Banca Profilo

Company Update

Company:	Rating:	Target Price:	Sector:
Sciuker Frames	**BUY**	**€9/share (from €15.1)**	**Building Products**

M&A to boost the Industrial Hub

27 October, 2023 at 18:00

1H23 results below our FY forecast

Total Revenues (VoP) came in at €65mln (vs €83.4mln in 1H22), which represents 29% of our previous FY23E estimate (€224.4mln), well below 43% in 1H22/FY22. *[Please refer to our Company Update on 28th April 2023].* The decrease derived from Ecospace and its Ecobonus activities, hit by changes in the regulatory framework and the lack of liquidity in the fiscal credit trade. Concerning revenues breakdown, the Industrial Hub reported €42.6mln (from €42.5mln in 1H22), while Ecospace turnover declined to €22.3mln from €40.9mln in 1H22. EBITDA came in at €17.9mln (€19.9mln in 1H22) with margin improving to 27.5% from 23.9% in 1H22, despite the slowdown in Ecospace. At the end of June 2023, Net Debt worsened to €10.6mln from €1.4mln of Net Cash at the end of 2022 mainly due to the lagging of tax credits transfer, which resulted in an overall slowdown in Sciuker Ecospace's operations.

DQG and D&V acquisitions to boost the Industrial Hub, expanding the range of offering and create deWol Industries, the Italian leader of frames production

In June, Sciuker Frames acquired DQG and D&V, both active in the production of PVC windows and aluminium doors. The execution of the two acquisitions marks the birth of deWol Industries, a federation of brands (Sciuker Frames, GC Infissi, D&V, DQG, Ecospace and Teknika) which is the Italian largest operator in the design and production of windows and solar screens and leader in green design and energy transition.

2023 Outlook reduced: pro-forma VoP at €200mln, EBITDA at €45mln

Sciuker cut its 2023 guidance: pro-forma VoP is seen at €200mln. Excluding both DQG and D&V 2023E VoP (€35mln and €30mln), 2023 guidance on SCK Group stand-alone (Sciuker Frames, Ecospace, Teknika and GC Infissi) is €135mln, down from previous 2023 outlook at €224mln. Company now estimates pro-forma 2023 EBITDA at €45mln (vs previous €65mln).

2023-2025 estimates downward revision; full consolidation of DQG and D&V in 2023

We estimate the Industrial Hub revenues to grow at 31.2% 22-25 CAGR, (vs previous 24.8%), assuming 2023 VoP at €35mln for DQG and €30mln for D&V (according to Company's guidance). Regarding Ecospace, we cut our forecast amid the stop of new procurements and the lagging of tax credits transfers. Ecospace revenues are set to decrease at a -29.8% 22-25 CAGR vs previous +12.8%. We end up with 2023 EBITDA at €44.5mln, in line with 2023 Company outlook. We plan EBITDA to grow at 3.7% CAGR in 2022-2025 (vs previous 18.7%). Overall, DQG and D&V are expected to compensate only partially Ecospace business contraction, both in terms of VoP and EBITDA. Yet, they will allow to keep EBITDA margin unchanged over 20% and to boost the Industrial Hub expansion and market leadership.

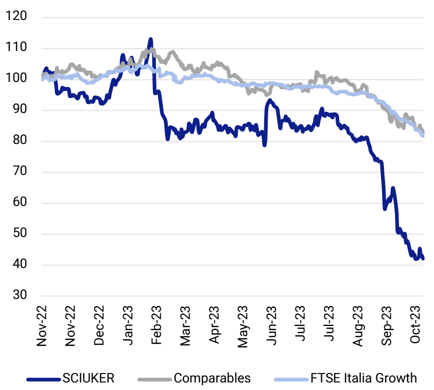
Valuation: BUY confirmed; 12-month TP cut to €9 (from €15.1)

We reduced our 12-month TP to €9/share as the simple average of DCF (€11/share) and market multiples valuations (€6.8/share). To run the DCF model, we used our FCFs 2024-2025 projections. We did not include 2023E FCF as it is affected by the consolidation of the two acquired companies, which will likely bring acquisition CapEx for some €17mln and NOWC absorption by €34.5mln. We project: 24-25E cumulated FCFs at €42mln; Terminal Value FCF of €21.2mln. New 24-25 FCFs do not differ from our old estimates as lower EBIT will likely be offset by NWC generation coming from decreasing Ecospace activity. WACC is assumed at 9.3%, up from previous 7.3%, for higher risk-free rate, cost of debt, and lower debt-to-equity ratio at 30% amid the capital increase needed to fund the acquisitions. Perpetual growth rate is unchanged at 2%. Higher WACC, Net Debt and number of shares, compared to our previous Company Update, led to a decrease in our DCF valuation. Market multiples valuation is based on a lower median 2023-24E EV/EBITDA at 4.1x (vs previous 5.2x).

Company Profile	
Bloomberg	SCK-IM
FactSet	SCK-IT
Stock exchange	Italian Stock Exchange
Reference Index	FTSE Italia Growth
Market Data	
Price (as of 27 October)	€ 3.2
Number of shares (mln)	22.5
Market cap. (mln)	€ 73
1-Year Performance	
Absolute	-57.9%
Max / Min	8.7/3.2

(€/mln)	FY22	FY23E	FY24E	FY25E
Revenues	**129,178**	**167,922**	**184,121**	**204,623**
Industrial Hub	83,600	146,882	168,341	188,843
Ecospace	45,600	21,040	15,780	15,780
Value of Production	**193,799**	**200,352**	**201,271**	**205,992**
yoy change	*88.3%*	*3.4%*	*0.5%*	*2.3%*
EBITDA	**42,020**	**44,543**	**45,057**	**46,889**
margin (%)	*21.7%*	*22.2%*	*22.4%*	*22.8%*
EBIT	**32,084**	**35,116**	**35,452**	**36,298**
Net profit	20,659	20,509	20,650	21,190
Net Debt (cash)	**(1,444)**	**30,942**	**25,305**	**19,325**
Shareholders Equity	55,486	96,931	113,661	130,882
NOWC	39,361	73,830	78,194	84,148
CapEx	(11,867)	(20,400)	(7,600)	(5,500)
Free Cash Flow	**7,387**	**(21,461)**	**20,273**	**22,163**

1-Year rebased Performance



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SWOT analysis

STRENGTHS	WEAKNESSES
• A full range of high-quality windows and accessories offering • Strong company commitment to sustainability • Strongly investing on corporate culture, brand and innovative marketing • Structured and trained sales force driven by commercial performance • Industrialized production in a sector traditionally characterized by craftsmanship • Distinctive and wide offering including patented products • High margins and cash generator thanks to a rigorous cost policy and supply management • Synergies from GC Infissi, Teknika, Diquigiovanni and D&V Serramenti integration	• NWC optimization needed • The size of the Company

OPPORTUNITY	THREATS
• Very fragmented Italian reference market • Roll out of management contracts • Ad-hoc European partnerships for expanding the Industrial core business • Large potential Italian addressable market • M&A opportunities to increase production capacity in the Industrial Hub	• Competition within existing players, especially large manufacturers • Integration process within the Group • Less favourable rules for tax incentives for energy requalification expenditure • Still high raw materials, energy, transportation costs and interest rates

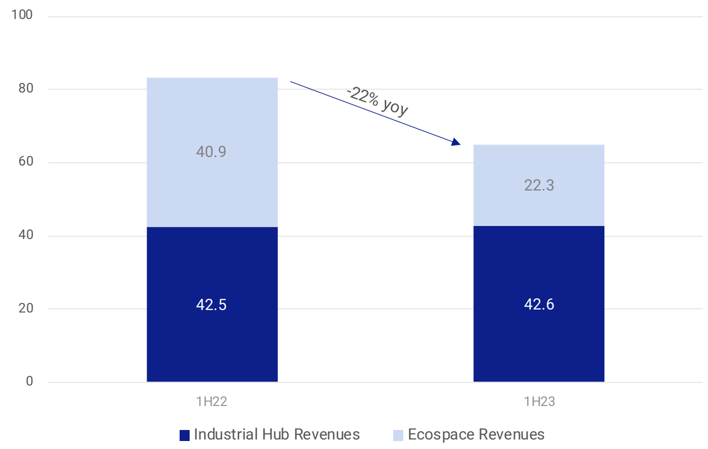
1H23 results

Historical performance analysis

1H23 VoP -22% yoy below our FY23E

In the first half of 2023 Sciuker Frames reported Total Revenues (VoP) at €65mln (vs €83.4mln in 1H22 or -22.1% yoy), which represents 29% only of our FY23E (€224.4mln), well below 43% in 1H22/FY22. [Please refer to our Company Update on 28th April 2023]. The decrease derived from Ecospace and to its activities related to the Ecobonus, hit by changes in the regulatory framework and the lack of liquidity in the fiscal credit trade. Concerning revenues breakdown, the Industrial Hub (composed of Sciuker Frames, SCK Force, GC Infissi and Teknika) reported €42.6mln (from €42.5mln in 1H22) with a 66% incidence on VoP, while Ecospace turnover declined to €22.3mln from €40.9mln in 1H22.

