allocated. Personal & Household Goods is the first sector in term of number of companies (16),

MTA Consumer Goods: average 2016 Financial data

Super Sector	Revenues (Eu m)	yoy	EBITDA %	NFP (Cash) (Eu m)
Food & Beverage	1,727	-2%	5%	(69)
Automobiles & Parts	959	14%	8%	429
Personal & Household Goods	520	4%	6%	27
Consumer Goods	787	4%	6%	63

Personal & Household Goods registered average revenues of 520 Eu m and an EBITDA margin of 6%.

MTA Consumer Goods: average market data

Super Sector	N. of companies	Capitalisation (Eu m)	Free Float	ADTT YTD (Eu)	EV/EBITDA 2017
Food & Beverage	4	1,345	24	145,265	10.9
Automobiles & Parts	3	344	36	949,417	6.6
Personal & Household Goods	16	768	40	1,627,983	13.4
Consumer Goods	23	813	37	1,265,866	12.2

EV as of September 10th, 2018

Average Personal & Household Goods 2017 EV/EBITDA multiple: 13.4x

Focus personal and Household Goods Super Sector

The Personal and Household Goods Super Sector is represented by 16 companies, 6 mid caps and 10 small caps with average revenues of 520 Eu m and average EBITDA margin of 6%.

2017 Data (Eu m)		Revenues	yoy	EBITDA%	NFP (Cash)	EV/EBITDA	NFP/EBITDA
Brunello Cucinelli*	MTA - MID CAP	504	10%	18%	21	26.0	0.2
De' Longhi	MTA - MID CAP	1.972	7%	16%	-323	12.0	-1.0
Geox*	MTA - MID CAP	885	-2%	7%	-17	8.7	-0.3
OVS	MTA - MID CAP	1.526	12%	7%	314	8.6	3.0
Technogym	MTA - MID CAP	598	8%	19%	41	17.9	0.4
Tod's*	MTA - MID CAP	963	-4%	18%	-12	11.4	-0.1
Basic Net	MTA - SMALL CAP	136	0%	-21%	61	n.m.	n.m.
Bialetti Industrie	MTA - SMALL CAP	177	-2%	7%	84	9.4	6.8
Caleffi*	MTA - SMALL CAP	57	-3%	3%	15	26.5	10.3
CSP International	MTA - SMALL CAP	127	1%	4%	-6	4.6	-1.1
Piquadro*	MTA - SMALL CAP	98	29%	10%	1	9.3	0.1
Ross	MTA - SMALL CAP	31	32%	6%	5	n.m.	2.4
Safilo Group*	MTA - SMALL CAP	1.047	-16%	-1%	132	n.m.	n.m.
Sintesi	MTA - SMALL CAP	0	0%	0%	0	n.m.	n.m.
Stefanel	MTA - SMALL CAP	125	-7%	-16%	40	n.m.	n.m.
Zucchi	MTA - SMALL CAP	77	-4%	6%	78	18.4	16.4
Average		520	4%	6%	27	13.4	3.1
Personal & Household Goods MID		1.074	5%	14%	4	14.1	0.4
Personal & Household Goods SMALL		187	3%	0%	41	13.6	5.8
Average Brands		592	2%	9%	23	16.4	2.1

