

## BIFIRE

Sector: Industrial

### Resilient 1H23 results despite a challenging context

*1H23 results (with sales and EBITDA already disclosed) showed a weak top-line trend in a challenging context (-3.6% yoy) with a strong EBITDA margin expansion (25.2% on sales, +320bp vs 1H22). 1H23 capex of Eu3.6, mainly related to the 4<sup>th</sup> production plant, and NWC absorption (Eu2.9mn) resulted into a net debt position of Eu0.1mn (from net cash of Eu1.4mn at YE22). We mainly increased our FY23E EBITDA by +5.7%, while confirming other figures. The expansion in production capacity (upcoming 4<sup>th</sup> production plant) to penetrate the DACH area and to enlarge the products portfolio should shield from the weak domestic demand. We broadly confirmed our FY23E revenues (-5% yoy, implying a conservative deceleration of -6.5% in 2H), with EBITDA of Eu9.3mn/22.2% margin (+5.2% yoy). We believe that, despite the current environment characterized by short-term headwinds, medium-long term tailwinds arising from the EU decarbonization trend of renovation buildings are clear upside potentials. BUY rating reaffirmed with TP to Eu4.2/share (from Eu4.5), based on EV/EBIT multiples of the selected peers (after a 10% discount) and mark-to-market of our DCF.*

- **1H23 sales confirmed at Eu21.8mn with strong EBITDA margin of 25.2%.** 1H23 top-line (already disclosed) was confirmed at Eu21.8mn (-3.6% yoy). The expected slowdown is mainly attributable to the phase-out of 110% incentive scheme and subdued demand in the real estate sector. EBITDA margin (already disclosed) came in surprisingly higher than our FY23 forecast (i.e. 25.2% vs our 20.7% margin) and 320bp higher vs. 1H22 of 22% on sales. The strong expansion experienced during 1H has been induced by a reduction in energy costs and raw materials and by costs rationalization/optimization of the production cycle, benefitting the long-term activity. EBIT and net profit reached Eu4.5mn/20.8% margin and Eu3.5mn/16%, respectively. Despite capex for Eu3.5mn (o/w Eu2.3mn related to the third production plant in Varedo), NFP reached a net debt position of Eu0.1mn (including 110% tax credits for Eu1mn) from a net cash position of Eu1.5mn at YE22.
- **Short-term headwinds remain visible. Focus on internationalization and green products.** The current short-term scenario is still signalling a subdued demand of the real estate sector, with domestic demand showing a downturn trend due to several headwinds linked to fiscal incentives phase-out and high interest rates. The group is now prioritizing the acceleration in international markets, also thanks to the competition of the fourth plant in Seregno dedicated to the DACH region. On top of that we recall that Bifire is set to exploit opportunities in the mid/long-term arising from the European decarbonization targets, linked to the renovation of buildings (e.g. all residential units must be class E/D/zero-emission by 2030/33/50 according to the EPBD directive, affecting >15% of Italian buildings, according to ISTAT). On the back of systematic long-term tailwinds, the group's established its third plant dedicated to green construction products, which should start to generate revenues from 2024. The group has also announced to increase brand awareness through TV advertising.
- **We increased our FY23 EBITDA by +5.7%.** We broadly confirmed our FY23E top-line and increased our EBITDA by +5.7%. Other figures were untouched. All in all, our FY23 top-line is now pointing to Eu41.8mn (-5% yoy), implying a conservative deceleration of -6.5% yoy in 2H, with EBITDA of Eu9.3mn/22.2% margin (+5.2%). FY23E net debt should reach Eu0.7mn.
- **We confirm our BUY rating with TP to Eu4.2/share (from Eu4.5).** Despite the strong YTD performance (+20%), Bifire is down 18% from IPO. The stock is trading at sizeable 40% discount on EV/EBIT 23E vs. international producers of innovative building materials. We confirm our BUY rating with TP of Eu4.2/share (from Eu4.5) based on EV/EBIT multiples of the selected peers (after a 10% discount) and mark-to-market DCF.