Figure 1: VoP by segment (€, mln)

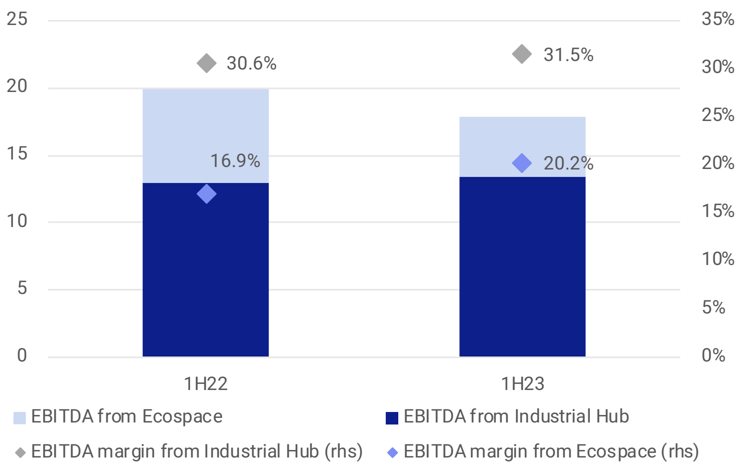


Source: Banca Profilo elaborations on Company data.

1H23 EBITDA margin improved to 27.5% above our FY23E

EBITDA came in at €17.9mln (€19.9mln in 1H22 or -10% yoy) with margin improving to 27.5% from 23.9% in 1H22, despite the slowdown in Ecospace; this was above our 22% FY23E. The EBITDA from Industrial Hub stood at €13.4mln (or 31% margin), while EBITDA from Ecospace was €4.5mln (or 20.2% margin).

Figure 2: EBITDA and EBITDA margin by segment (€, mln)



Source: Banca Profilo elaborations on Company data.

1H23: Net Income at €9.8mln (-6% yoy)

The Group reported an Adj. EBIT equal to €15.3mln (-14% yoy) and a Net Income of €9.8mln vs €10.4mln in 1H22.

Table 1: Income Statement 1H22-1H23 (€,000)

Profit & Loss (€/000)	1H22	2022	1H23
Revenues	**56,310**	**129,178**	**44,570**
Other Revenues	27,106	64,621	20,388
Industrial Pole VoP	42,500	92,000	42,600
Ecospace VoP	40,900	101,800	22,300
Value of production	**83,416**	**193,799**	**64,958**
yoy	*165.4%*	*88.3%*	*-22.1%*
Raw materials	(15,355)	(40,987)	(12,981)
% on VoP	*-18%*	*-21%*	*-20%*
Labour costs	(4,938)	(12,776)	(7,802)
% on VoP	*-6%*	*-7%*	*-12%*
Service costs	(42,331)	(96,678)	(24,659)
% on VoP	*-51%*	*-50%*	*-38%*
Leases and rentals	(318)	(408)	(249)
% on VoP	*-0.4%*	*-0.2%*	*-0.4%*
Other operating costs	(567)	(930)	(1,382)
% on VoP	*-1%*	*0%*	*-2%*
EBITDA	**19,907**	**42,020**	**17,884**
margin	*23.9%*	*21.7%*	*27.5%*
D&A	**(2,062)**	**(6,558)**	**(2,601)**
amortization	(148)	(312)	(122)
depreciation	(1,010)	(2,486)	(1,528)
Receivables' write off	(145)	(382)	(354)
Provision for risks	(759)	(3,378)	(597)
EBIT Adjusted	**17,845**	**35,462**	**15,283**
margin	*21.4%*	*18.3%*	*23.5%*
Net financial expenses	(2,425)	(3,047)	(1,156)
EBT	**15,420**	**32,415**	**14,127**
Taxes	(4,936)	(11,756)	(4,293)
tax rate	*32.0%*	*36.3%*	*30.4%*
Net profit	**10,484**	**20,659**	**9,834**
margin	*12.6%*	*10.7%*	*15.1%*

Source: Banca Profilo elaborations and company data

30.06.2023: Net Operating Working Capital stood at €63.7mln from €39.4mln at the end of 2022 for higher inventories

At the end of June 2023, Net Operating Working Capital stood at €63.7mln from €39.4mln at the end of 2022, mainly due to higher inventories (at €116.7mln at the end of June 2023 vs €97.7mln at the end of 2022) and lower trade payables (at €92.4mln at the end of 1H23 vs €97.6 at the end of 2022). The surge in Inventories derived by Sciuker Ecospace and the work in progress at its construction sites, which amounted to approximately €101mln. Trade Receivables remained stable (€39.4mln) compared to December 2022 (€39.1mln). The increase in Trade Payables is attributable to Sciuker Ecospace, which counts for approximately 92% of trade payables.

Our previous forecast on Net Operating Working Capital at the end of 2023 was €45.6mln.

30.06.2023: Net Debt worsened to €10.6mln from €1.4mln Net Cash

At the end of June 2023, Net Debt worsened to €10.6mln from €1.4mln of Net Cash at the end of 2022 mainly due to the lengthening of the time required to assign and collect accrued tax receivables, which resulted in an overall slowdown in Sciuker Ecospace's operations. Net Debt at the end of June 2023 did not include the acquisitions of DQG and D&V Serramenti since the closing of the transaction was in August.

Our previous estimate on Net Cash in December 2023 was €1.8mln.

Table 2: Balance Sheet 1H22-1H23 (€,000)

Balance Sheet (€/000)	1H22	2022	1H23
Inventories	64,542	97,746	116,748
% on Revenues	*42%*	*50%*	*67%*
Trade receivables	31,854	39,171	39,385
% on Revenues	*21%*	*20%*	*22%*
Trade payables	(63,056)	(97,556)	(92,412)
% on Revenues	*-41%*	*-50%*	*-53%*
Operating NWC	**33,340**	**39,361**	**63,721**
% on Revenues	*22%*	*20%*	*36%*
Other current assets & liabilities	(9,679)	(13,497)	(14,833)
Net Working Capital	**23,661**	**25,864**	**48,888**
Intangibles	7,593	8,254	8,174
Materials	17,582	27,689	26,707
Financials	-	51	54
Fixed assets	**25,175**	**35,994**	**34,935**
Funds	(6,334)	(2,412)	(3,225)
Other non current assets & liabilities	(2,207)	(5,404)	(4,493)
Net Invested Capital	**40,294**	**54,042**	**76,105**
Shareholders' Equity	**45,218**	**55,486**	**65,462**
Share capital	2,172	2,172	2,172
Reserves	21,802	21,949	22,044
Accumulated profit/loss	10,759	10,706	31,412
Group Net profit	10,485	20,659	9,834
Minorities Net Group	2,310	3,880	4,110
Net debt	**(4,924)**	**(1,444)**	**10,643**

Source: Banca Profilo elaborations and Company data

1H23 pro-forma results

Acquisition of DQG and D&V and the set-up of deWol industries

At the beginning of June 2023, Sciuker Frames signed two agreements for the acquisition of 100% of Diquigiovanni (DQG) and D&V Serramenti, both active in the production of PVC windows and aluminium doors. The execution of the two acquisitions marks the birth of deWol Industries, a federation of brands (Sciuker Frames, GC Infissi, D&V, DQG, Ecospace and Teknika) which is the Italian largest operator in the design and production of windows and solar screens and leader in green design and energy transition.