Source: Factset data as of September 10th, 2018
* Made In Italy Brands

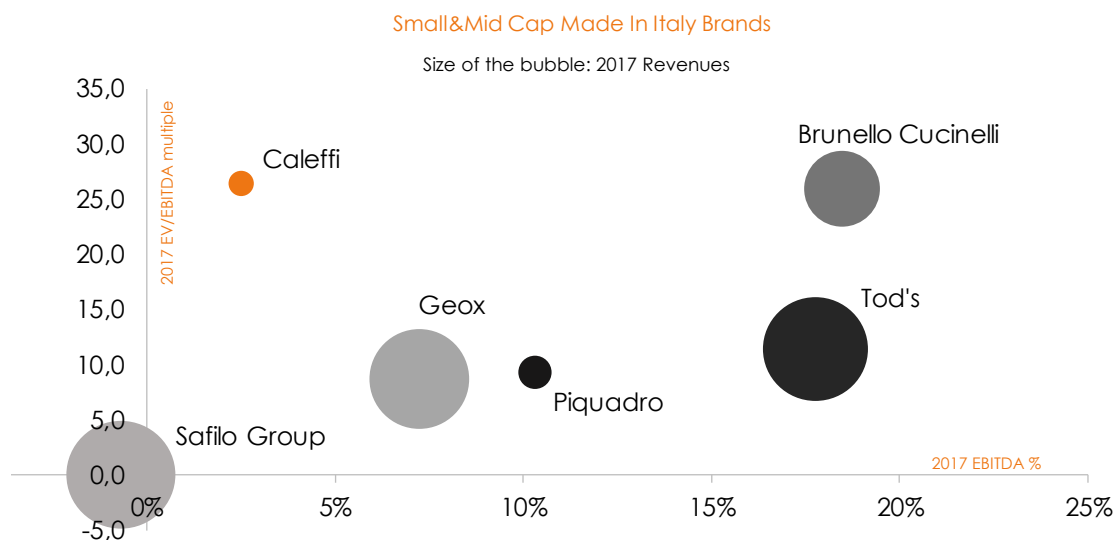
In our view Caleffi positions within a group of companies active in apparel & home fashion with **strong "Made in Italy" brands**, and from the selection above in particular with Brunello Cucinelli, Geox, Piquadro, Tod's and Safilo. Compared to these and to the Personal & Household Goods Small Caps Caleffi shows:

BRAND COMPARISON

- Lower EBITDA margin: 3% vs. 6%
- Higher EV/EBITDA multiple 26.5x vs. 13.4x

SMALL CAP COMPARISON

- Higher EBITDA margin: 3% vs. 2%
- Higher EV/EBITDA multiple 26.5x vs. 16.4x



In terms of capitalisation, Caleffi is smaller than its peers (23 Eu m vs. 876 Eu m) but with a higher free float (43% vs. 38%). TTM performance of stock price is +4%.

2017 Data (Eu m)		Capitalisation (Eu m)	Free Float %	Perf. TTM	ADIT YTD (Eu)
Brunello Cucinelli	MTA - MID CAP	2.397	47%	41%	3,952,195
Geox	MTA - MID CAP	573	29%	-31%	1,443,306
Tod's	MTA - MID CAP	1,962	32%	0%	3,299,088
Caleffi	MTA - SMALL CAP	23	43%	4%	34,411
Piquadro	MTA - SMALL CAP	93	27%	8%	74,763
Safilo Group	MTA - SMALL CAP	206	51%	-42%	791,066
Brands		876	38%	-3%	1,599,138

Source: Factset data as of September 10th, 2018

BUSINESS UPDATE

- On September 6th, Caleffi Group released 1H 2018 consolidated results that, due to unfavourable market conditions in the reference market, were below previous year and our estimates. Thanks to the A/W 2018 order portfolio, the seasonality of the home linen sector and the contracts already defined for loyalty activities, **Management however expect economic and financial results at year end 2018 to be substantially in line with those of FY 2017.**
- In the 3rd Warrant Exercise Period (from 1st to 30th June 2018) no warrants were exercised and, consequently, no ordinary shares were subscribed.
- In the period 3rd – 7th September 2018, Caleffi Spa made an acquisition of 2,959 treasury shares. The Company as of 10th September 2018 owns 282,399 ordinary shares, corresponding to 1.807% of total share capital.

RESULTS AND ESTIMATES

1H 2018 RESULTS

Caleffi Group's revenues slowed down in 1H 2018 to **22.4 Eu m** (26.8 Eu m in 1H 2017) after disappointing market conditions in the home linen sector. In particular, Caleffi Spa's revenues declined by 8.7% (16.7 Eu m vs. 18.3 Eu m in 1H 2017) due principally to lower sales in the promotional channel bad performance of *baby and teen* licenses.

Revenues of the 70% owned luxury subsidiary, Mirabello, decreased by 27.2%, to 6.7 Eu m, mainly as a consequence of the timing of orders in the loyalty scheme segment. Management expects to fully recover the gap in the second half of the year with revenues slightly above those registered in FY 2017.

