



FY22 results in line with expectations, positive outlook for FY23
Sector: Personal & Household Goods

1H22 revenues and margins above our expectations. CALEFFI Italian leader in the Home Fashion industry, reported FY22 revenues of Euro 59.3 m, in line with our estimates (Euro 60 m) and slightly below prior year's (Euro 60.8 m). The result implied a strong second half of the year with sales of Euro 33.9 m, +7% YoY (Euro 31.6 in 2H21) driven by a good performance especially of the Group's own mono brand stores. Overall, the domestic market (92% of total) recorded sales of Euro 54.5 m, in line with last year (Euro 54.5 m), whereas export markets saw a slight contraction (Euro 4.8 m vs. Euro 6.2 m in FY21). Caleffi SpA recorded revenues of Euro 46.7 m (Euro 46.0 m in FY21) whereas revenues of Mirabello Carrara, the luxury subsidiary, stood at Euro 14.3 m (Euro 16.2 in FY21). EBITDA came in at Euro 6.3 m and with an EBITDA margin of 10.6% vs. 13.2% in FY21, but slightly above the upper end of guidance (8-10%) and our estimates of 9%. We recall that FY21 profitability benefitted from extraordinary COVID-19 related measures. Good performance in the second half of the year with an EBITDA of Euro 3.9 m. Net Income stood at Euro 2.4 m (o/w Group's Euro 2.3 m) vs. Euro 3.4 in FY21 and Euro 1.6 m as of our estimates. Reflecting a Euro 3.5 m NWC absorption, FCFO was almost entirely absorbed by Capex (Euro 1.5 m) resulting in a Net Debt of Euro 12.8 m, steady vs. FY21 (Euro 12.7 m).

To simplify the organizational and corporate structure of the Group, at the end of January, Caleffi announced the acquisition of the outstanding 30% of Mirabello Carrara from the minority shareholder (already shareholder in Caleffi SpA), thus increasing its share to 100%. The total consideration of the deal was of Euro 1.5 m to be paid in cash (Euro 0.9 m) within June 2023 and in Caleffi shares (Euro 0.6 m).

New consumer trends and licence agreements to secure mid-term growth. Management did not provide guidance for FY23 but highlighted that despite the continuous difficult macroeconomic situation with cost inflation negatively impacting consumer spending, the post-Covid work-from-home revolution has reoriented people's budget towards spending on their home bedding products. A large chunk of consumers is spending more time at home, which has consequently upgraded the sleep setup. In addition, the increased awareness of the critical link between good sleep and a healthy mind and body has increased the need for high-quality bedding. In addition, as sustainability is becoming an increasingly important value among consumers and buyers in the home textiles, demand for sustainable products is growing. The positive market context, coupled with the structural improvement of profitability over the last years (average EBITDA margin 2017-2019 c. 4%), the Company's strong ESG profile and the renewal of (Roberto Cavalli and Diesel) and new (Bellora 1883) licence agreements, all support of our mid-term growth expectations and leads us to confirm our positive stance on the stock.

Estimate revision and valuation update. Based on the above we only made some minor adjustments to our FY23-24 estimates and added FY25 to our explicit forecast. In FY25 we expect sales to reach Euro 63 m with an EBITDA margin of 12.5%, and a Net Cash position (Euro 0.3). Updating our valuation model with up-to-date market data and market multiples, we set a target price of Euro 3.25 p.s., largely in line with our previous one (Euro 3.14 p.s.) and providing for an upside on current stock price of 193%. The stock is currently trading on FY 23-24 EV/EBITDA multiples of 4.8x and 4.6x vs. peers' 11.0x and 9.7x.



Target Price 3.25
(3.14 pr.)

Price (€) **1.11**
Market Cap (€ m) **17**
EV (€ m) **30**

Share Data As of March 31st, 2023

Market	Euronext Growth Milan
Reuters/Bloomberg	CLF.MI/CLF IM
ISIN	IT0003025019
N. of Shares	15,628,081
Free Float	41.7%
Main Shareholder	Giuliana Caleffi Srl (58.3%)
CEO	Guido Ferretti

Financials

	2022A	2023E	2024E	2025E
Sales	59,3	59,9	61,4	62,9
YoY %	-2%	1%	2%	3%
EBITDA	6,3	6,6	7,7	7,9
EBITDA %	10,5%	11,0%	12,5%	12,5%
EBIT	3,7	4,0	5,3	5,5
EBIT %	6,3%	6,7%	8,7%	8,8%
NI Group	2,3	2,9	3,8	4,0
Net Debt	12,8	8,7	4,3	(0,3)
Group Equity	21,7	24,6	28,4	32,4

Performance

	1M	3M	12M
Absolute %	-5,9	8,8	-15,3
Relative (FTSE Italia Growth)	-5,1	0,6	-14,1
52-week High/Low (Eu)	1.38	/	0.94

Sustainability

Sustainability and impact reports provided

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