

ALFIO BARDOLLA

Innovative reinvention of the personal finance and wealth creation training market

We initiate coverage on Alfio Bardolla Training Group (ABTG) with a TP of Euro 3.76 p.s. providing for a potential upside of 179%. The Group is currently offering a valuation of respectively 7.0x and 5.2x FY20-21 EV/EBITDA vs. peers trading on 9.5x and 7.2x. We value ABTG on a peer group-based multiples approach and on a DCF model.

Leader in a niche market: ABTG, innovative SME since 2017, is the Italian leader in digital personal finance and wealth creation training market. By leveraging on its consolidated expertise and know-how in the field, the Group creates, develops and markets highly specialized on-and offline training courses to a loyal client base in Italy and Spain. The Group, which was founded in 2012 by Alfio Bardolla an entrepreneur and best-selling author of personal finance books, is headquartered in Milan, Italy and operates with 4 highly integrated business lines: online courses, offline courses, coaching and judicial auctions, the latter through Aste Giudiziarie Lombardia, an innovative startup acquired in July 2019. In FY19, ABTG recorded revenues of Euro 12.3 m, of which 97% in the domestic market.

Important increase in profitability following new business model with focus on digital: with the COVID-19 outbreak in 1H20, the Group was able to quickly adapt and accelerate the shift in focus of the business model towards digital, with revenues from online courses increasing significantly representing 37% of total revenues in 1H20 (6% in FY19) and an increase in EBITDA margin from 6% in FY19 to 23% in 1H20, thanks to the high scalability of the digital business.

Outlook and Estimates: ABTG's grew revenues at a FY16-19 CAGR of +21% thanks to a strong focus on lead generation, strengthening of the sales network and the introduction of new products/services in the Group's already robust portfolio. Going forward, we believe that the Group is well positioned to continue to benefit from the trend of increased acceptance of online learning, that the COVID-19 pandemic seems to have accelerated, through the implementation of a growth strategy based on widening the online offering, international expansion by replicating the domestic business model, and continuous focus on lead generation. We forecast revenues to grow at a FY19-22E CAGR of +8%, with an important boost in profitability with an increase in EBITDA by +90% (19-22 CAGR) respectively thanks to a continuous shift in product mix toward higher weight of online courses. We expect the Group to continue to be cash positive over the period.

Sector: Services

Target Price (Euro)	3.76
Market Price (Euro)	1.35
Market Cap (Euro m)	6.9
EV (Euro m)	6.5
<i>(as of November 13th, 2020)</i>	

Share Data

Market	AIM ITALIA
Bloomberg	ABTG:IM
ISIN	IT0005244030
N. of Shares	5,094,361
Free Float	49.65%
CEO	Alfio Bardolla

Aim Positioning

FY 2019	Company	Service	AIM Italia
VoP (Eu m)	12	28	45
YoY	+20%	+31%	+17%
EBITDA %	6%	6%	16%
ND/EBITDA (x)	(0.4)	2.5	2.1

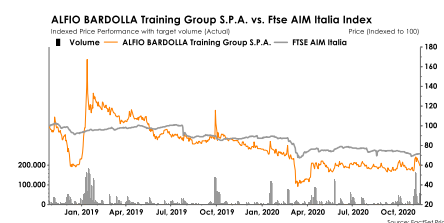
Market Data	Company	Service	AIM Italia
Mkt Cap (Eu m)	6.9	17.5	44.9
Perf. YTD	-22%	-26%	-10%
Free Float	50%	34%	32%
ADTT YTD (Eu k)	19	41	75

Performance

	1M	3M	6M
Absolute	+%1.5	+1.9	+5.1%
Relative	+4.3%	+6.9%	+10.3%
52-week High/Low (Eu)	1.98 / 0.83		

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Key Figures (Euro m)	Sales	YoY %	EBITDA	EBITDA %	EBIT	EBIT %	Net Profit	Net Debt (cash)
2019A	12.3	+20%	0.8	6%	-1.1	n.m.	-1.2	(0.5)
2020E	10.0	-19%	2.7	27%	1.3	13%	0.7	(0.5)
2021E	12.9	+29%	3.6	28%	1.9	15%	1.2	(1.9)
2022E	15.5	+20%	5.2	34%	3.4	22%	2.4	(4.6)