On a consolidated level, domestic revenues accounted for 20.1 Eu m (c. 90% on total revenues). Export was c. 10% (13.6% in FY 1H 2017), of which 46.7% from UE Countries and 53.3% from extra UE Countries.

EBITDA came in at -0.7 Eu m (0.7 Eu m in 1H 2017). **EBIT** was -1.5 Eu m (-0.02 Eu m in 1H 2017), after D&As of 0.8 Eu m, in line with those in 1H 2017.

Net Financial charges were of 0.1 Eu m vs. 0.2 Eu m in 1H 2017. Group's Net loss was of 1.1 Eu m vs. net loss of 0.2 Eu m in 1H 2017.

Net Debt of the Group is equal to **13.2 Eu m**, down by 1.6 Eu m vs. year end 2017.

Fixed assets were of 10.0 Eu m in the period considered, in line with the figure at the end of 2017 (9.9 Eu m), after 0.3 Eu m of CAPEX, related to the refitting of Caleffi store in Noventa, the opening of corner shops and the purchasing of forklifts.

Eu m – IAS/IFRS	1H 2018 ¹	1H 2017 ¹	1H 2016	1H 2015
Revenues	22.4	26.8	26.3	23.5
YoY growth	-17%	+2%	+12%	n.a.
EBITDA	(0.7)	0.7	1.0	0.3
EBITDA%	-3.3%	2.7%	3.7%	1.2%
EBIT	(1.5)	(0.02)	0.2	(0.5)
EBIT%	-6.7%	-0.1%	0.8%	-2.2%
Net Profit	(1.1)	(0.2)	(0.1)	(0.7)
Group's Net Profit	(1.1)	(0.2)	(0.1)	(0.7)
Net Working Capital (NWC)	18.9	19.3	20.6	17.7
Fixed net assets	10.0	10.1	9.5	10.1
Funds	(2.3)	(2.4)	(2.3)	(2.3)
Net Capital Employed	26.6	27.0	27.8	25.5
Net Debt (Cash)	13.2	12.6	13.5	15.3
Group's Equity	12.9	13.9	14.0	9.9
Minority Interest	0.4	0.4	0.4	0.3
Total Source	26.6	27.0	27.8	25.5

Source: Company Data

¹ Starting from 2018, the Group has applied the accounting standard IFRS 15 "Revenue from Contracts with Customers", consequently adapting the comparative data 1H 2017 and FY 2017

2018-2020E: Caleffi can grow Revenues at a CAGR of +4% and EBITDA at a CAGR of +27%

ESTIMATES

Based on 1H 2018 results and management's outlook we made a slight cut in our FY 2018-2020 estimates by c. 3.1% on average.

- For the second part of 2018, we assume a recovery in revenues for Mirabello, and a trend in line with the first half for Caleffi Spa, taking into account seasonality in favor for the second half of the year), resulting in total revenues of 57.0 Eu m, basically in line with FY 2017.
- We assume a 2017-2020 CAGR of 4%, slightly below the 6% of our previous estimates after the slow down in 2018.
- FY 2018 EBITDA should remain in line with previous year, with an EBITDA margin of 3.7% (4.0% in our previous estimates). EBITDA CAGR for the three-year period considered is estimated at 27%, with a FY 2020 EBITDA of 4.0 Eu m and a 6% EBITDA margin.
- We maintain our estimates of total capex of 3 Eu m in the period considered.
- Net debt of 14.2 Eu m at the end of 2020 (14.9 Eu m in previous estimates) with a NFP/EBITDA ratio of 3.5x (vs. 3.6x previously)

MAIN FINANCIAL INDICATORS

Eu m		18E Old	18E New	19E Old	19E New	20E Old	20E New
Revenues		58.8	57.0	62.9	60.9	67.3	65.2
	yoy	+3%	0%	+7%	7%	+7%	7%
EBITDA		2.4	2.1	3.4	3.3	4.1	4.0
	margin	+4.0%	3.7%	+5.3%	5.3%	+6.0%	6.0%
EBIT		0.9	0.6	1.7	1.6	2.3	2.2
	margin	1.5%	1.0%	2.6%	2.5%	3.3%	3.2%
Pre tax profit		0.4	0.3	1.3	1.3	1.9	1.9
Group's Net Profit		0.3	0.2	0.8	0.8	1.1	1.1
	yoy	+406%	+324%	+192%	+295%	+48%	+42%
EPS		0.02	0.01	0.05	0.05	0.07	0.07

Eu m		18E Old	18E New	19E Old	19E New	20E Old	20E New
Net Working Capital (NWC)		23.4	22.8	24.9	24.1	26.8	25.9
Fixed net assets		9.5	9.5	8.9	8.9	8.2	8.2
Funds		(2.4)	(2.3)	(2.6)	(2.6)	(2.8)	(2.8)
Net Capital Employed		30.6	30.0	31.2	30.5	32.1	31.3
Net Financial Position (Cash)		15.4	14.9	15.2	14.5	14.9	14.2
NFP/EBITDA		6.6x	7.1x	4.5x	4.4x	3.6x	3.5x
Group's Equity		14.7	14.6	15.4	15.4	16.6	16.5
Minority Interest		0.5	0.5	0.5	0.6	0.6	0.7
Sources		30.6	30.0	31.2	30.5	32.1	31.3
Change in NWC		(1.3)	(0.6)	(1.5)	(1.4)	(0.3)	(1.8)
Capex		(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)

Source: IR Top Estimates for 2018-20 consolidated results

VALUATION

Our valuation yields a Target Price of 1.56 Eu per share

We value Caleffi through 2 different approaches, equally weighted:

- Market multiples comparison
- Discounted Cash Flow (DCF) model.

Peer Group:
Made In Italy Brands

MULTIPLES

In our view Caleffi's peers are other brands active in apparel & home fashion with strong Made in Italy brands. Publicly traded companies belonging to this group are: Aeffe, Brunello Cucinelli, Damiani, Geox, Luxottica, Moncler, Piquadro, Safilo and Tod's.

Aeffe, Luxottica and Safilo are involved in the luxury licence production which in FY 2017 represented 18% of Caleffi's total revenues. Applying the median 2018-2019 EV/EBITDA multiple we obtain a fair value of 1.11 Eu p.s.

2017 Eu m	Revenues	yoy	EBITDA%	NFP (Cash)
Caleffi	57	-3%	3%	15
Aeffe	313	11%	11%	55
Brunello Cucinelli	504	10%	18%	21
Damiani	164	2%	2%	57
Geox	885	-2%	7%	(17)
Luxottica	9.157	1%	20%	740
Moncler	1.194	15%	33%	(301)
Piquadro	98	29%	10%	1
Safilo	1.047	-16%	-1%	132
Tod's	963	-4%	18%	-12
Median Peers	885	2%	11%	21

Source: Company Data and IR Top Estimates for Caleffi and Factset Data for comparables.

EV/EBITDA (x)	18E	19E	20E
Caleffi	16.8	10.6	8.7
Aeffe	8.0	7.8	7.2
Brunello Cucinelli	23.7	21.2	18.9
Damiani	n.a.	n.a.	n.a.
Geox	7.8	6.1	5.5
Luxottica	14.3	13.1	12.2
Moncler	18.9	15.9	13.8
Piquadro	n.a.	n.a.	n.a.
Safilo	12.0	8.1	4.8
Tod's	12.2	10.8	9.8
Median Peers	12.2	10.8	9.8
<i>Discount/Premium to Peers</i>	+38.3%	-2.1%	-11.0%

Source: IR Top estimates for Caleffi and Factset Data for comparables.

DCF

Main assumptions are:

- Perpetual growth: 2.0%
- Risk Free interest rate: 2.70%
- WACC: 8.4%

Sum of PV 2018-2023 FCF – Eu m	9.1
Terminal Value – Eu m	35.4
Total Enterprise Value – Eu m	44.5
Net Financial Position (Cash) – Eu m	13.2
Minority Interest	0.4
Total Equity Value – Eu m	30.8
Number of outstanding shares – m	15.3
Fair Value per share – Eu	2.01

Source: Company Data and IR Top Estimates

Our DCF yields a valuation of 2.01 Eu per share.

