

13 April 2023

# Sebino

Euronext Growth Milan | Fire &amp; Security | Italy

## FY22A Results



Rating  
**U/R**

prev. BUY

Target Price  
**U/R**

prev. € 10,00

Risk



Medium

SEB IM Price  
**€ 6,96**

### Stock Data

Price	€ 6,96
Target price	U/R
Upside/(Downside) potential	N/A
Ticker	SEB IM
Market Cap (€/mln)	€ 93,80
EV (€/mln)	€ 81,21
Free Float	14,67%
Share Outstanding	13.477.576
52-week high	€ 7,02
52-week low	€ 4,93
Average daily volumes (3 months)	7.700

### Stocks performance relative to FTSE Italia Growth



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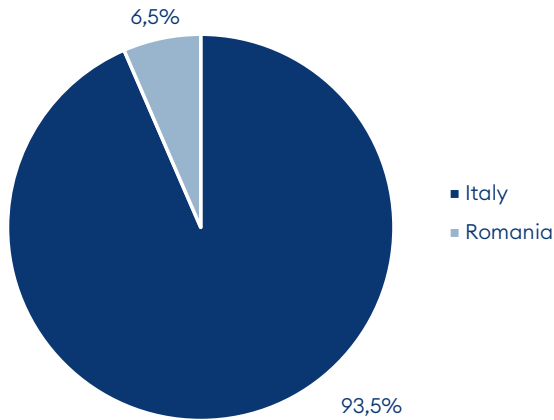
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## Risultati FY22A

Through a press release, the Group, commenting on the annual results, declares: *“The last two years have been marked by strong discontinuities compared to previous ones; pandemic, war, drought, energy, transportation, inflation and a sudden rise in interest rates. The volatility of the markets taken by surprise by these events and the evident speculation that has been put in place, especially in the energy and commodities sector, have complicated the company’s management in various aspects, so much so that a growth trend could not be confirmed, especially from the margins point of view, which had characterized the previous performance of our company. Nevertheless, the Group has successfully defended its leadership in extinguishing systems and consolidated its specialist maintenance services and safety systems. On the issues of megatrends that support fire-fighting systems and on the decline in margins, I refer to what is extensively described in the Directors’ Reports that accompany the Financial Statements and the Consolidated Financial Statements. To date we believe that the phenomenon of inflation is destined to persist; the supply difficulties due to the pandemic – and other contingent phenomena that occurred in the same period, such as the Suez Canal obstruction in March 2021 – have highlighted the fragility of too long and complex logistics chains, leading both to the shortage of some strategic raw materials and to the explosion of transport costs (for example, maritime transport where container costs have increased tenfold in 2021 compared to the pre-Covid period). Similarly, the invasion of Ukraine by the Russian army and the ensuing war is leading to structural changes in the global energy market, resulting in price increases that significantly impact almost every economic sector and citizens’ lives. I conclude: the current challenge will be for our Group to manage inflation and master the mechanisms that link it to purchase costs, product costs, the ability to reverse cost increases on sales prices, and to acquire the agility and speed necessary to evolve its offer of products and services in order to cancel – or at least reduce – its effects.”*

The value of production amounted to € 72.98 million, up 33.2% compared to the value recorded in FY21A, equal to € 58.34 million.