Pro forma results of unaudited Financial Statements of DQG and D&V

Pro forma results include consolidation of unaudited Financial Statement as of June 30, 2023 of DQG and D&V. Full control of these companies occured on August 2, 2023. FY 2023 financial results of DQG and D&V will be included in the audited consolidated Financial Statements of the Group as of 12/31/2023, even though they were acquired in June.

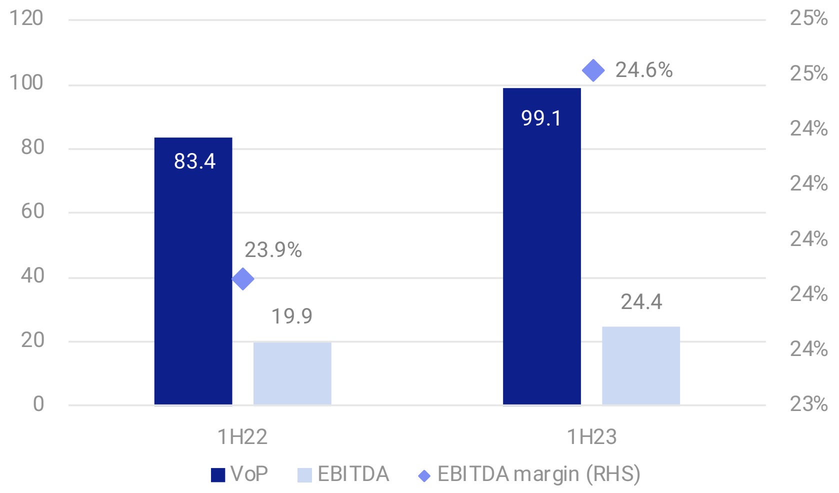
1H23 Pro forma VoP at €99.1mln (+18.8% yoy)

Pro forma VoP came in at €99.1mln (+18.8% yoy) from €83.4mln in 1H22. In terms of revenues breakdown, Industrial Hub VoP stood at €76.7mln while VoP from Ecospace at €22.3mln.

1H23 Pro forma EBITDA at €24.4mln or 24.6% margin

Pro forma EBITDA came in at €24.4mln (+22.6% yoy) from €19.9mln a year-ago, with a margin of 24.6% (vs 23.9% margin in 1H22). In particular, EBITDA from Industrial Pole stood at €19.9mln while EBITDA from Ecospace was €4.5mln.

Figure 3: 1H23 Pro forma revenues and EBITDA compared to 1H22



Source: Banca Profilo elaborations on Company data

Corporate structure update

Sciuker Frames Spa is the holding directly controlling six subsidiaries

As of 27th October 2023, the Group is led by Sciuker Frames Spa acting as the operating holding directly controlling six subsidiaries:

- G.C. Infissi PVC owned at 100%
- Teknika S.rl. controlled at 60%;
- Sciuker Ecospace S.r.l owned at 100%
- SCK Force owned at 100%
- Diquigiovanni owned at 100%
- D&V Serramenti owned at 100%.

Sciuker Ecospace active in the energy efficiency interventions

In July 2020, Sciuker acquired Ecospace, which core business is the energy efficiency interventions such as thermal insulation, including fixtures replacement, photovoltaic systems, addressed to both condominiums and single-family houses. In 2021, Sciuker acquired an additional 8% and reached 88% of ownership. In August 2023, Sciuker acquired the remaining 12% and owned 100% of Ecospace.

GC Infissi active in the production of windows and frames in PVC and in the production of doors

In April 2021, Sciuker bought the 63.5% of GC Infissi based in Piedmont. The Company is mainly active in the production and processing of windows and frames in PVC (representing the 90% of its business) and doors. Since 2017, GC has diversified its product range into aluminium windows. Through GC Infissi, Sciuker Frames entered into the business of PVC windows and frames, which represents the biggest market share. Moreover, both companies could benefit of economies of scale in terms of cost savings reinforcing their relationship with suppliers. In August 2023, Sciuker acquired the remaining part of 36.5%, reaching 100% of GC Infissi.

Teknika active in the production of mosquito nets

In November 2021, Sciuker acquired 60% of Teknika, a Company based in the province of Novara with a plant of about 7k square meters, which produces an average of 300 mosquito nets per day. Teknika also produces and markets roller shutters and sunshades. In addition to expand its offering to windows accessories, through its subsidiary Teknika, SCK Group has started a strategic partnership for the expansion in South America. In fact, TekniBraz is a spin-off of Teknika, which has inaugurated its new operational headquarter in Goiânia, a metropolis with over 2 million inhabitants not far from Brasilia.

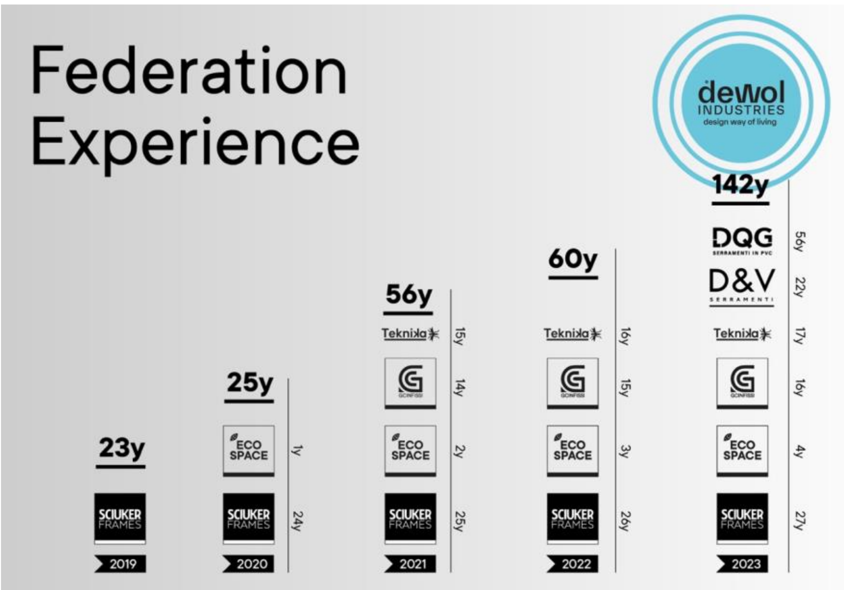
SCK store with the aim of centralising all the commercial and marketing activities

In January 2023, the Group established SCK Force, a wholly owned subsidiary of Sciuker Frames, with the aim of centralising all the commercial and marketing activities of the new and ambitious SCK Finestre Store project, which envisages a radical transformation of the sales outlets into single-brand showrooms specialising in the sale of windows and doors and sunscreens with made-in-Italy design and in the planning of energy requalification, distributed throughout the country.

Acquisition of DQG and D&V and the set-up of deWool industries

At the beginning of June 2023, Sciuker Frames signed two agreements for the acquisition of 100% of Diquigiovanni (DQG) and D&V Serramenti, both active in the production of PVC windows and aluminium doors. The execution of the two acquisitions marks the birth of deWol Industries, a federation of brands (Sciuker Frames, GC Infissi, D&V, DQG, Ecospace and Teknika) which is the Italian largest operator in the design and production of windows and solar screens and leader in green design and energy transition.

Figure 4: History and experience of Sciuker Frames becoming deWol Industries



Source: Company data

Ownership structure and free float

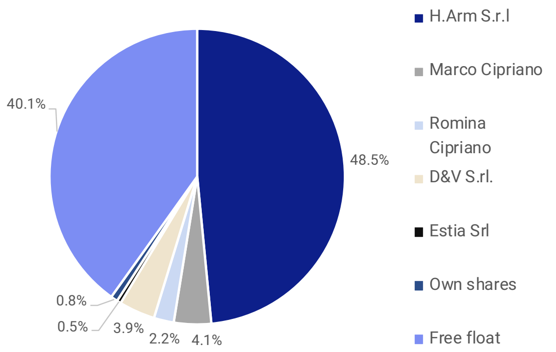
Shareholders:

Cipriano Family at 48.5%; 40% free float

Within the latest acquisitions process (DQG and D&V Serramenti), Sciuker Frames issued 807,873 new ordinary shares shares in option to new shareholders (Estia and D&V Serramenti), for a total amount of €18,985,015.5 of which €80,787.3 was share capital and €18,904,228.2 share premium.

