

Company:	Rating:	Target Price:	Sector:
Saccheria Franceschetti	BUY	€2.0	Containers & Packaging

Big Bags of cash

April 15, 2024 at 18.00

A leader in the Italian Big Bags sector

Saccheria is a trader of industrial packaging products focused on FIBC (Big Bags). Other products sold are small bags, box bags, fertilizer bags, courier/special products and fabrics. Products are used in several sectors including waste disposal, chemical, construction, agricultural and food. Saccheria, with its long-standing historical presence is among the top 3 players in Italy, the competitive edge is strengthened by being the only Company in the segment with a B2B e-commerce. Finally, 15-20% of the turnover comes from internal local production, which is also used for personalization.

EU Big Bags Market to grow at 4.6% in 23F-28F; potential regulatory headwinds

The European Market in 2022 was estimated at €1bn and is seen growing at 4.6% in 23F-28F thanks to the intrinsic characteristics of the product, like cost-effectiveness in shipping; easy adoption; resistance; convenience; high load capacity; ease of handling. The main sector headwinds are the likely introduction of a plastic tax in Italy to recoup costs from the EU plastic contribution, as well as the EU's proposal on packaging waste reduction. While no Italian companies in the same sector are listed, we identified 7 private competitors, two of these have similar revenue but lower EBITDA margin.

EBITDA margin improved 1pp/year in FY20-23. NWC optimization lowers Net Debt

During FY20-22 a 16.5% revenue CAGR was generated, abruptly interrupted by FY23 revenue of €17.8m (–23.3% yoy) due to i) hard comparable base, supported by a contract worth €0.7m and heightened purchase and selling prices; ii) negative climatic trends in 1H23; iii) change of credit risk policy. Despite the downturn in FY23, e-commerce has experienced an increase in revenues of +31%. Material costs normalized in 2023 (–26.0% yoy) after the surge in FY22. Following lower yoy sales, EBITDA declined by 4.1% yoy to €2.3m, though margin improved by +2.6pp to 12.9%, leading to an average margin improvement of 1pp/year in FY20-23. In FY23 net debt declined to €1.2m (from €5.3m in FY22) thanks to favorable movements in NWC.

European ecommerce expansion or M&A

Saccheria's strategy is based on international expansion of ecommerce capitalizing on the €1bn European Market, further cost efficiencies might be unlocked thanks to investments in technology and potential M&A. The Company met with Italian targets in 2023, though the sector is resistant to acquisitions as it is held by long-established families, but for that reason Saccheria expects generational changes in the coming years. In 2024 Saccheria will explore the EU market with a focus on Germany and Spain.

Poste's contract to drive FY25E sales, low capex and high FCF generation

For FY24-26E we estimate a sales CAGR of 4.8%, with minor sales growth of +1.2% yoy in FY24E and an acceleration in FY25E (+6.9%) when we assume most of sales from Poste's 18-month €2.5m contract will be generated. Given the decline in EBITDA margin to 12.1% in 2H23 (vs 13.6% in 1H23), coupled with a surge in shipping costs and slowdowns due to tensions in the Red Sea, we anticipate that the FY24E margin will stay subdued at 11.4% (–1.5pp yoy). We expect an easing of conditions towards the end of FY24E, improving EBITDA marginality that we see climbing above FY23 levels by FY26E. Strong FCFs generation is supported by minimal expected capex at €125k/year.

Valuation: 12-month target price at €2; BUY

We value Saccheria using a DCF and a market multiples approach based on a sample of listed international companies. We run the DCF model (7.3% WACC and TV €1.3m FCF) ending up with an Equity Value of €2.4/sh. For the MM valuation we considered the average EV/EBITDA24E from our chosen comparables, estimating an Equity Value of €1.5/sh. We took the average between DCF and relative market multiples valuation and ended up with an Equity Value of €17.4m or €2.0/sh. Given the potential upside on Saccheria closing price (as of April 15, 2024), we set our recommendation to BUY. Saccheria trades at a 6.6x EV/EBITDA 24E, a slight discount vs comparables (7x).

Company Profile					
Bloomberg	SAC IM				
FactSet	SAC-IT				
Stock Exchange	Italian Stock Exchange				
Reference Index	FTSE Italia Growth				
Market Data					
Last Closing Price	1.25				
Number of shares (mln)	8.9				
Market cap. (mln)	11.1				
12M Performance					
Absolute	–18%				
Max / Min	1.53 / 0.72				
(€k)	2022	2023	2024E	2025E	2026E
Total revenues	23,342	18,047	18,255	19,519	20,678
yoy (%)	20.1%	–22.7%	1.2%	6.9%	5.9%
EBITDA	2,388	2,291	2,063	2,343	2,668
margin (%)	10.3%	12.9%	11.4%	12.1%	13.0%
EBIT	1,797	1,809	1,633	1,897	2,205
margin (%)	7.8%	10.2%	9.0%	9.8%	10.8%
Net profit	1,238	1,113	988	1,201	1,446
margin (%)	5.3%	6.3%	5.5%	6.2%	7.1%
Net debt	5,345	1,218	1,353	850	204
Equity	8,832	9,382	9,496	10,401	11,486
Capex	(484)	(83)	(125)	(125)	(125)
FCF	1,162	4,965	947	1,004	1,175