## BUY

Unchanged

### TP 4.2

From 4.5

Target price upside 39%

Change in EPS est.	FY23E	FY24E
	8.6%	0.0%

Ticker (BBG, Reut)	FIRE IM	FIRE.IM
Share price Ord. (Eu)		3.0
N. of Ord. shares (mn)		17.5
Total N. of shares (mn)		17.5
Market cap (Eu mn)		53
Total Market Cap (Eu mn)		53
Free Float Ord. (%)		16%
Free Float Ord. (Eu mn)		8
Daily AVG Liquidity Ord. (Eu k)		22

	1M	3M	12M
Absolute Perf.	-11.2%	-13.2%	39.8%
Rel. to FTSEMidCap	-6.1%	-6.2%	26.8%
52 weeks range		2.1	3.7



	FY22A	FY23E	FY24E
Sales	44	42	47
EBITDA adj.	8.8	9.3	9.8
Net profit adj.	5.3	5.2	5.4
EPS adj.	0.306	0.297	0.310
DPS - Ord.	0.000	0.000	0.000
EV/EBITDA adj.	5.2x	5.7x	5.2x
P/E adj.	9.0x	10.2x	9.8x
Dividend yield	0.0%	0.0%	0.0%
FCF yield	-11.3%	-4.0%	2.8%
Net debt/(Net cash)	(1.4)	0.7	(0.8)
Net debt/EBITDA	nm	0.1x	nm

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# ALANTRA

## Italian Equity Research

### Summary Financials

P&L account (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Total Revenues	29.6	44.0	41.8	46.7	50.7
First margin	19.3	29.1	27.1	30.0	32.3
EBITDA reported	7.0	8.8	9.3	9.8	11.1
D&A	(1.4)	(1.9)	(2.4)	(2.7)	(2.5)
EBIT reported	5.6	6.9	6.9	7.2	8.6
Net financial charges	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	5.5	6.8	6.7	7.0	8.5
Taxes	(1.3)	(1.5)	(1.5)	(1.6)	(1.9)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	4.2	5.3	5.2	5.4	6.5
<b>EBITDA adjusted</b>	<b>7.0</b>	<b>8.8</b>	<b>9.3</b>	<b>9.8</b>	<b>11.1</b>
<b>EBIT adjusted</b>	<b>5.6</b>	<b>6.9</b>	<b>6.9</b>	<b>7.2</b>	<b>8.6</b>
<b>Net profit adjusted</b>	<b>4.2</b>	<b>5.3</b>	<b>5.2</b>	<b>5.4</b>	<b>6.5</b>

Margins (%)	FY21A	FY22A	FY23E	FY24E	FY25E
First margin	65.3%	66.0%	64.8%	64.3%	63.8%
EBITDA margin	23.5%	20.0%	22.2%	21.1%	21.9%
EBITDA margin (adj)	23.5%	20.0%	22.2%	21.1%	21.9%
EBIT margin	18.8%	15.8%	16.5%	15.3%	17.0%
EBIT margin (adj)	18.8%	15.8%	16.5%	15.3%	17.0%
Net profit margin	14.3%	12.1%	12.4%	11.6%	12.8%
Net profit margin (adj)	14.3%	12.1%	12.4%	11.6%	12.8%

Growth rates (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Sales	39.3%	48.9%	-5.0%	11.8%	8.6%
EBITDA	66.6%	26.6%	5.2%	6.2%	12.7%
EBITDA adjusted	66.6%	26.6%	5.2%	6.2%	12.7%
EBIT	68.8%	24.8%	-0.6%	4.0%	20.1%
EBIT adjusted	68.8%	24.8%	-0.6%	4.0%	20.1%
Pre-tax	67.8%	23.3%	-1.0%	4.4%	20.6%
Net profit	45.8%	25.8%	-3.0%	4.4%	20.6%
Net profit adjusted	45.8%	25.8%	-3.0%	4.4%	20.6%