As a result, Sciuker share capital rose to €2,252,697.00 divided into 22,526,970 ordinary shares. The Group is controlled by Marco Cipriano, founder and CEO, and Romina Cipriano, with a cumulated 48.5% stake through the holding H.Arm. Free Float stands at 40.1%.

Figure 5: Ownership of the Group after acquisitions of DQG and D&V Serramenti (%)



Source: Banca Profilo elaborations on Company data. Data as of October 4th ,2023

2023-2025: updating strategy and estimates

Corporate strategy: on track with Industrial Hub expansion; slowdown in Ecospace

deWol is the largest Italian operator in the design and production of windows

The acquisition of DQG and D&V Serramenti add to recent M&A transactions and allow the Group to become the Italian largest operator in the design and production of windows and solar screens. Furthermore, it is an opportunity for industrial synergies within the Industrial Hub aiming at maintaining marginality above 20%.

Slowdown in Ecospace due to regulatory changes

While the Group expects great opportunities for growth through its Industrial Hub, it has negative prospects with the seismic and energy upgrading issue, in which Sciuker Ecospace operates, after its activities have been slowed by the regulatory environment. The delay in the timing for transferring tax credits, caused a slowdown in Ecospace activities and the interruption of new procurement contracts, even though the demand was very high. Also, the backlog execution has been limited by the extended timing of cash conversion of credits generated by work in progress.

Credits in Ecospace's tax drawer relating to 2023 are zero

In detail, with reference to the tax credits generated by energy requalification interventions, a doubling of the liquidation time is noted in cases of assignment of all four accrued annuities. On the other hand, since the assignment of the single current annuity has remained rapid and easy, Ecospace's tax drawer relating to 2023 is empty.

2023 Outlook reduced: Pro forma VoP at €200mln, EBITDA at €45mln

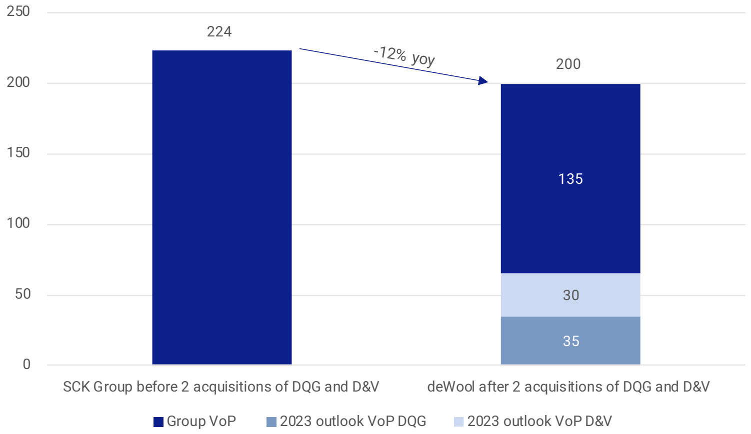
As a consequence of the slowdown in Ecospace, in September the Company lowered its 2023 outlook expecting a pro-forma VoP (considering full consolidation of the two acquisitions as of January 1, 2023) of €200mln (from €300mln announced in June 2023) and an EBITDA of €45mln (vs prior €65mln) yet confirming a 22.5% marginality (vs previous 21.6%).

2023 organic guidance cut: VoP at €135mln vs pre-acquisition €224mln; EBITDA at €33mln vs €55mln

Going more deeply into 2023 outlook, excluding both DQG and D&V Serramenti 2023E VoP (€35mln and €30mln respectively – outlook presented at the date of acquisitions), 2023 guidance on SCK Group stand-alone (Sciuker Frames, Ecospace, Teknika and GC Infissi) is €135mln, lower than previous guidance at €224mln. In terms of EBITDA, the Company now estimates pro-forma 2023 EBITDA at €45mln. Excluding both DQG and D&V Serramenti 2023 EBITDA (at €5.2mln and €7mln-outlook presented at the date of acquisitions), SCK Group stand-alone 2023 EBITDA is seen at €32.8mln, down from previous 2023 outlook at

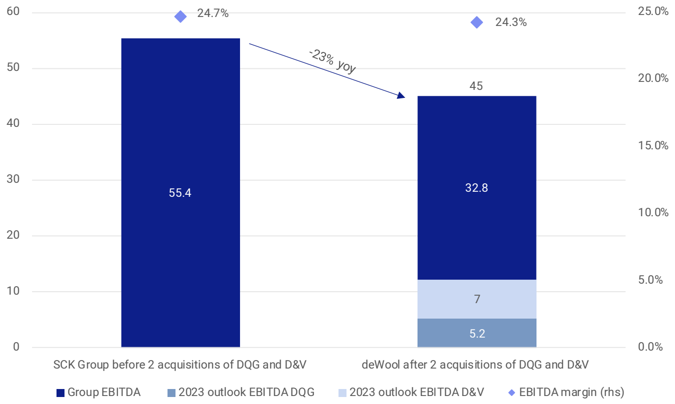
€55.4mln. Regarding EBITDA margin, despite the €90mln cut in FY23 revenue guidance, the EBITDA margin of SCK Group standalone remains above 24%. Amid 1H23 results and guidance cut, we revised downward our 2023-2025 estimates.

Figure 6: Old vs New 2023 VoP outlook



Source: Banca Profilo elaborations on Company data.

Figure 7: Old vs New 2023 EBITDA outlook



Source: Banca Profilo elaborations on Company data.

Update downward our estimates 2023-2025

2023 forecast include DQG and D&V consolidation

The Group stated that the FY 2023 consolidated Financial Statements of the Group will include full consolidation of DQG and D&V, even though they were acquired in June.

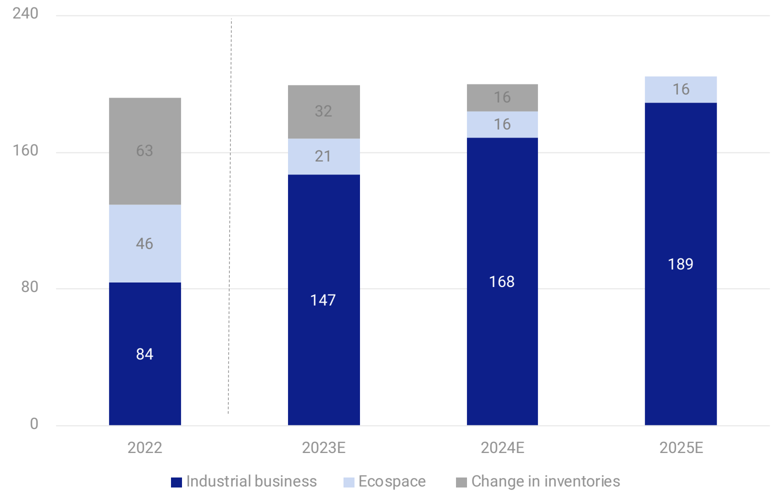
Industrial Hub revenues 31% CAGR in 22-25E to €189mln

Concerning revenues from the Industrial Hub, we consolidated DQG and D&V from January 2023. According to Company's guidance, we assumed 2023 VoP at €35mln for DQG and €30mln at D&V. We end up with the Industrial Hub revenues to grow at 31.2% 22-25 CAGR, above our previous estimate at 24.8%. We project Revenues from the Industrial Hub at €146.9mln in 2023E (vs previous €99.9mln) to reach €188.8mln in 2025E (vs previous €162.3mln).

Ecospace revenues -29.8% CAGR in 22-25E

Regarding Ecospace, we revised downwards our estimates amid the stop of new procurements and the lagging of tax credits transfer. We assumed the Company will execute its whole backlog in 2023-2025 and no new orders will be taken. Therefore, Ecospace revenues are set to decrease at a -29.8% 22-25 CAGR vs previous +12.8%. We forecast 2023E revenues at €21mln (from previous €62mln) to decline to €15.8mln in 2025E (vs previous €65mln).