VALUATION SUMMARY

Weighting the 2 approaches equally we set a target price of 1.56 Eu, implying an upside of 11% and an implicit EV/EBITDA 2018 and 2019 multiple of 17.8x and 11.2x respectively. Our Valuation has not been adjusted for the possible dilution impact of the outstanding warrants.

Method	Price (Eu)
DCF	2.01
Multiple analysis	1.11
Target Price	1.56

Caleffi on MTA

Capitalisation 22 Eu m

Price 1.40 Eu

IPO

Date: October 13th 2005
 Capital raised: 12.3 Eu m
 Price: 2.80 Eu
 Capitalisation: 35 Eu m

Warrant Caleffi 2015-2020 (as of September 13th, 2018)

Code: WCLF20
 ISIN: IT0005114910
 Outstanding Warrants: 3,121,919
 Strike Price: 1.60 Eu
 Exercise ratio: 1 warrant: 1 share
 4th Exercise Period: 1-30 June 2019
 5th Exercise Period: 1-30 June 2020

SHARES (as of September 13th, 2018)

Code: CLF
 Bloomberg: CLF IM
 Reuters: CLF.MI
 ISIN: IT0003025019
 Share capital: Eu 8,126,602
 Shares: 15,628,081
 Treasury Shares: 282,399
 Price: 1.40 Eu
 Capitalisation: 22 Eu m

OWNERSHIP

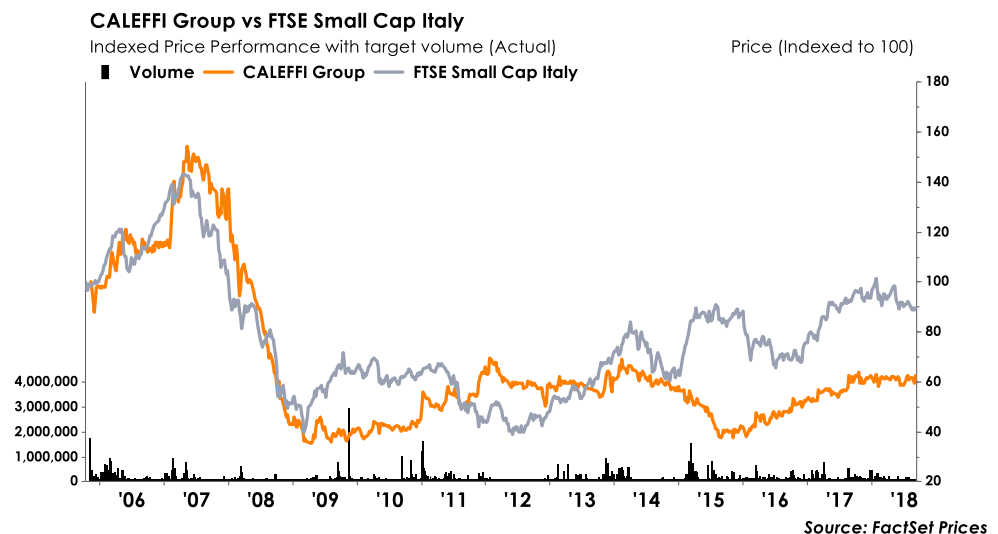
Caleffi is owned by Giuliana Caleffi (40.40%)

Caleffi is owned by Giuliana Caleffi, chairman of Board of Directors, who holds 40.40% of outstanding shares

The share capital subscribed and paid up is 8,126,602 Eu, made up by n. 15,628,081 ordinary shares.