Francesca Sabatini
 Head of Equity Research
 francesca.sabatini@bancaprofilo.it
 +39 02 58408 461

Michele Calusa
 Equity Research Analyst
 michele.calusa@bancaprofilo.it

Sales Desk
 +39 02 58408 478

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SWOT analysis

STRENGTHS

- Scalable warehouse automation
- Good brand awareness
- Among three top players in Italy
- First mover advantage in e-commerce
- In-house production
- Reduced operating costs thanks to technology and automation

WEAKNESSES

- High labor cost for local production
- Revenues concentrated in Italy

OPPORTUNITIES

- Expansion of e-commerce in new countries
- Local and international acquisitions

THREATS

- Headwinds from EU Directives on packaging waste
- Introduction of a plastic tax

The reference industry

Saccheria in brief

Big Bags trader and manufacturer

Saccheria is a seller of industrial packaging products with a focus on Big Bags, small bags, box bags, fertilizer bags, courier/special products and fabrics. Products are used in several sectors including waste disposal, chemical, construction, agricultural and food. The Company generates most of its turnover as distributor of products through a minor portion (15-20%) of its revenues through internal local production. Products are sold directly, through agents or with a proprietary e-commerce.

FIBC is the reference market, potential substitute to cardboard boxes

The reference market is represented by the FIBC (Flexible intermediate bulk container) sector. Saccheria's Big Bags and Fertilizer Bags are both classified as FIBC, and they represent more than 75% of its revenues. The main alternative to FIBC are Gaylord boxes, made of corrugated cardboard, usually single use and sized to fit on top of standard pallets. Pallet size boxes usually can contain up to 2,200kg, wall thickness varies depending on the application.

FIBC Market

4 main types of Big Bags by type of fabric

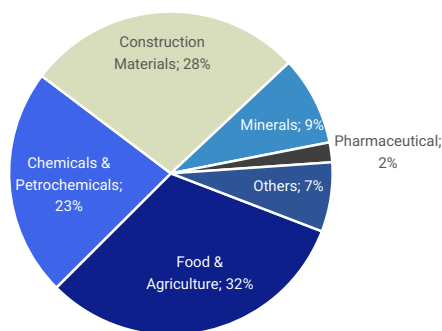
FIBC can be divided in 4 groups based on the properties of the fabric used.

- Type A (market share 35%): non-conductive fabric and no static protection, suitable for non-flammable materials that do not pose a risk of electrostatic discharge.
- Type B (market share 36%): antistatic fabric which prevents the buildup of electrostatic charges, even though they do not provide full protection against sparks.
- Type C (market share 19%): "grounded" FIBCs, made from electrically conductive fabric with grounding mechanisms to safely dissipate static charges, making them suitable for flammable materials.
- Type D (market share 10%): static dissipative fabric to prevent the occurrence of incendiary sparks, offering protection against hazardous charges for both flammable and non-flammable materials.

FIBC are mainly used Agriculture

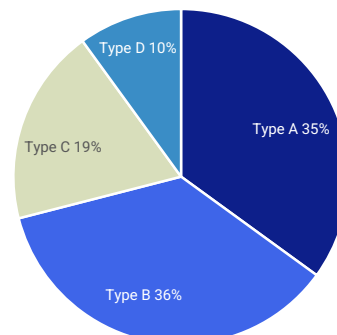
According to a report from CareEdge Advisory & Research on FIBC in 2022, FIBC are mainly used in the Food & Agriculture sector (32%), followed by Construction (28%) and Chemicals & Petrochemical (23%).

Figure 1: Global FIBC by Applications (2022)



Source: CareEdge Research, Maia Research

Figure 2: Global FIBC by Type of bag (2022)



Source: CareEdge Research, Maia Research

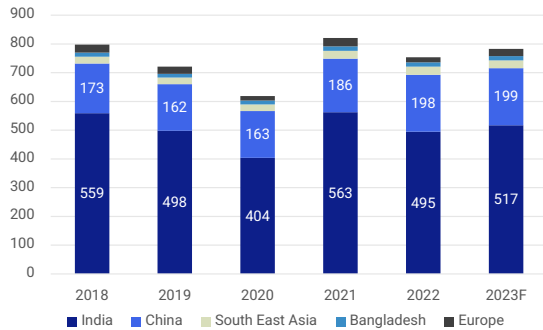
US and Europe are the main FIBC markets

The US is the largest market for FIBC (22%), followed by Europe (19%). US market growth is attributed to the increasing demand from the food & beverage, chemicals, and construction industries. Growth in Europe is driven by the increasing demand from the food & beverage, chemicals, and pharmaceutical industries. Growth across developed nations also stems from the growing pharmaceutical sector, driven by ageing population.