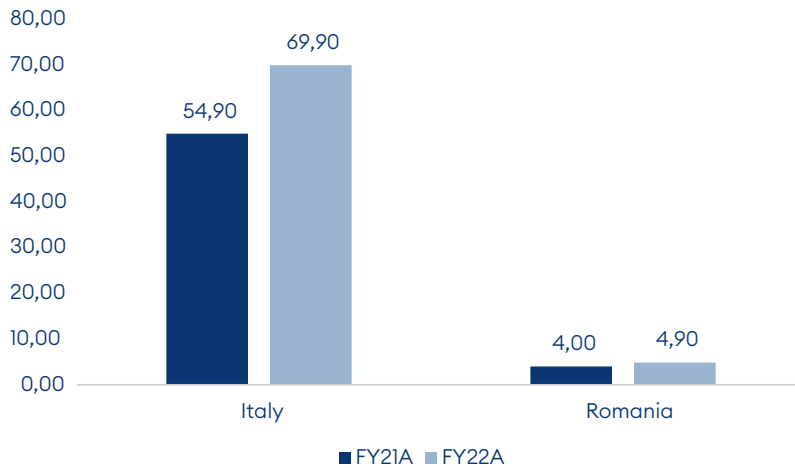
CHART 1 – REVENUES BREAKDOWN BY GEOGRAPHIC AREA



Source: Sebino

Revenues growth is mainly driven by Italy, which represents 93.5% of total revenues, going from € 54.90 million in FY21A to € 69.90 million in FY22A (+27.3%), followed by Romania, which for FY22A stands at € 4.90 million, representing 6.5% of total revenues (with a growth of 21.5% compared to FY21A).

CHART 2 – REVENUES BREAKDOWN BY GEOGRAPHIC AREA FY21A VS FY22A



Source: Sebino

EBITDA, equal to € 10.69 million, recorded a decrease of 1.7% compared to € 10.88 million in the previous year. EBITDA Margin, equal to 14.7%, is lower than the figure for the previous year (18.6%). The decrease in margins compared to the previous period is attributable to the increase in prices of raw materials, energy and transport, caused by the relocation of production back home from emerging countries, the energy transition and the current geopolitical uncertainty. The sudden increase in these costs did not allow the Group to reverse them to customers in the short term. Specifically, this was evident in the field of extinguishing systems,

in which there is a period of time between the moment in which the value of the order is negotiated and fixed with the customer and that in which the site is started and the relative phase of procurement of the components.

EBIT, after amortization and depreciation of € 1.04 million, amounted to € 9.65 million (€ 9.89 million in 2021). EBIT Margin is equal to 13.2%, compared to a FY21A figure of 17.0%. Finally, Net Income stands at € 6.64 million (€ 7.17 million in 2021).

The NFP shows a strong improvement from € 4.93 million to € 12.60 million, benefiting from a consolidated cash flow from the ordinary operations of € 8.90 million.

It should be noted that, in the press release of 4 April 2023, the Group announced that Sebino Holding Srl, an investment vehicle indirect subsidiary of Seta Holding SA, has signed with the shareholders of Sebino SpA, Nexus I Srl, the Cadei Family and Giovanni Romagnoni a preliminary sale and re-investment contract for the purchase of a majority stake in the share capital of Sebino.

Pursuant to the contract, the buyer will purchase: 4,011,667 shares from Nexus I at a price equal to € 7.20 per share; the entire Cadei Family shareholding for a total of 4,830,000 at a price of € 5.50 per share; 575,000 shares at a price equal to € 7.20 per share from Giovanni Romagnoni. The transaction will be funded both through its own funds and through a bank loan granted by a pool of lending banks and a loan granted by Nexus I and the Cadei Family. In addition, at the same time as the completion of the transaction, Nexus I will subscribe a capital increase that will be resolved by Sebino Holding through the transfer of the remaining 2,083,333 Sebino shares owned by Nexus I. Subject to the completion of the closing of the transaction, the buyer will therefore hold a representative participation of 85.33% of Sebino's capital.

The closing of the transaction is subject to the fulfillment of the following conditions:

- Obtaining of the authorization pursuant to the “golden power” regulations;
- Disbursement to the buyer of the loan, preparatory to the completion of the acquisition and the subsequent takeover bid;
- The absence of substantially biasing events until the closing date.

Finally, as a result of the transaction, the buyer will be required to promote a total mandatory takeover bid, aimed at the delisting of the Sebino shares.

Taking into account what has been communicated, while waiting to evaluate the future evolution of the transaction described above, we set our recommendation from BUY to U/R, our Target Price from € 10.00 to U/R leaving the Medium risk level unchanged.

# Disclosure Pursuant to Delegated Regulation UE n. 2016/958

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10/10/2022	5,24	Buy	10,00	Medium	Update
26/01/2023	5,80	Buy	10,00	Medium	Breaking News

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Equity Total Return (ETR) for different risk categories			
Rating	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ETR >= 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR <= -5%	ETR <= -5%	ETR <= 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

### Valuation methodologies (long term horizon: 12 months)

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- It plays, or has played in the last 12 months, role of specialist financial instruments issued by Sebino SpA;
- In the IPO phase, Integrae SIM played the role of global coordinator.

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