Per share data	FY21A	FY22A	FY23E	FY24E	FY25E
Shares	17.450	17.450	17.450	17.450	17.450
N. of shares AVG	17.450	17.450	17.450	17.450	17.450
N. of shares diluted AVG	17.450	17.450	17.450	17.450	17.450
<b>EPS</b>	<b>0.306</b>	<b>0.297</b>	<b>0.310</b>	<b>0.373</b>	<b>0.373</b>
<b>EPS adjusted</b>	<b>0.306</b>	<b>0.297</b>	<b>0.310</b>	<b>0.373</b>	<b>0.373</b>
<b>DPS - Ord.</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	1.822	2.119	2.429	2.802	

Enterprise value (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Share price Ord. (Eu)	na	2.8	3.0	3.0	3.0
Market cap		48.0	52.7	52.7	52.7
Net debt/(Net cash)	2.0	(1.4)	0.7	(0.8)	(6.2)
Adjustments	0.6	(0.5)	(0.5)	(0.5)	(0.6)
Enterprise value		46.1	52.9	51.4	45.9

Source: Company data, Alantra estimates

Cash flow (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
EBITDA reported	7.0	8.8	9.3	9.8	11.1
Net financial charges	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Cash taxes	(0.7)	(1.5)	(1.5)	(1.6)	(1.9)
Ch. in Working Capital	(3.0)	(6.5)	(3.1)	(5.1)	(2.0)
Other Op. items	(0.1)	1.7	(0.0)	(0.1)	(0.1)
<b>Operating cash flow</b>	<b>3.1</b>	<b>2.4</b>	<b>4.4</b>	<b>2.9</b>	<b>6.9</b>
Capex	(2.0)	(7.8)	(6.5)	(1.4)	(1.5)
<b>FCF</b>	<b>1.1</b>	<b>(5.4)</b>	<b>(2.1)</b>	<b>1.5</b>	<b>5.4</b>
Disposals/Acquisitions	0.0	0.0	0.0	0.0	0.0
Changes in Equity	0.1	8.9	0.0	0.0	0.0
Others	0.0	(0.0)	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0
<b>Ch. in NFP</b>	<b>1.2</b>	<b>3.5</b>	<b>(2.1)</b>	<b>1.5</b>	<b>5.4</b>

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Capex/Sales</b>	<b>6.7%</b>	<b>17.8%</b>	<b>15.7%</b>	<b>3.0%</b>	<b>2.9%</b>
Capex/D&A	1.4x	4.2x	2.8x	0.5x	0.6x
FCF/EBITDA	16.1%	-61.3%	-23.0%	15.1%	48.6%
FCF/Net profit	26.4%	-101.3%	-41.1%	27.5%	82.7%
<b>Dividend pay-out</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

Balance sheet (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital	7.4	11.0	14.1	19.1	21.1
Fixed assets	12.8	18.9	23.1	21.9	21.0
Provisions & others	(0.6)	0.5	0.5	0.5	0.6
<b>Net capital employed</b>	<b>19.6</b>	<b>30.4</b>	<b>37.7</b>	<b>41.6</b>	<b>42.7</b>
<b>Net debt/(Net cash)</b>	<b>2.0</b>	<b>(1.4)</b>	<b>0.7</b>	<b>(0.8)</b>	<b>(6.2)</b>
Equity	17.6	31.8	37.0	42.4	48.9
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Working capital/Sales</b>	<b>25.0%</b>	<b>25.0%</b>	<b>33.6%</b>	<b>41.0%</b>	<b>41.7%</b>
<b>Net debt/Equity</b>	<b>11.5%</b>	<b>nm</b>	<b>1.9%</b>	<b>nm</b>	<b>nm</b>
<b>Net debt/EBITDA</b>	<b>0.3x</b>	<b>nm</b>	<b>0.1x</b>	<b>nm</b>	<b>nm</b>

Valuation	FY21A	FY22A	FY23E	FY24E	FY25E
<b>EV/CE</b>		<b>1.5x</b>	<b>1.4x</b>	<b>1.3x</b>	<b>1.1x</b>
P/BV		1.5x	1.4x	1.2x	1.1x
EV/Sales		1.0x	1.3x	1.1x	0.9x
EV/EBITDA		5.2x	5.7x	5.2x	4.1x
<b>EV/EBITDA adjusted</b>		<b>5.2x</b>	<b>5.7x</b>	<b>5.2x</b>	<b>4.1x</b>
EV/EBIT		6.6x	7.7x	7.2x	5.3x
<b>EV/EBIT adjusted</b>		<b>6.6x</b>	<b>7.7x</b>	<b>7.2x</b>	<b>5.3x</b>
P/E		9.0x	10.2x	9.8x	8.1x
<b>P/E adjusted</b>		<b>9.0x</b>	<b>10.2x</b>	<b>9.8x</b>	<b>8.1x</b>
ROCE pre-tax	31.1%	27.7%	20.6%	18.3%	20.7%
<b>ROE</b>	<b>24.1%</b>	<b>16.8%</b>	<b>14.0%</b>	<b>12.7%</b>	<b>13.3%</b>
EV/FCF		-8.5x	-24.9x	34.6x	8.5x
<b>FCF yield</b>		<b>-11.3%</b>	<b>-4.0%</b>	<b>2.8%</b>	<b>10.2%</b>
<b>Dividend yield</b>		<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

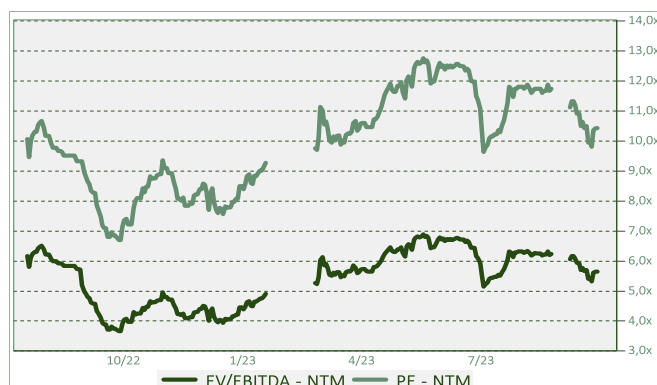
## Share price performance

The stock is up 20% YTD but down -18% since IPO



## Valuation

Multiples de-rated recently



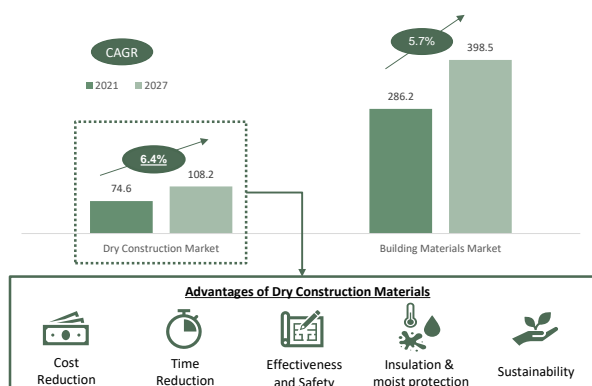
# ALANTRA

## Italian Equity Research

### Key Charts

#### The global Dry Construction market is poised to outperform

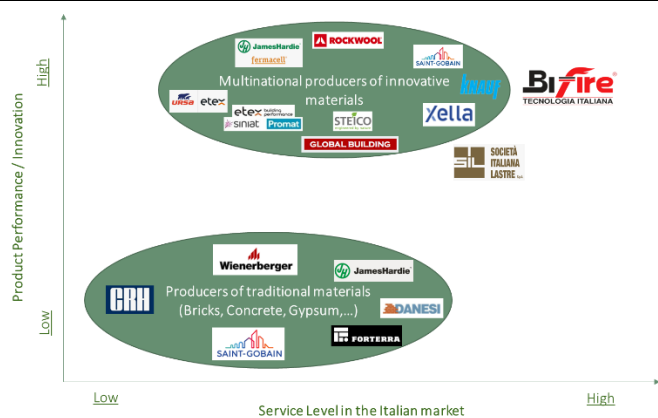
The dry materials are set to accelerate to 6.4% due to clear advantages