Figure 8: Revenues by business in 2023-2025 period (€, mln)

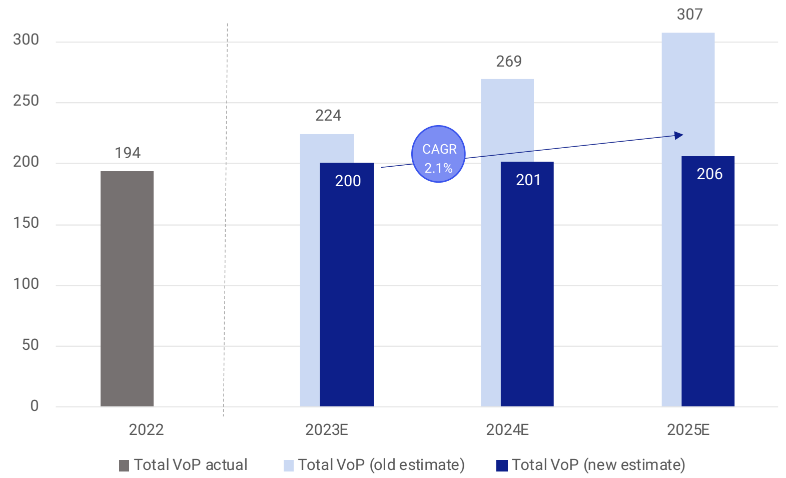


Source: Banca Profilo estimates on Company data.

Group VoP 2.1% CAGR 22-25E below prior 16.6%

As a consequence of Ecospace revenue cut, the Group VoP is now seen at a CAGR 22-25 of 2.1%, well below prior 16.6%. Our VoP 2023 estimates stand at €200.4mln (in line with Company 2023 outlook) to reach €206mln in 2025E.

Figure 9: Group VoP in 2023-2025 period



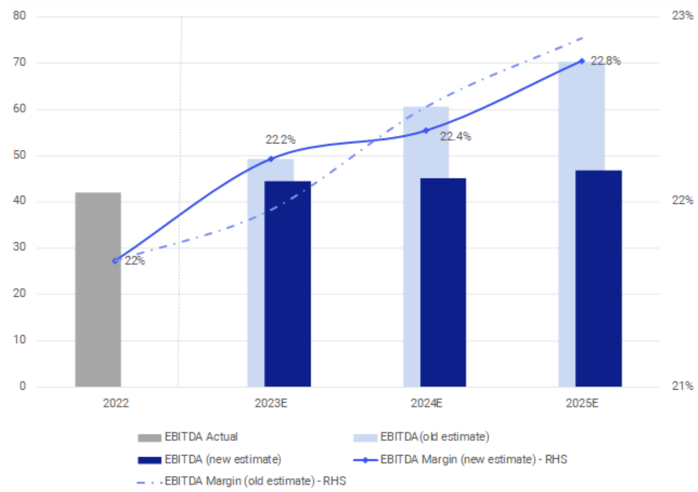
Source: Banca Profilo estimates on Company data.

EBITDA margin unchanged over 20%

We end up with 2023 EBITDA at €44.5mln, in line with 2023 Company outlook at €45mln, but below previous estimate at €49.2mln. We plan EBITDA to grow at 3.7% CAGR over the period 2022-2025 (vs previous 18.7%) to reach €46.9mln (vs prior €70.3mln) EBITDA margin in 2023E stood at 22.2% in line with previous estimate at 22%, to reach 22.8% vs previous 22.9%.

Overall, DQG and D&V are expected to compensate only partially Ecospace business contraction, both in terms of VoP and EBITDA. Yet, they will allow to keep EBITDA margin unchanged over 20% and to boost the Industrial Hub expansion and market leadership.

Figure 10: Group VoP in 2023-2025 period



Source: Banca Profilo estimates on Company data.

EBIT at €35mln in 2023E to reach €6.3mln in 2025E

EBIT is now seen at €35.1mln in 2023E, below our previous estimates at €40.9mln, due to higher D&A as a consequence of acquisition CapEx. In 2022-2025E, EBIT is expected to grow at a some 0.8% CAGR (vs old projections of 17.4% CAGR over 2021-24) to reach €36.3mln in 2025E (vs previous €57.3)

Net profit to grow at 22-25 CAGR of 0.8%

Net profit is seen at €20.5mln vs previous €23.8mln, reaching €21.2mln in 2025E at a 22-25 CAGR of 0.8%, vs previous 16.3%.

Table 3: Income Statement Old vs New (€, 000)

Profit & Loss (€/000)	2022	2023E Old	2023E New	2024E Old	2024E New	2025E Old	2025E New
Revenues	**129,178**	**162,185**	**167,922**	**199,208**	**184,121**	**227,826**	**204,623**
Industrial Hub	83,600	99,928	146,882	134,992	168,341	162,325	188,843
Ecospace	45,600	62,256	21,040	64,216	15,780	65,501	15,780
yoy	*77.7%*	*25.6%*	*30.0%*	*22.8%*	*9.6%*	*14.4%*	*11.1%*
Change in inventories	62,971	60,596	31,560	68,189	15,780	77,905	-
% on VoP	*32%*	*27%*	*16%*	*25%*	*8%*	*25%*	*0%*
Others	1,650	1,650	870	1,650	1,370	1,650	1,370
% on VoP	*1%*	*1%*	*0%*	*1%*	*1%*	*1%*	*1%*
Value of production	**193,799**	**224,431**	**200,352**	**269,047**	**201,271**	**307,381**	**205,992**
yoy	*88.3%*	*15.8%*	*3.4%*	*19.9%*	*0.5%*	*13.8%*	*-23.4%*
Raw materials	(40,987)	(45,221)	(40,369)	(54,211)	(40,554)	(61,935)	(41,506)
	-21%	-20%	-20%	-20%	-20%	-20%	-20%
Labour costs	(12,776)	(16,461)	(17,268)	(19,676)	(20,640)	(22,891)	(24,013)
	-7%	-7%	-9%	-7%	-10%	-7%	-12%
Service costs	(96,678)	(111,959)	(96,016)	(132,871)	(92,431)	(150,266)	(90,479)
	-50%	-50%	-48%	-49%	-46%	-49%	-44%
Leases and rentals	(408)	(490)	(498)	(588)	(598)	(705)	(717)
Other operating costs	(930)	(1,023)	(1,658)	(1,125)	(1,990)	(1,238)	(2,388)
EBITDA	**42,020**	**49,277**	**44,543**	**60,577**	**45,057**	**70,347**	**46,889**
margin	*21.7%*	*22.0%*	*22.2%*	*22.5%*	*22.4%*	*22.9%*	*22.8%*
D&A	(6,558)	(4,433)	(5,934)	(5,481)	(6,098)	(6,122)	(7,000)
amortization	(312)	(563)	(636)	(813)	(680)	(852)	(789)
depreciation	(2,486)	(3,488)	(4,916)	(4,286)	(5,035)	(4,888)	(5,829)
Receivables' write off	(382)	(382)	(382)	(382)	(382)	(382)	(382)
Provision for risks	(3,378)	(3,912)	(3,492)	(6,035)	(3,508)	(6,895)	(3,591)
EBIT Adjusted	**35,462**	**40,933**	**35,116**	**49,061**	**35,452**	**57,330**	**36,298**
margin	*18.3%*	*18.2%*	*17.5%*	*18.2%*	*17.6%*	*18.7%*	*17.6%*
Net financial expenses	(3,047)	(3,529)	(2,937)	(5,528)	(3,050)	(6,316)	(3,050)
EBT	**32,415**	**37,404**	**32,179**	**43,533**	**32,401**	**51,015**	**33,248**
Taxes	(11,756)	(13,565)	(11,670)	(15,788)	(11,751)	(18,502)	(12,058)
tax rate	*36.3%*	*36.3%*	*36.3%*	*36.3%*	*36.3%*	*36.3%*	*36.3%*
Net profit	**20,659**	**23,839**	**20,509**	**27,745**	**20,650**	**32,513**	**21,190**
margin	*10.7%*	*10.6%*	*10.2%*	*10.3%*	*10.3%*	*10.6%*	*10.3%*

Source: Banca Profilo elaborations and estimates on Company data

Fixed Asset at €85.3mln in 2023E

Regarding the Balance Sheet, we expect an increase in Fixed Asset by €49mln (vs previous €27.6mln) coming from the consolidation of DQG and D&V, to €85.3mln at the end of 2023E including tangible for €39.2mln and intangibles at €46mln. Intangible Assets include the Goodwill derived from the acquisitions which we assumed at €42.7mln (of which €35.4mln deriving from the acquisition of DQG and D&V and the remaining part coming from old acquisitions). Additional Goodwill for €35.4mln comes from the difference between the price paid for the two companies and their Equity Value at the end of 2022.