India is the main exporter

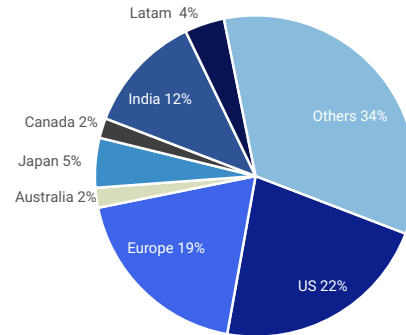
In 2022 India remained the main exporter of FIBC, followed by China. According to IFIBCA (Indian Flexible Intermediate Bulk Container Association) ~85% of Indian production is exported.

Figure 3: Top 5 Countries by Export Value



Source: CareEdge Research, Maia Research

Figure 4: FIBC consumption by Country (2022)



Source: CareEdge Research, Maia Research

Global market to grow at 5.2%, European at 4.6% 23F-28F CAGR

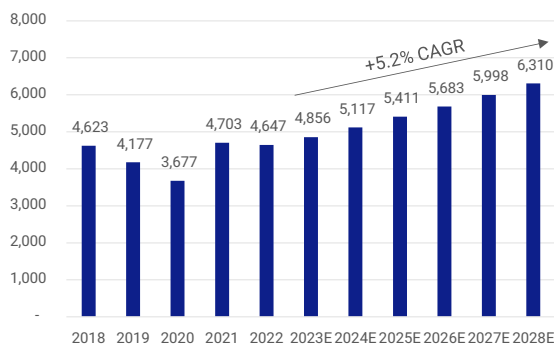
The global FIBC consumption is estimated at \$4.7bn in 2022 and is expected to grow at a CAGR of 5.2% over the period 2023-2028. Market value in Europe in 2022 was estimated at €1bn and is seen growing at 4.6% in 23F-28F.

FIBC are cost effective in shipping and easy to adopt

Growth of FIBC is driven by their intrinsic characteristics, which include:

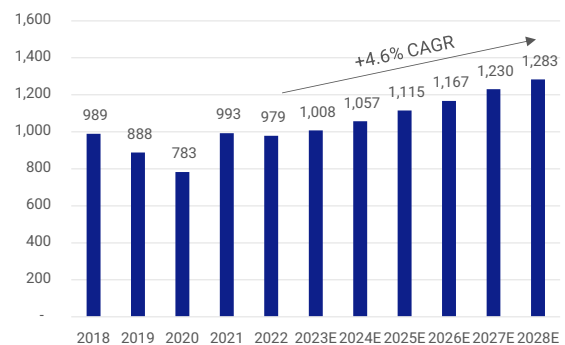
- Cost-effectiveness in shipping: pallets may not be required, this leads to lower weight compared to a cardboard gaylord box;
- Easy to adopt: drop in replacement for paper-based packaging material;
- Good handling: top loops ensure easy-handling with forklifts and cranes;
- Resistance: polypropylene is resistant to chemicals;
- Convenience: FIBC can be folded and compressed to save space;
- High load capacity: FIBC can hold large amounts of weight and different types of contents, including grains, seeds or sand;
- Ease of handling: handles can be used by forklifts and cranes.

Figure 5: Global FIBC Consumption Value (\$mIn)



Source: CareEdge Research, Maia Research

Figure 6: European FIBC Consumption Value (\$mIn)



Source: CareEdge Research, Maia Research

Industrialization and weight reduction also drive growth

In addition, positive market trends can contribute to the growth of the sector, these trends include:

- Industrialization, especially in developing regions;
- Rising need to reduce the weight of bulk packaging;

Growth in food and pharmaceutical industries.

Demand for greener solutions is a key risk

While there are several advantages of FIBC and positive sector trend, there are some risks and limitations related to growth and adoption of FIBC, such as:

- Growing demand for sustainable made from recycled materials or biodegradable materials in Europe, also driven by potential regulation. Recycled materials might have inferior chemical properties compared to virgin materials. This might lead to the use of alternative products;
- Production concentration in APAC as the process is labor intensive. This reliance on a certain region has two ramifications: i) the growing popularity of FIBC India, China and Southeast Asia has led to reduced export volumes from the APAC region, which could influence the pricing dynamics in developed regions; ii) supply chain risks, as it emerged during the Covid-19 outbreak, with increased lead times for factories, distributors, and end-users;
- Polymers used in FIBC are derived from petroleum, so crude oil price can impact the pricing structure.

EU plastic tax

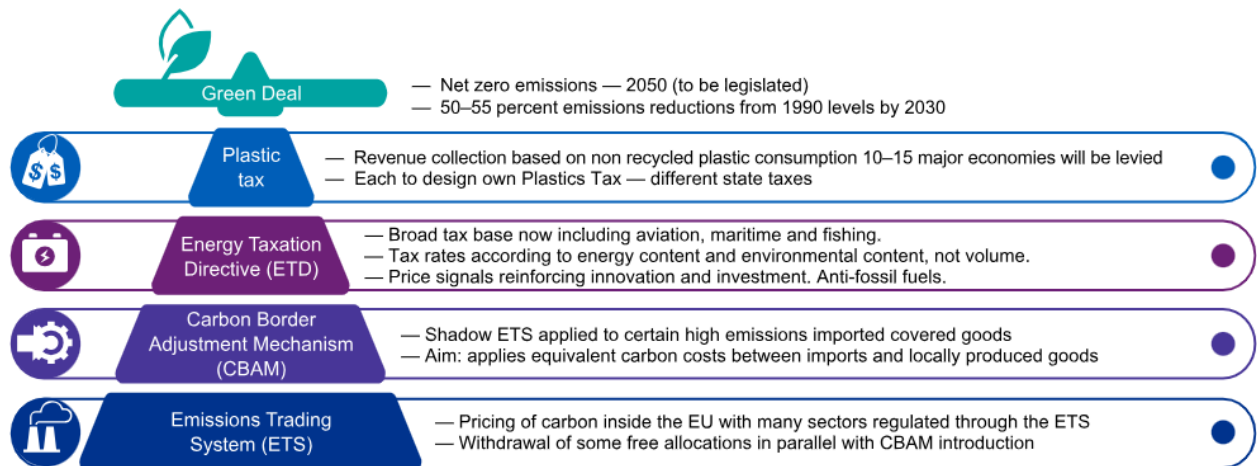
Green Deal introduced a plastic tax

The plastics tax in the EU, a part of several proposed tax reforms under the Green Deal, is designed to decrease the use of raw materials and waste. This initiative supports the transition towards a circular economy.

€0.8/kg of contribution by MS to EU

More specifically, it is a contribution from the Member States to the EU, set at €0.8/kg, which is based on the quantity of non-recycled plastic packaging waste produced. Member States will either pay the contribution from their national budget (Austria and Belgium) or may recoup a portion from taxpayers by implementing a local tax (Spain and Italy).

Figure 7: Plastic tax as part of EU's Green Deal



Source: KPMG

Spain plastic tax effective since 2023

Through a 2022 law Spain included a new tax on non-reusable plastic packaging which became effective in January 2023. It affects companies involved in the production or distribution of packaging, but also all importers or intra-Community purchasers of plastic packaging. The rate is €0.45/kg of plastic material.

Italian plastic law established in 2020

The plastic tax was established in the 2020 Italian Budget Law to tax containers and packaging made up even partially of plastic with a single use “MACSI”. These items serve the purpose of containing, protecting, manipulating, or delivering goods or food products, and they are all designed for single-use. Examples include bottles, polyethylene food bags and trays, tetrapak

containers, detergent containers, as well as expanded polystyrene packaging, bubble wrap rolls and stretchable plastic films.

The tax is levied on the manufacturers or sellers of MACSI, as well as buyers or importers from non-EU countries, at a rate of €0.45/kg of plastic material. However, plastic materials derived from recycling processes are exempt from this tax.

Entry into force delayed until July 2024

The entry into force was planned in July 2021 by the 2021 Budget Law as long as significant changes to the application methods. The entry into force was delayed by the Sostegni-bis Decree (May 2021) and by the Budget Law of 2022, 2023. The 2024 Budget Law provides for the postponement of the entry into force of the plastic tax in Italy to July 2024.

EU regulation on packaging

EU definition of packaging

EU considers packaging all products made of any materials of any nature to be used for the containment, protection, handling, delivery and presentation of goods, from raw materials to processed goods, from the producer to the user or the consumer.

Proposal of EU regulation on packaging in 2022

In November 2022, the European Commission put forward new measures to address the escalating issue of packaging waste within the EU. This comes in response to the persistent growth in packaging waste generated in Europe since the mid-2000s, with projections indicating a continued increase by 2030.

The proposal addresses the entire life cycle of packaging, emphasizing safety and sustainability by mandating recyclability, minimizing dangerous substances and improving consumer information through labeling. It also follows the waste hierarchy by setting re-use targets, restricting certain single-use packaging, and requiring economic operators to minimize packaging, with a focus on enhancing collection, sorting and recycling standards.

Other key topics covered by the proposal include: assessing the impact of substances on re-used packaging, maintaining targets for minimum recycled content in plastic packaging, minimizing weight and volume of packaging, imposing restrictions on specific packaging formats, especially single-use plastic packaging in the HORECA and accommodation sectors.

Agreement on the proposal reached in 2023

In December 2023 the Council reached an agreement on the proposal, maintaining the scope of the Commission's proposal, covering all packaging, regardless of the material used, and all packaging waste, regardless of its origin (including industry, manufacturing, retail, households). Several provisions that tackled unnecessary packaging were removed, while some reuse targets for 2040 were lowered.

Reducing packaging waste: 5% by 2030, 10% by 2035, and 15% by 2040

Headline targets for reducing packaging waste were maintained: 5% by 2030, 10% by 2035, and 15% by 2040, all based on 2018 quantities. The Commission will review these targets eight years after the regulation's entry into force. Additionally, the Council allows member states the option to implement packaging waste prevention measures that surpass the specified minimum targets.

The agreement will serve as the Council's mandate for negotiations with the European Parliament on the final shape of the legislation. The outcome of the negotiations will have to be formally adopted by the Council and the Parliament.

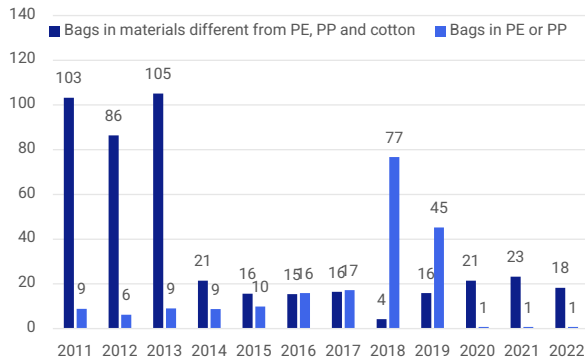
Impacts on Saccheria

It is clear that the EU wants to address the growing production of plastic waste by introducing laws and taxes to steer the economy towards reduction in waste, wider adoption of reusable materials and accelerate the adoption of recycled materials. We believe that despite the delays a plastic tax is likely to become effective in Italy, companies may attempt to offset this additional cost onto customers further down the supply chain. The final result could be higher final prices to customers and a shift towards products that face lower taxes.

Italian PP and PE bag Market

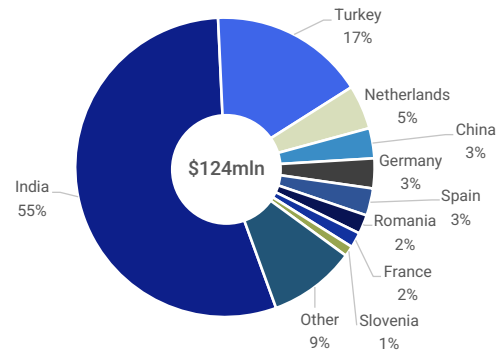
Italian imports of PE and PP bags €124mIn Industrial production of industrial packaging in polypropylene and polyethylene in Italy saw a major decline in the last 15 years, according to OEC Italy imported \$124mIn of bags and PE & PP, the main trading partners being India (55%) and Turkey (17%).

Figure 8: Italian bag production (€mIn)



Source: Istat

Figure 9: Italian imports of bags in PE and PP (2021)



Source: OEC

A troubled freight market

Several shocks hit from 2020 In the last 4 years the freight market witnessed several major disruptions which pushed prices at multiples of historical averages. From 2H20 several factor brought by the Covid-19 pandemic led to a spike in global container freight rates. Main drivers include: congestion at ports from lockdowns, bottlenecks caused by supply chain disruptions, volatility of orders following demand ramp up, obstruction of the Suez Canal.

Brief normalization in 2023 Despite the transient nature of the causes, abnormal delivery times and prices persisted throughout 2022 and normalized in 2023.

Freight costs driven by red sea crisis Normalized costs were suddenly interrupted in 4Q23 following geopolitical tensions in the Red Sea. In October 2023 Yemen's Houthi movement began targeting ships in the Red Sea that were claimed to be linked to Israel. Militants have also fired on merchant vessels of various countries off the coast of Yemen, which led many reroutes of ships headed to Europe through the Suez canal. This put pressure on freight costs, which surged in 4Q and remain higher than the period December 2022-November2023.

Figure 10: Shanghai Shipping Exchange Shanghai (Export) Containerized Freight Index

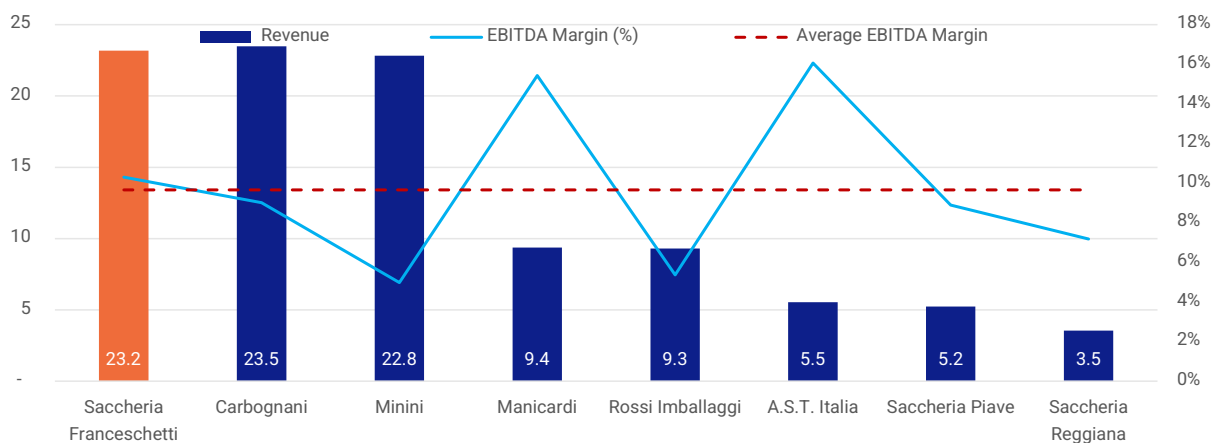


Source: Bloomberg

Competitive arena

- No local listed companies** There are no listed Italian company operating in the FIBC sector outside Saccheria, so a list of the main operators in the sector is provided, along with their revenue and EBITDA margin. Manicardi also provides industrial filters while A.S.T. Italia is focused on products for asbestos abatement, which includes FIBC bags. We believe that this explains their superior EBITDA marginality compared to the others of the group.
- Carbognani** Carbognani is the largest Italian Company in the FIBC sector in terms of FY22 revenue. The Company’s offering includes Big Bags, jute bags, fabrics and other polypropylene-made bags, perfectly overlapping with Saccheria’s portfolio. Carbognani was founded in the early 1900s by Elvira Maggi, focusing on jute bags recovery and resale. With the entry of Arnaldo Carbognani, husband of Elvira’s daughter Rachele, the company expanded across northern Italy in the agricultural and industrial packaging sector.
- Minini** Minini was created in 1928, with the entrance of Bruno Minini in 1994 the Company shifted its focus in the big bag import and distribution. Minini is primarily active in the FIBC sector.
- Manicardi** Manicardi (Modena) was founded in 1977 and provides both FIBC products as well as void-fill air bags and industrial air filters.
- Rossi Imballaggi** Rossi Imballaggi (Alessandria) was created in 1994 starting from Saccheria Rossi, specialized in the production of Big Bags for food and industrial packaging since 1954. Rossi Imballaggi sells FIBC and jute bags.
- A.S.T. Italia** A.S.T. Italia (Imperia) was founded in 1991, partner of the AST group, focusing on the supply of products and equipment for asbestos removal, including FIBC.
- Saccheria Piave** Saccheria Piave (Venezia) has over 40 years of experience in the packaging sector, its product portfolio includes FIBC, polypropylene bags and fabrics.
- Saccheria Reggiana** Saccheria Reggiana was founded in 1983 and is specialized in production and distribution of FIBC, polypropylene bags and polypropylene fabrics.

Figure 11: Main Italian competitors (not listed), FY22 Revenue (€mIn), FY22 EBITDA Margin (%)



Source: Aida

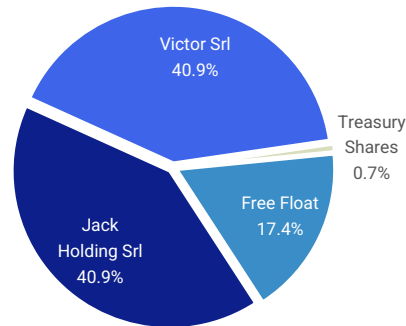
Company & Business model

Group structure

Two family-owned vehicles control 82%

The shareholder structure is composed of two vehicles owned by members of the Franceschetti family (82%) while the free float is (18.1%).

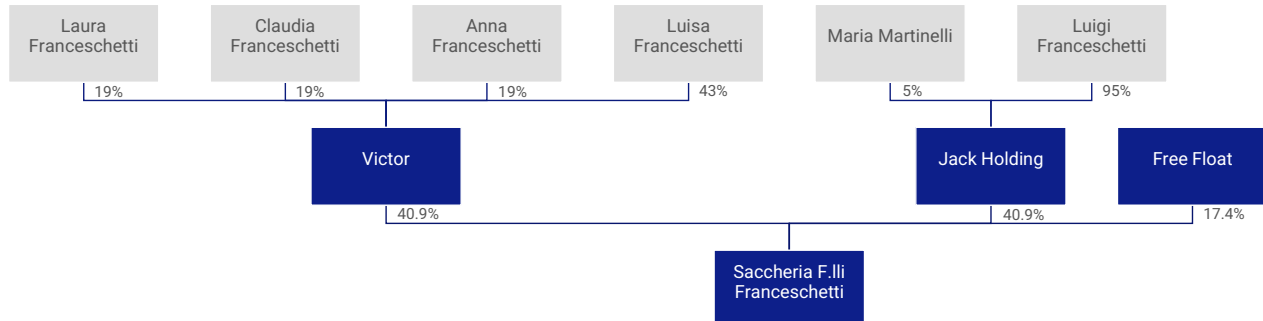
Figure 12: Shareholder structure



Source: Bloomberg, Banca Profilo elaborations on companies' data

Victor's main shareholder is CEO Luisa Franceschetti with 43%, while the rest is equally shared among her sisters. Jack holding main shareholder is Board Chairman Luigi Wilmo Franceschetti with 95% and his mother Maria Martinelli. Considering the structure, Luigi Franceschetti controls 39% of the Company, while Luisa Franceschetti 17.6%.

Figure 13: Group structure



Source: Banca Profilo elaborations on companies' data

IPO and use of proceeds

Listing in 2022

Saccheria was listed on the Euronext Growth Milan in December 2022 through a capital increase, raising ~€2mln. Pre-IPO shareholders agreed to a lock-up period of 36 months from the beginning of trading.

Use of proceeds for internationalization and M&A

The listing was aimed at supporting the consolidation of the Company leadership position on the Italian market and the internationalization process, also through M&A operations. Other key objectives included the development of a fashion bag production line focused on the circular economy.

Warrants

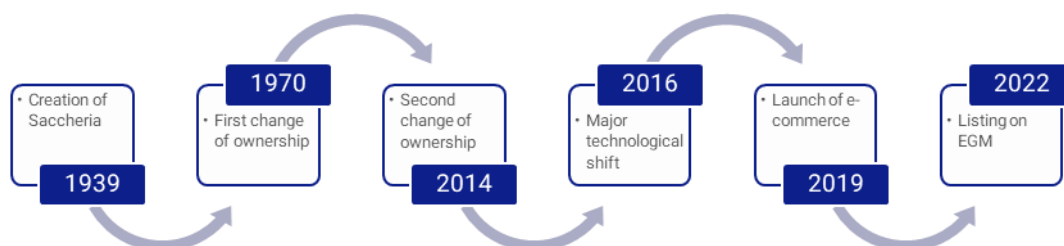
During the listing, 1 warrant was awarded for each share subscribed and 1 warrant was awarded for each shareholder at the approval of FY22 financial statement. Every 2 warrants can be converted into 1 Converted Share with the same rights of normal shares. There are 2 conversion periods lasting two weeks still remaining: on November 20 2024 and on November 20 2025. Subscription prices are calculated by increasing the previous subscription price by

10%, with the first calculated on the listing price. Prices were adjusted for the extraordinary dividend paid in January 2024, for the second period the price is set at €1.47 and for the third period at €1.621.

History

Origins in 1939	Saccheria origins dates to 1939, when Luigi Franceschetti began operating a company originally focused on the recovery and marketing of used jute bags intended for the collection of various materials.
First generational changeover in 1970	Luigi's sons Umberto, Giacomo and Vittorio-Bruno join the Company which began producing flexible packaging, specializing in the production of high quality Big Bags.
Incorporation in 1984	The Company becomes a Srl (LLC) in 1981 and is renamed "Saccheria F.lli Franceschetti". In 1984 Saccheria becomes a SpA (INC).
Current management joined in 2014	The current management joined between 2014-2015. Luigi Wilmo Franceschetti and Luisa Franceschetti are the sons of Giacomo and Vittorio-Bruno respectively.
Digitalization process from 2016	Starting in 2016, the Company started its digitalization shift, integrating Google cloud services into its operational processes.
Innovation award	In 2018 Saccheria received the Certo 4.0 award for the innovations brought by their warehouse management software introduced from 2016.
E-commerce in 2019	The Company launched an e-commerce for its B2B clients in 2019.

Figure 14: Company history



Source: Banca Profilo elaborations on companies' data

Acquisition of real estate asset in 2021	In 2021, Saccheria acquired all shares of Immobiliare Franceschetti to streamline the management of the real estate property used. In 1H22 to optimize costs, Immobiliare Franceschetti was merged by incorporation into Saccheria. Following the transaction, Saccheria became the owner of the registered and operational headquarters, ending the outstanding lease agreement.
Listing in 2022	Saccheria was listed on the Euronext Growth Milan in December 2022 through a capital increase, raising ~€2mIn (including greenshoe).
Sackmonarchy	In June 2023 Saccheria launched an e-commerce for its fashion bags brand Sackmonarchy, which uses leftovers from its industrial bags.

Top management

Luigi Franceschetti, chairman & Co-CEO	Luigi Franceschetti (President of the BoD, CEO) graduated in Business Management and Economics from LIUC University in 1999. Until 2014, he held managerial roles in companies abroad, serving as the head of sales for medium-large enterprises. In 2014, together with his cousin Luisa Franceschetti, he took the reins of the management of Saccheria. The two led a radical process of digitalization and modernization of the company which improved revenues and profitability. Moreover, Saccheria launched the first e-commerce in Italy in the sector and obtained recognitions related to innovation.
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In 2018, he founded with Luisa Franceschetti the innovative start-up OHC Bene, that created a cloud warehouse management software for SMEs. The software was originally developed for internal use for Saccheria. In 2020, he was elected president of Confindustria Brescia for the textile sector.

Luisa Franceschetti,
vice-chairwoman &
Co-CEO

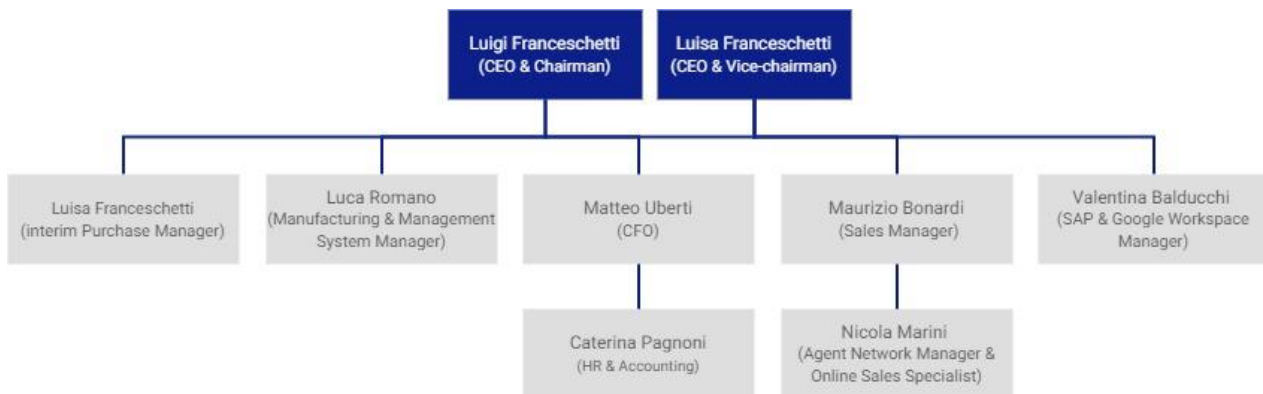
Luisa Franceschetti (Vice-Chairwoman of the BoD, CEO) graduated in Business Management and Economics from the University of Brescia in 1998. From 1998 until 2015, she held different roles in Italian and foreign companies: purchasing manager (N&K S.p.A., textile sector), senior controller (I.T.M Consulting Group, business consultancy), chef (Mandarin Oriental Taipei, sector catering).

She joined the Company in 2015 as CEO, led a reorganization of relations with banks and suppliers, implemented a new management structure and improved the cash conversion cycle. Finally, she contributed to the creation of OHC Bene with Luigi Franceschetti.

Matteo Uberti, CFO

Matteo Uberti (CFO, Member of Supervisory Board) graduated in Business Management and Economics from the University of Brescia in 1999. He worked as auditor at EY for two years and for almost 20 years at Beretta Industrie as group auditor.

Figure 15: Organization chart



Source: Banca Profilo elaborations on companies' data

Boards and statutory auditors

The BoD is composed of Luigi Franceschetti, Luisa Franceschetti and three more members, one of which is independent. They have been appointed for the 3-year period 2022-2024.

Maurizio Bacchiega,
Director

Maurizio Bacchiega (Director), he became a chartered accountant in 1986, graduated in Business Management and Economics from the University of Parma and Brescia in 1989 and became a chartered auditor in 1995. In 2019 he obtained a masters in in Criminology and Forensic Legal Studies at the Pegaso Telematic University and in 2019 he graduated in Law from the same University. Finally he obtained a master's degree in Management 2020 and a master's degree in Work and Organizational Psychology, both at the Universitas Mercatorum. He is a self-employed professional.

Leonardo Donà dalle
Rose, Director

Leonardo Donà (Director) completed a degree in Economics from the University of Pennsylvania (2001) and a master's degree in Marketing at Bocconi University (2004). He held managerial roles in Italy and abroad, providing financial consultancy. Since 2020 he has been a member and board advisor of OHC Bene.

Stefano Colpani,
independent Director

Stefano Colpani (Independent Director) graduate in Economics and Business from the University of Parma and carried out auditing activities at Italaudit and Ernest & