



**CONFINVEST** F.L.

Dal 1983 la soluzione per investire in oro fisico

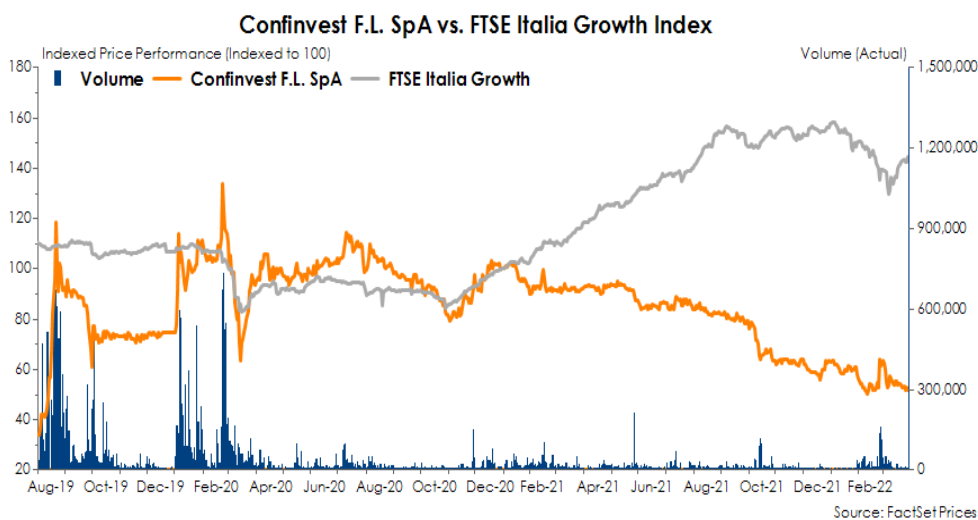
## Decreasing revenues and establishment of new management

Sector: Finance

**FY21 sales and profitability below our expectations.** Revenues fell by 27%, to Euro 30.3 m, (vs. Euro 65.8 m estimated) compared with the same period of the previous year, with a consequent negative impact on EBITDA, which fell more than proportionally to Euro 0.06 m (vs. Euro 1.4 m in FY20 and Euro 3.2 m estimated), due to the Company's high operating leverage. The drop in revenues compared to our estimates is due to both the decidedly lower penetration of the "Conto Lingotto®" and the change in management that has led to a lengthy company reorganization. The large reduction in EBITDA is instead due to the exceptional nature of the very favorable economic situation and a different impact of the operating structure, which is reflected in growing company's fixed costs (94% of revenues vs. 53% in FY20).

**Positive balance sheet and establishment of new management.** NFP (cash) is positive at Euro 1.09 m (Euro 2.72 m at FY20): the change is mainly attributable to the distribution of the dividend (Euro 0.7 m), the increase in the value of inventories for Euro 0.42 m and a planned transaction with an historical trusted counterparty led to a temporary receivable of approximately Euro 0.25 m, arising at the end of December 2021 and financially settled by the first ten days of January 2022. The Company has now regained its focus on the traditional business of buying and selling investment gold and, in the light of these considerations, the future strategy can now be based on decisions that aim to implement the ideas of the new management, in order to take full advantage of the scalability of the business with a view to resuming the growth path undertaken in 2020 and unfortunately interrupted in the year just ended.

**Estimate revision and valuation.** Given the above, we have reviewed downwards our FY22 estimates and we expect an EBITDA margin of c. 15% hence implying a FY22 EBITDA of Euro 0.3 m, -93% vs. our previous estimates (Euro 4.7 m). Net Income is expected to reach Euro 0.07 m (Euro 3.1 m pr.) and we also revised our expectations for FY23 now assuming sales of Euro 36 m (Euro 86 m pr.): we have decidedly downsized our estimates of the number of "Conto Lingotto®" accounts, which, as a result of Covid-19 and above all the change in management, had a very limited penetration and more disappointing results than expected. Based on our updated estimates since our last update in November 2021, we set a new target price of Euro 2.64 p.s. (U.R. pr.) providing for an upside on current stock price of +18%.



Target Price **2.64 (U.R. pr.)**

Price (€ m) **2.24**

Market Cap (€ m) **16**

EV (€ m) **15**

As of 31<sup>st</sup> March, 2022

### Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	CFV:IM
ISIN	IT0005379604
N. of Shares	7.018.050
Free Float	53.62%
CEO	Simone Manenti

### Financials

	2020A	2021A	2022E	2023E
Sales	41.1	30.3	33.0	36.0
YoY %	+51%	-27%	+9%	+9%
EBITDA	1.42	0.06	0.30	0.61
EBITDA %	46%	3.7%	15.2%	20%
EBIT	1.22	(0.13)	0.09	0.24
EBIT %	40%	-7.3%	5.2%	11.4%
Net Income	0.82	(0.1)	0.07	0.17
Net Debt	(2.7)	(1.09)	(1.2)	(1.4)

### Performance

	1M	3M	6M
Absolute %	-18.2	-17.0	-19.4
Relative (FTSE Italia Growth)	-16.4	-31.7	-15.6
52-week High/Low (Eu)	4.19	/	2.16

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