Free float is 43.08%

Shareholder	n. of shares	%
Giuliana Caleffi	6,315,151	40.40%
Rita Fedrici	2,297,328	14.70%
Other Shareholders (<2%)	6,733,203	43.08%
Treasury Shares	282,399	1.81%
Total	15,628,081	100.00%



RATIOS

Eu m	2015A	2016A	2017A	2018E	2019E	2020E
Profit & Loss Statement						
Sales	55.5	59.2	57.2	57.0	60.9	65.2
EBITDA	3.1	2.9	2.0	2.1	3.3	4.0
EBIT	1.4	1.4	0.4	0.6	1.6	2.2
Financial Income (charges)	(0.6)	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)
Pre-tax profit (loss)	0.8	0.9	0.1	0.3	1.3	1.9
Taxes	(0.4)	(0.4)	(0.1)	(0.1)	(0.5)	(0.7)
Minorities	(0.1)	0.0	(0.1)	(0.0)	(0.1)	(0.2)
Net profit	0.3	0.5	(0.1)	0.2	0.8	1.1
Balance Sheet						
Fixed assets	9.7	9.5	9.9	9.5	8.9	8.2
NWC	20.6	20.8	22.1	22.8	24.1	25.9
M/L Funds	(2.3)	(2.4)	(2.4)	(2.3)	(2.6)	(2.8)
Net Capital Employed	28.1	27.8	29.7	30.0	30.5	31.3
Net Debt	13.6	13.1	14.8	14.9	14.5	14.2
Group Equity	14.0	14.4	14.4	14.6	15.4	16.5
Minorities	0.4	0.4	0.4	0.5	0.6	0.7
Net Equity	14.4	14.8	14.9	15.1	15.9	17.2
Cash Flow						
EBIT	1.4	1.4	0.4	0.6	1.6	2.2
D&A	1.4	1.3	1.2	1.4	1.6	1.7
Tax	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other	0.0	0.0	0.0	0.0	0.0	0.0
Change in M/L Funds	(0.1)	0.1	(0.0)	(0.0)	0.2	0.2
Gross Cash Flow	2.7	2.7	1.6	1.9	3.4	4.1
Change in NWC	(2.4)	(0.1)	(1.4)	(0.6)	(1.4)	(1.8)
Operating Cash Flow	0.3	2.6	0.2	1.3	2.1	2.3
Capex	(1.1)	(1.0)	(1.7)	(1.0)	(1.0)	(1.0)
Acquisitions and divestments	0.0	0.0	0.0	0.0	0.0	0.0
Financial Income (charges)	(0.6)	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)
Free Cash Flow	(1.4)	1.1	(1.7)	0.1	0.8	1.1
Change in Equity	3.1	(0.1)	0.1	0.0	0.0	0.0
Change in Net debt	1.7	1.0	(1.6)	0.1	0.8	1.1
Per Share Data						
Current Price	1.40					
Total shares out (mln) average	15.3					
EPS	0.02	0.03	(0.01)	0.01	0.05	0.07
DPS	-	0.02	-	-	-	-
FCF	(1.42)	1.08	(1.75)	0.05	0.82	1.05
Pay out ratio*	52%					
Ratios						
EBITDA margin	5,6%	5,0%	3,5%	3,7%	5,4%	6,2%
EBIT margin	2,5%	2,3%	0,7%	1,0%	2,6%	3,3%
Net Debt/Equity (Gearing)	94,6%	88,5%	99,8%	98,8%	91,3%	82,4%
Net Debt/EBITDA	4,4x	4,5x	7,5x	7,1x	4,4x	3,5x
Interest cover EBIT	-0,5x	-0,4x	-0,8x	-0,4x	-0,2x	-0,1x
ROE	2,1%	3,5%	-0,6%	1,3%	5,0%	6,6%
Free Cash Flow Yield	-13%	10%	-16%	0%	7%	10%
Growth Rates						
Sales	6%	7%	-3%	0%	7%	7%
EBITDA	189%	-5%	-32%	5%	59%	21%
EBIT	300%	-1%	-72%	56%	166%	38%
Net Profit	123%	71%	-117%	324%	295%	42%

*on Caleffi Spa net profit

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Date	Target Price	Market Price	Validity Time
September 14 th 2018	1.56	1.40	12 months
March 21 st 2018	1.69	1.44	12 months

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IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. 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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No other people or companies participated or anyhow contributed to the Research. Neither the members of the research team, nor any person closely associated with them have any relationships or are involved in circumstances that may reasonably be expected to impair the objectivity of the Research, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them, who was involved in producing the Research.

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