Operating net Working Capital is seen to increase by some €35mln at the end of 2023

At the end of 2023, we expect Net Operating Working Capital to increase by €34.5mln at the end of 2023E (vs previous €6.2mln), reaching €73.8mln (vs previous €45.6mln) due to the consolidation of DQG and D&V and the slowdown in Ecospace activities. Over 2023-2025 period NOWC increase by €44.8mln (or by €15mln per year on average) with incidence on VoP to move from 36.9% in 2023E (vs our previous estimate at 20.3%) to 40.9% in 2025E. In detail, at the end of 2023E, we plan Inventories at €79mln (vs previous €111mln), Trade Receivables at €54.6mln (vs previous €45.4mln) and Trade Payable at €59.8mln (vs previous €110.7mln).

Shareholders Equity at €97mln in 2023E following the capital increase needed to fund the acquisitions

Within the latest acquisitions process (DQG and D&V Serramenti), Sciuker Frames issued 807,873 new ordinary shares reserved for new shareholders (Estia and D&V Serramenti), for a total amount of €18,985,015.5 of which €80,787.3 was share capital and €18,904,228.2 share premium. As a result, Sciuker share capital at the end of 2023E is seen at €2.3mln (vs previous €2.1mln), while reserves at €72.2mln (vs previous €51.2mln). Overall, Consolidated Shareholders Equity is seen at €96.9mln at the end of 2023E (vs previous €79.3mln) to reach €130.9mln in 2025E (vs previous €128.8mln)

Over €17mln of acquisition Capex

Regarding Investment, we estimate CapEx at €20.4mln in 2023E of which €17.4mln tangible investments and €3mln intangible. These include some €17.5mln of acquisition expenditure.

Net Debt over €30mln in 2023E

According to our P&L and Balance Sheet assumptions, we end up with Net Debt at €30.9mln (vs previous Net Cash of €1.8mln) in 2023, to progressively decreasing to €19.3mln in 2025E.

Table 4: Balance Sheet Old vs New (€, 000)

Balance Sheet (€/000)	2022	2023E Old	2023E New	2024E Old	2024E New	2025E Old	2025E New
Inventories	97,746	110,951	79,092	124,937	79,455	133,517	81,319
% on VoP	1	*49.4%*	*39.5%*	*46.4%*	*39.5%*	*43.4%*	*39.5%*
Trade receivables	39,171	45,362	54,558	59,761	54,808	71,350	56,094
% on VoP	0	*20.2%*	*27.2%*	*22.2%*	*27.2%*	*23.2%*	*27.2%*
Trade payables	(97,556)	(110,731)	(59,820)	(121,983)	(56,068)	(120,920)	(53,264)
% on VoP	1	*49.3%*	*29.9%*	*45.3%*	*27.9%*	*39.3%*	*25.9%*
Operating Net Working Capital	**39,361**	**45,582**	**73,830**	**62,715**	**78,194**	**83,947**	**84,148**
% on VoP	*20.3%*	*20.3%*	*36.9%*	*23.3%*	*38.9%*	*27.3%*	*40.9%*
Other current assets & liabilities	(13,497)	(23,799)	(24,225)	(24,602)	(17,718)	(25,533)	(12,696)
Net Working Capital	**25,864**	**21,783**	**49,605**	**38,113**	**60,476**	**58,413**	**71,452**
% on VoP	*13.3%*	*9.7%*	*24.8%*	*14.2%*	*30.0%*	*19.0%*	*34.7%*
Intangibles	8,254	12,321	46,018	11,669	43,166	11,355	43,344
Materials	27,689	51,234	39,191	52,186	41,528	51,798	40,648
Financials	51	-	54	-	54	-	54
Fixed assets	**35,994**	**63,554**	**85,263**	**63,855**	**84,747**	**63,153**	**84,047**
Net Invested Capital	**54,042**	**77,529**	**127,927**	**93,224**	**139,020**	**111,947**	**150,261**
Equity	**55,486**	**79,325**	**96,931**	**102,101**	**113,661**	**128,793**	**130,882**
Share capital	2,172	2,172	2,253	2,172	2,253	2,172	2,253
Reserves	21,949	51,151	72,272	67,526	88,861	86,544	104,491
Accumulated profit/loss	10,706	-	-	-	-	-	-
Net profit	20,659	21,343	20,509	24,840	19,600	29,109	19,849
Minorities	3,880	4,659	1,898	7,564	2,948	10,968	4,289
Net debt (cash)	**(1,444)**	**(1,796)**	**30,942**	**(8,878)**	**25,305**	**(16,846)**	**19,325**

Source: Banca Profilo elaborations and estimates on Company data

Free Cash Flow

Cumulated 24-25 FCFs at €42.4mln; 2023 FCF at -€21.5mln due to acquisition capex and NOWC

According to our Profit & Loss and Balance Sheet estimates, Free Cash Flow should reach €22.2mln in 2025E. We now project cumulated 24-25 FCFs at €42.4mln in line with previous estimates at €42mln, coming from lower EBIT but higher cash generation by Net Operating Working Capital because of the slowdown in Ecospace activities. As same, we expect 24-25 FCFs at €21.2mln as yearly average vs previous €21mln. 2023 new Free Cash Flows forecast is not comparable to our previous estimate since it is affected by the acquisitions. In 2023 we expect FCF at -€21.5mln due to acquisition CapEx and Net Operating Working Capital.

Table 5: Balance Sheet Old vs New (€, 000)

Cash flow (€ 000)	2022	2023E Old	2023E New	2024E Old	2024E New	2025E Old	2025E New
EBIT	35,462	40,933	35,116	49,061	35,452	57,330	36,298
taxes	(9,929)	(11,461)	(9,833)	(13,737)	(9,926)	(16,053)	(10,163)
NOPAT	**25,533**	**29,472**	**25,284**	**35,324**	**25,525**	**41,278**	**26,135**
D&A	6,558	4,433	5,934	5,481	6,098	6,122	7,000
Operating cash flow	**32,091**	**33,904**	**31,218**	**40,805**	**31,623**	**47,400**	**33,135**
Operating Net Working Capital change	(13,155)	(6,221)	(34,469)	(17,133)	(4,364)	(21,231)	(5,954)
Other funds	318	1,152	2,190	1,337	615	1,185	482
Capex	(11,867)	(16,700)	(20,400)	(5,400)	(7,600)	(5,000)	(5,500)
FCF	**7,387**	**12,135**	**(21,461)**	**19,608**	**20,273**	**22,353**	**22,163**

Source: Banca Profilo elaborations and estimates on Company data

Estimates execution risks

Our projections include some key risks on the downside:

- less favourable rules for tax incentives for building energy requalification expenditure (Ecobonus).

And on the upside:

- Further M&A to increase production capacity in the Industrial Hub.

Valuation

DCF method and market multiples

Given historically positive FCFs and our expectations of positive FCFs from 2024, a DCF method well adapts as a valuation approach for SCK Group. Furthermore, we have selected a sample of listed international "comparables" for relative valuation through market multiples.

DCF method

€42.4mln cumulated 24-25 FCFs

Terminal value at €21.2mln

To run a DCF model, we used our FCFs 2024-2025 projections. We do not include in our valuation 2023 FCF as it is affected by the consolidation of the two acquired companies, which brought acquisition CapEx for €17mln and NOWC absorption by some €34.5mln. We expect cumulated 2024E-2025E Free Cash Flows at €42.4mln. As same, the FCF used in the Terminal Value is the FY24-FY25 average at €21.2mln. New FCFs do not differ from our old estimates as lower EBIT is offset by Net Working Capital generation coming from decreasing Ecospace activity. To get to the Equity Valuation, we used the Net Debt expected at the end of 2023E at €30.9mln, which includes the acquisitions effects, well below our previous Net Cash forecast at €1.4mln.

Table 6: DCF Valuation

DCF Valuation	2024E	2025E	TV
Free Cash Flows (€ 000)	20,273	22,163	21,218
years	1	2	
discount factor	0.91	0.84	
NPV Cash flows (€ 000)	18,544	18,543	
Sum of NPVs (€ 000)	18,544	37,086	
Terminal Value (€ 000)			289,580
NPV Terminal Value (€ 000)			242,277
Enterprise Value (€ 000)			**279,364**
Net debt 2023E (€ 000)			30,942
Equity Value (€ 000)			**248,422**
number of shares ('000)			22,527
Per share value (€)			**11.0**

Source: Banca Profilo elaborations and estimates on Company data

WACC at 9.3% (vs previous 7.3%)

To discount FCFs, we used a 9.3% WACC, higher than our last Company Update at 7.3%, mainly due to higher risk-free rate, and consequent higher cost of debt, and lower debt-to-equity ratio at 30% following the capital increase needed to fund the acquisitions.

The WACC derived from:

- Risk Free rate of 5.3% (from 4.8%), as implicitly expected by consensus on the 30Y Italian BTP yield curve (100 day-moving average), including an expected increase in interest rates (+0.5bps);
- market risk premium of 5.5% (unchanged);
- a leveraged beta of 1 (from previous 1.1);
- cost of debt of 7.5% (from previous 6%).
- target debt-to-equity ratio of 30% (from previous 50%).

In order to assess the Terminal Value, we used a perpetual growth rate of 2%.

Table 7: WACC calculation

WACC Calculation	
perpetual growth rate	2.0%
WACC	**9.3%**
risk free rate (30Y) (Bloomberg projections)	5.3%
equity risk premium	5.5%
beta	1.0
KE	11%
cost of debt	7.5%
tax rate	28%
KD	5.4%

Source: Banca Profilo elaborations and estimates on Company data

DCF valuation: €11/share

The DCF method leads us to an Enterprise Value of €279.4mln (vs previous €369.9mln) and to an Equity Value of €248.4mln (vs previous €369.2mln) showing a fair value of €11/share, below our previous Company Update *[April 28, 2023]* at €17/share mainly due to: (i) higher WACC, (ii) higher Net Debt and (iii) higher number of shares following the capital increase.

SCK competitive arena

We provide a list of peers that best adapts to Sciuker Frames business model. We concentrate our selection on listed players active in a business similar to Sciuker's one, the larger industry of Fixtures Manufacturing. Within this sector we selected: Deceuninck NV (Belgium), Agta Record Ltd (Switzerland), Inwido AB (Sweden), Eurocell Plc (UK), SafeStyle Plc (UK), Apogee Enterprises (USA), Pgt innovations (USA), Edac (IT), Nusco (IT).

Deceuninck (Belgium): PVC window and door manufacturer.

FY22 revenue at €974mln and 10.5% EBITDA margin

Deceuninck NV, founded in 1953 and headquartered in Hooglede-Gits (Belgium), engages in the design and manufacture of Polyvinyl Chloride (PVC) systems for windows and doors, roofline and cladding, interior, and outdoor living. It operates through the following geographic segments: Western Europe, Central and Eastern Europe, North America, and Turkey and Emerging Markets. In 2021, Deceuninck NV generated total revenues of around €838mln.

Inwido (Sweden): wooden windows and door manufacturer.

FY22 revenue at SEK 9.5bn and 14.2% EBITDA margin

Inwido AB, founded in 2002 and headquartered in Malmo (Sweden) engages in the provision of windows and door solutions. Its activities include manufacturing and export of wood-based window and door. It operates through the following geographical segments: Sweden-Norway, Finland, Denmark, and Emerging Business Europe. In 2021, the Group recorded revenues of approximately SEK 7.7bn.

Eurocell (UK): PVC windows manufacturer

FY22 revenue at GBP 381mln and 14.5% EBITDA margin

Eurocell Plc, founded in 1974, with headquarters in Alfreton (UK), is a holding company, which engages in the extrusion of PVC window and building products to the new and replacement window market and the sale of building materials across the UK. It operates through the Profiles and Building Plastics segments. In 2021, Eurocell Plc generated total revenues of around GBP 343mln.

SafeStyle (UK): PVC window and door manufacturer

FY22 revenue at GBP 154mln and 1.8% EBITDA margin

SafeStyle Plc, founded in 1992, headquartered in Bradford (UK), engages in sale, manufacture, and installation of polyvinyl chloride un-plasticized windows and doors for the homeowner replacement market. Its products include sash windows, bay windows and composite guard doors. The firm offers marketing, sales, survey, manufacturing and installation services. In 2021, SafeStyle Plc generated total revenues of approximately GBP 143mln.

Apogee Enterprises (USA): glass metal window and door manufacturer

FY22 revenue at $1.3bn and 11.3% EBITDA margin

Apogee Enterprises, founded in 1949 and headquartered in Minneapolis (USA), engages in the design and development of glass and metal products and for enclosing commercial buildings, farming and displays. The company operates through four segments: Architectural Glass, Architectural Services, Architectural Framing Systems and Large-Scale Optical Technologies. The Architectural Glass segment fabricates glass used in customized window and curtain wall systems comprising the outside skin of commercial and institutional buildings. The Architectural Services segment provides building glass and curtain wall installation services. The Architectural Framing Systems segment designs, engineers, finishes and fabricates the aluminum frames used in customized window, curtain wall, storefront, and entrance systems. In 2021, Apogee Enterprises generated total revenues of approximately $1.3bn.

Pgt innovations (USA): window and door manufacturer

Pgt innovations, founded in 1980 and headquartered in North Venice (USA), engages in the manufacture and sale of windows and doors. It offers its products under the brands PGT

FY21 revenue at $1.5bn and 17% EBITDA margin

Custom Windows and Doors, CGI, and WinDoor. In 2021, Pgt innovations generated total revenues of approximately $1.1bn.

Edac (IT)

FY22 revenue at €134mln and 22.9% EBITDA margin

EdiliziAcrobatica engages in outdoor construction works using double safety rope access techniques. Its services include facade and wall clean-up, balcony repair, roof renovation, and facade painting. The company was founded by Riccardo Iovino in 1994 and is headquartered in Genoa, Italy. In 2021 the Company reported revenues at €87mln.

Nusco (IT)

FY22 revenue at €50.9mln and 10.2% EBITDA margin

Nusco manufactures and markets interior doors and frames. It offers its products in wood, PVC, aluminum, and iron under the "NUSCO" brand. The firm operates through Doors Business Unit and Windows Business Unit. The Doors Business Unit produces doors and markets armored doors. The Windows Business Unit engages in the production and marketing of windows, shutters, and iron gratings. The company was founded by Mario Nusco in 1968 and is headquartered in Nola, Italy. In 2021 the Company reported revenues at €15.4mln.

Sales growth and EBITDA margin well above its competitors

Sciuker in 2023E is seen its sales growth at 3.4%, above the mean of its peers at -7%. In terms of marginality, Sciuker shows an EBITDA margin of 22.2% in 2023, well above its competitors.