Source: Research and Markets, Alantra

#### Competitive landscape in the Italian building materials market

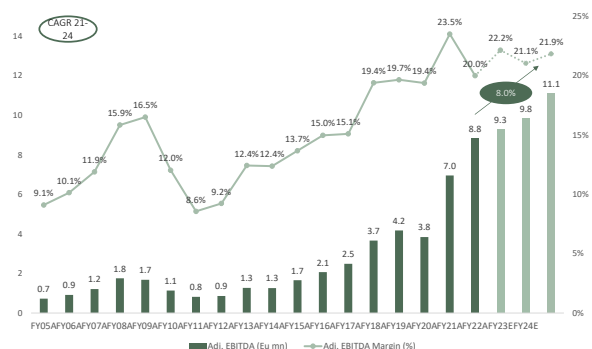
Product innovation and high level of service as key competitive advantages



Source: Alantra. Note: mentioned players do not cover the entire competitive landscape

#### EBITDA margin expected to slightly adjust downwards

After a peak in 2021, EBITDA margin should land at 22% in FY25



Source: Company data and Alantra estimates

#### Bifire's at a glance

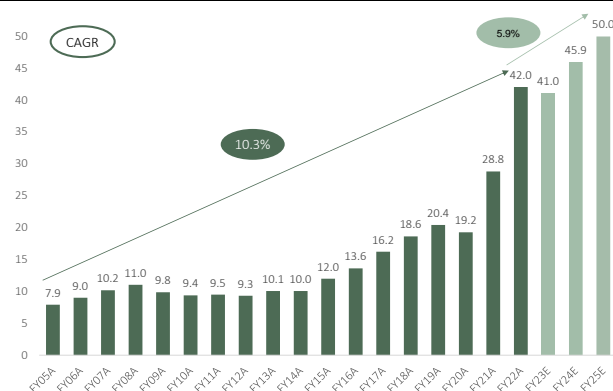
Innovative products covering several Building and Industrial applications

Sector	Buildings/Industrial	Buildings	Buildings	Industrial	Buildings
Main Technology	<b>Supersil</b>	<b>AquaFire</b>	<b>Bifire</b>	<b>MICROBIFIRE</b>	<b>VACUUMARK</b>
In/Outdoor	Mainly outdoor	Mainly outdoor / indoor with high humidity	Mainly indoor	Mainly indoor	Indoor/Outdoor
Characteristics	Strong fire-resistance, Umidity-resistance, Abrasion-resistance, Strength, Sound absorption	Strong fire-resistance, Umidity-resistance, Water-resistance, Lightweight	Thermal insulation, Umidity-resistance, Lightness, Sound absorption, Mold-resistance, Recyclability, Natural & breathable	Strong insulation capacity, working at high temperature range -70/+1100 °C	Strong insulation capacity working at temperature range -70/80 °C
Ideal for..	Not-directly exposed surfaces, Reinforced concrete (RC) structural walls, Dropped ceiling, Self-supporting structures	Directly exposed surfaces, External facades, Dividing walls, Lining walls, Soffits and humid ambient (bath, showers, etc.)	Protected outdoor walls, Indoor perimeter walls, Internal/outdoor protected ceilings, Under floors	Industrial furnace, Refrigerators, Household appliances, Automotive	Roof, Floors, External insulation
Type					

Source: Company's website and product catalogues, Alantra

#### Net revenues expected to experience a 5.9% CAGR in 22-25E

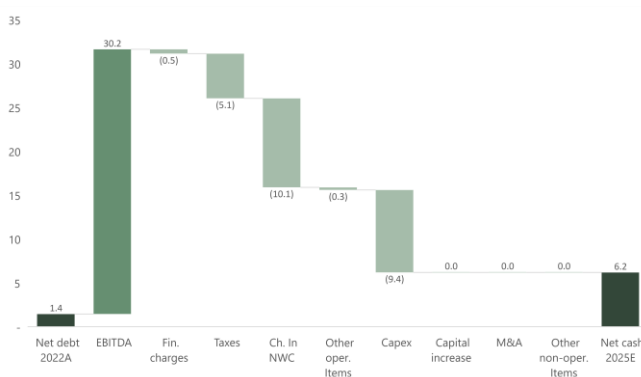
The building business gaining further relevance, growing at a 5.9% 22-25E CAGR



Source: Company data and Alantra estimates

#### 2022-25E Net Debt Bridge

Despite Eu8.6mn capex plan in FY23-25E, we expect net cash of Eu6.2mn in 25E



Source: Company data and Alantra estimates

## Profile

## Background

Bifire is a niche Italian producer of innovative fire protection (53% of FY21 sales), cladding (26%) and insulation (21%) materials, which contribute to CO2 emissions reduction, safety and better living standards. The 5 different technologies / families of products have diversified applications in the Building (68% of FY21 sales) and Industrial (32%) sectors. Production is concentrated in Lombardy (3 plants) while distribution is spread across Italy and abroad (25%). Thanks to a network of 50 agents, Bifire serves fragmented specialised resellers and maintains strong relationships with key decision makers (architects and engineers of construction companies). In the building sector, products are mainly used in renovations. In industrial sector, applications include lift and fire doors, fire dampers and high temperatures (industrial furnaces and dryers).

## Positioning

Focused on the dry segment of the construction market with innovative products dedicated to fire protection and thermal insulation, Bifire competes with Italian and international producers of traditional materials and international producers of innovative materials. The group has a competitive advantage versus traditional building material producers: even though its products are on average more expensive than traditional ones, they potentially have a lower total ownership cost, thanks to reduced installation costs, superior performances during their lifecycle, higher fiscal incentives and lower environmental impact.

In the specific segment of innovative dry building materials sold in Italy, Bifire mainly competes with international players. The company can leverage on a high level of service to different actors of the value chain and local production. Technological know-how (5% of sales in R&D), including a high number of certifications, is the main barrier versus potential newcomers. We believe that the high ROCE of Bifire (>20% in 2021) is sustainable and can be expanded in the future.

## Growth

Bifire has a long story of profitable top-line growth with CAGR 2011-22 of 16.1% (only organic), thanks to a constant product innovation. A more capillary coverage of the Italian market (including brand awareness through D2C marketing), enlargement of the product catalogue and further expansion in the DACH region should drive Bifire's organic growth. We expect market share gains in Italy with existing products, and the ramp-up of a new product (Bilife) from 2H 2022. Net revenues should post a 5.9% 22-25E CAGR (46% yoy growth in 2022). We estimate Adj. EBITDA margin to shrink from the record level of 2021 (23.5% on total sales) to 22%. The gradual phase-out of the "Superbonus 110" should be a margin headwind in our view. We expect Adj. EBITDA to reach Eu11.1mn in 2025, with 8% 22-25E CAGR (26.6% yoy growth in 22).

## Strategy

We believe that Bifire's future organic expansion should be deployed on several fronts: 1) a more capillary coverage of the Italian market, including increasing brand awareness through direct-to-consumer marketing; 2) enlargement of the catalogue with new products; 3) further expansion into the DACH region. Bifire should gain market share with existing products versus the total spending in building renovations in Italy, thanks to: 1) its focus on certified, performing and innovative materials; 2) the investments in marketing; 3) the enlargement of the sales force and 4) the gradual market phase-out of the "Superbonus 110" (we believe that Bifire's exposure to the incentive is lower than that of the overall market). M&A (producers of complementary products or vertical integration with selected suppliers) could be an additional growth driver in the coming years.

### Strengths

Focus on innovative dry construction products with superior performance vs traditional  
Capillary coverage of Specialized Resellers in Italy and proximity to key decision makers  
Product diversification across different end-markets & fragmented client base

### Weaknesses

Small size versus international competitors  
Dependency on 2 key people  
High working capital requirements

### Opportunities

Development of new products  
Vertical and horizontal intergration through M&A  
Stronger market share gain of dry products

### Threats

Increased competition from large international players  
Reduction of fiscal incentives for renovation in the Italian market  
Loss of profitability subsequent to the expiration of the "Superbonus 110"

### Key shareholders

Altus S.r.l. (Alberto Abbo) - 68.77%  
Alfredo Varini - 15.62%  
Free Float - 15.62%

### Management

Alberto Abbo, Chairman & CEO  
Alfredo Varini, Sales Director  
Alessandro Porro, CFO

### Next events

## 1H23 Results

### 1H23 Results

FY22 sales confirmed at Eu21.8mn with strong EBITDA margin of 25.2%.

Eu mn	1H22A	1H23A	YoY %	2H22A	2H23E	YoY %	FY22A	FY23E	YoY %
Value of Production	22.6	21.8	-3.6%	21.4	20.0	-6.5%	44.0	41.8	-5.0%
EBITDA	5.0	5.5	10.3%	3.8	3.8	-1.7%	8.8	9.3	5.2%
Ebitda Margin %	22.0%	25.2%		17.9%	18.8%		20.0%	22.2%	
EBIT	4.1	4.5	9.5%	2.9	2.4	-15.7%	6.9	6.9	-0.6%
Ebit Margin %	18.3%	20.8%		13.5%	12.2%		15.8%	16.5%	
Net Profit	3.1	3.5	13.1%	2.2	1.7	-25.2%	5.3	5.2	-3.0%
Net Profit Margin %	13.7%	16.0%		10.5%	8.4%		12.1%	12.4%	
NFP at the end of the year	3.1	(0.1)		1.4	(0.7)		1.4	(0.7)	

Source: Company data, Alantra estimates

## Estimates

### FY23E EBITDA increased by +5.7%

We mainly increased our FY23 EBITDA by 5.7%.

(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Value of Production	41.8	46.7	50.7	-1.4%	0.0%	0.0%	42.4	46.7	50.7
EBITDA Adjusted	9.3	9.8	11.1	5.7%	0.0%	0.0%	8.8	9.8	11.1
EBIT Adjusted	6.9	7.2	8.6	8.4%	0.0%	0.0%	6.4	7.2	8.6
Pretax Profit	6.7	7.0	8.5	8.6%	0.0%	0.0%	6.2	7.0	8.5
Net profit	5.2	5.4	6.5	8.6%	0.0%	0.0%	4.8	5.4	6.5
Net profit restated	5.2	5.4	6.5	8.6%	0.0%	0.0%	4.8	5.4	6.5
EPS	0.299	0.312	0.376	8.6%	0.0%	0.0%	0.275	0.312	0.4
Net financial position	(0.7)	0.8	6.2	-0.12	-0.39	-0.39	(0.6)	1.2	6.6

Source: Alantra estimates

## Trading multiples

The stock is now trading at a >40% discount versus peers on EV/EBIT FY23E

Company	Country	Mkt Cap (Eu mn)	EV/EBITDA			EV/EBIT			PE			EV/Sales		
			FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
BIFIRE	ITALY	53	5.7 x	5.2 x	4.1 x	7.7 x	7.2 x	5.3 x	10.2 x	9.8 x	8.1 x	1.3 x	1.1 x	0.9 x
Premium (discount) to Peers' Median			-21%	-20%	-30%	-40%	-30%	-42%	-38%	-20%	-31%	1%	2%	-6%
PEERS	Average		8.9 x	7.5 x	6.7 x	20.3 x	10.8 x	9.4 x	16.7 x	13.6 x	12.0 x	1.4 x	1.3 x	1.2 x
	Median		7.2 x	6.5 x	5.9 x	12.8 x	10.2 x	9.2 x	16.3 x	12.2 x	11.7 x	1.2 x	1.1 x	1.0 x
STEICO SE	GERMANY	353	8.7 x	8.0 x	6.5 x	16.3 x	14.0 x	11.2 x	19.0 x	15.5 x	12.1 x	1.3 x	1.3 x	1.1 x
Etex S.A.	BELGIUM	1,740	na	na	na	na	na	na	na	na	na	na	na	na
ROCKWOOL A/S Class B	DENMARK	4,772	6.3 x	6.3 x	6.0 x	9.5 x	9.8 x	9.1 x	12.7 x	13.2 x	12.3 x	1.3 x	1.3 x	1.2 x
Kingspan Group Plc	IRELAND	12,552	13.0 x	12.3 x	11.1 x	16.1 x	15.4 x	14.1 x	19.1 x	18.6 x	17.3 x	1.7 x	1.6 x	1.5 x
Bewi ASA	NORWAY	508	6.9 x	5.0 x	4.2 x	13.1 x	8.2 x	6.2 x	23.5 x	9.6 x	7.2 x	0.8 x	0.7 x	0.6 x
International Producers of Innovative Building Materials	Average		8.7 x	7.9 x	6.9 x	13.8 x	11.9 x	10.2 x	18.6 x	14.2 x	12.2 x	1.3 x	1.2 x	1.1 x
	Median		7.8 x	7.2 x	6.3 x	14.6 x	11.9 x	10.1 x	19.1 x	14.4 x	12.2 x	1.3 x	1.3 x	1.2 x

Source: Alantra estimates and Factset

## Financials

Better profitability compared to business peers with milder growth rates

Company	Country	Mkt Cap (Eu mn)	FY23E - FY25E average margins					CAGR FY22A - FY25E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	Net profit
BIFIRE	ITALY	53	21.7%	16.3%	12.3%	7.2%	0.0%	4.8%	8.0%	7.5%	6.9%
PEERS	Average		16.9%	11.5%	7.9%	9.8%	27.4%	10.1%	15.2%	13.2%	9.8%
	Median		15.0%	9.7%	6.8%	7.0%	27.5%	7.9%	11.8%	13.3%	10.2%
STEICO SE	GERMANY	353	16.1%	9.0%	5.7%	13.2%	27.5%	0.4%	-5.4%	-12.2%	-15.2%
Etex S.A.	BELGIUM	1,740	na	na	na	na	na	na	na	na	na
ROCKWOOL A/S Class B	DENMARK	4,772	20.1%	13.3%	10.0%	10.9%	31.6%	-0.7%	6.2%	8.2%	12.5%
Kingspan Group Plc	IRELAND	12,552	12.9%	10.3%	7.8%	2.5%	14.4%	2.4%	5.7%	5.6%	5.8%
Bewi ASA	NORWAY	508	13.2%	8.0%	3.8%	2.4%	50.2%	9.7%	19.8%	24.8%	23.6%
International Producers of Innovative Building Materials	Average		15.6%	10.2%	6.8%	7.3%	30.9%	2.9%	6.6%	6.6%	6.7%
	Median		14.6%	9.7%	6.8%	6.7%	29.5%	1.4%	5.9%	6.9%	9.1%

Source: Alantra estimates and Factset

# ALANTRA

## Italian Equity Research

### Performance

The stock is up c. 20% YTD overperforming the panel of peers

Company	Country	Mkt Cap (Eu mn)	Performance						
			1M	3M	6M	1YR	3YR	5YR	YTD
BIFIRE	ITALY	53	-11.2%	-13.2%	-5.6%	39.8%	na	na	19.4%
PEERS	Average		-7.8%	-8.5%	-13.3%	13.8%	13.6%	66.2%	-9.4%
	Median		-7.0%	-8.6%	-10.3%	12.4%	8.0%	60.3%	-12.1%
STEICO SE	GERMANY	353	-17.9%	-12.7%	-53.0%	-46.1%	-45.4%	7.1%	-41.9%
Etex S.A.	BELGIUM	1,740	5.0%	0.0%	7.7%	10.5%	61.5%	53.3%	16.7%
ROCKWOOL A/S Class B	DENMARK	4,772	1.8%	-1.7%	1.7%	38.9%	-29.6%	-40.1%	0.8%
Kingspan Group Plc	IRELAND	12,552	-6.6%	18.4%	15.0%	42.7%	-5.8%	68.7%	36.4%
Bewi ASA	NORWAY	508	-5.2%	-24.8%	-24.2%	-37.5%	36.2%	na	-34.7%
International Producers of	Average		-5.0%	-4.8%	-7.8%	24.4%	4.9%	57.5%	-4.6%
Innovative Building Materials	Median		-5.9%	-4.8%	3.7%	24.7%	3.5%	53.3%	0.8%

Source: Alantra estimates and Factset



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