Table 8: Sciuker Frames benchmarking on revenue growth and EBITDA margin

Company	Sales Growth				EBITDA margin			
	2021	2022	2023E	2024E	2021	2022	2023E	2024E
Deceuninck NV	30.5%	16.2%	-14.2%	-2.1%	11.3%	10.5%	12.7%	13.0%
Inwido AB	15.6%	23.6%	-4.3%	-3.7%	14.7%	14.2%	14.4%	13.8%
Eurocell Plc	33.0%	11.1%	-3.2%	4.9%	15.2%	14.5%	11.6%	12.4%
SafeStyle UK Plc	26.5%	7.7%	-7.3%	11.9%	10.2%	1.8%	-0.6%	4.3%
Apogee Enterprises	3.3%	9.2%	1.6%	1.5%	10.2%	11.3%	12.3%	12.4%
Pgt innovations	31.6%	28.5%	-0.4%	7.5%	14.6%	17.0%	18.5%	18.1%
Ediliziacrobatica	94.4%	54.2%	24.6%	8.4%	24.5%	22.9%	18.6%	19.3%
Nusco	61.6%	104.4%	-52.9%	152.1%	10.4%	10.2%	27.1%	12.6%
Mean	**37.1%**	**31.9%**	**-7.0%**	**22.5%**	**13.9%**	**12.8%**	**14.3%**	**13.2%**
Sciuker Frames	***355.4%***	***88.3%***	***3.4%***	***0.5%***	***27.9%***	***21.7%***	***22.2%***	***22.4%***

Source: Banca Profilo elaborations on Factset and company data (as of 26 October 2023)

Market multiples

Market multiples valuation: €6.8/share

To compute valuation through market multiples, we chose the median FY 2023-24E EV/EBITDA at 4.1x (vs previous 5.2x). We derived an Enterprise Value of €184mln (vs previous €283.4mln) and an Equity Value of €153mln (vs previous €284.8mln) or €6.8/share, vs previous €13.1/share mainly due to lower 23-24 EBITDA estimates, higher Net Debt and de-rating of EV/EBITDA multiple.

Table 9: Market multiples

Relative Valuation on market multiples 2023-24E			
EV/EBITDA		**EBITDA**	
2023E	**2024E**	**2023**	**2024**
4.7x	3.6x	44,543	45,057
ENTERPRISE VALUE		**NET DEBT 2023E**	
207,636	160,333	30,942	
EQUITY VALUE			
153,043			
Price per share			**6.8**

Source: Banca Profilo elaborations on Factset and company data (as of 26 October 2023)

TP reduced to €9/share; BUY confirmed

We set our 12-month target price at €9/share (vs previous €15.1), as the simple average of DCF (€11/share) and market multiples valuations (€6.8/share).

The main causes of the decrease of our 12-month target price are:

- Higher WACC
- higher Net debt following the acquisitions
- higher number of shares after the capital increase deriving from the acquisitions
- EV/EBITDA multiple de-rating.

Given the significant potential upside on Sciuker Frames closing price, we confirm our BUY recommendation.

Equity Research

Sciuker Frames "ID Card"	Recommendation	Target Price	Upside
	BUY	**9.0 €**	**181%**

Company Overview

For over 25 years, SCK Group has been designing wood-aluminium and wood-glass windows based on advanced technology, holding 19 patents. For this reason, the Company enjoys a unique and exclusive position on the market compared to other competitors. The material most frequently used by the Group for production is wood because it is a natural, renewable, ecological and recyclable product.

Following Teknika acquisition, Sciuker Frames Group has become the first "Centre of Frames" with a Made in Italy design. The acquisition of Teknika allows the Group to significantly expand its offering integrating frames (wooden and aluminum) with accessories like mosquito nets, roller shutters, thermal insulating monoblocks, external curtains and bioclimatic pergolas. Thus, the Group set its HOLE BOX, a complete and integrated offering with fixtures and accessories ready for the energy efficient Italian housing market. Through its Industrial business, SCK Group offers a solution for achieving thermal insulation and increasing the energy efficiency of residential buildings, through high-quality windows and sunscreens with a natural and made-in-Italy design. The Industrial core business development goes through: i) Expanding and optimizing production capacity (Sciuker Frames); Offering range extension to PVC and aluminium (GC Infissi) and window accessories (Teknika); Further M&A opportunities; European strategic partnerships for wooden frames procurement (Croatia and Slovenia) PVC and aluminium frames (Portugal and Spain, including Cortizo for exclusive supply). At the beginning of June 2023, Sciuker Frames signed two agreements for the acquisition of 100% of Diquigiovanni (DQG) and D&V Serramenti, both active in the production of PVC windows and aluminium doors. The execution of the two acquisitions marks the birth of deWol Industries, a federation of brands (Sciuker Frames, GC Infissi, D&V, DQG, Ecospace and Teknika) which is the Italian largest operator in the design and production of windows and solar screens and leader in green design and energy transition.

SWOT Analysis

Strengths

- A full range of high-quality windows and accessories offering
- Strong company commitment to sustainability
- Strongly investing on corporate culture, brand and innovative marketing
- A structured, trained sales force driven by commercial performance
- Industrialized production in a sector traditionally characterized by craftsmanship
- Distinctive and wide offering including patented products
- A wide portfolio of patented products
- High margins and cash generator driven by a rigorous cost and working capital management
- Synergies from GC Infissi, Teknika, Diquigiovanni and D&V Serramenti integration

Weaknesses

- The size of the Company
- NWC optimization needed

Opportunities

- Very fragmented Italian reference market
- Roll out of management contracts
- Ad-hoc European partnerships for expanding the Industrial core business
- Large potential Italian addressable market
- M&A opportunities to increase production capacity in the Industrial business

Threats

- Competition within existing players, especially large manufacturers
- Integration process within the Group
- Less favourable rules for tax incentives for energy requalification expenditure
- Still high raw materials, energy, transportation costs and interest rates

Main catalysts

M&A opportunities to increase production capacity in the Industrial Hub
Integration process within the Group
Synergies with GC Infissi, Teknika, DQG and D&V Serramenti

Main risks

Rising price competition from international Fixtures Manufacturing players
Less than expected growth of foreign markets
Less favourable rules for tax incentives for energy requalification expenditure

Sciuker Frames "ID Card"

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Recommendation	Target Price	Upside
BUY	9.0 €	178%

Main Financials

(€, 000)	2022	2023E	2024E	2025E
Revenues	**129,178**	**167,922**	**184,121**	**204,623**
yoy change	*77.7%*	*30.0%*	*9.6%*	*11.1%*
Value of Production	**193,799**	**200,352**	**201,271**	**205,992**
yoy change	*88.3%*	*3.4%*	*0.5%*	*2.3%*
EBITDA	**42,020**	**44,543**	**45,057**	**46,889**
margin (%)	*21.7%*	*22.2%*	*22.4%*	*22.8%*
EBIT	**32,084**	**35,116**	**35,452**	**36,298**
margin (%)	*16.6%*	*17.5%*	*17.6%*	*17.6%*
Net profit	**20,659**	**20,509**	**20,650**	**21,190**
margin (%)	*10.7%*	*10.2%*	*10.3%*	*10.3%*
Net Debt (cash)	**(1,444)**	**30,942**	**25,305**	**19,325**
Shareholders Equity	**55,486**	**96,931**	**113,661**	**130,882**
Operating Net Working Capital	39,361	73,830	78,194	84,148
CapEx	(11,867)	(20,400)	(7,600)	(5,500)
Free Cash Flow	**7,387**	**(21,461)**	**20,273**	**22,163**

Company Description

Company Sector	Building Products
Price (€)	3.22
Number of shares ('000)	22.5
Market Cap (€mln)	72.5
Reference Index	Euronext Growth Milan
Main Shareholders	Marco Cipriano, Romina Cipriano
Main Shareholder stake	49%
Free Float	40%
Daily Average Volumes ('000)	49,779
Sample of comparables	Deceuninck NV, Inwido AB, Eurocell Plc, SafeStyle UK Plc, Apogee Enterprises, Pgt innovations, Nusco, EDAC

Fixtures manufacturing: multiples of peers

	2023E	2024E
Median EV / EBITDA	4.7x	3.6x

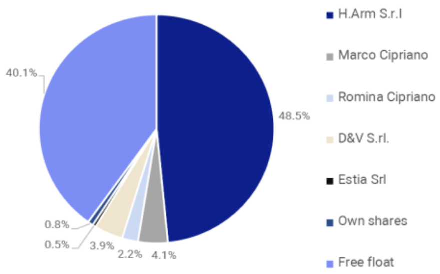
Fixtures manufacturing: data of Sciuker Frames

	2022	2023E	2024E
Revenue Growth (yoy)	31.9%	3.4%	0.5%
Adjusted EBITDA margin	*21.7%*	*22.2%*	*22.4%*

Fixtures manufacturing: average data of peers

	2022	2023E	2024E
Revenue Growth (yoy)	31.9%	-7.0%	22.5%
Adjusted EBITDA margin	*12.8%*	*14.3%*	*13.2%*

Ownership structure and free float



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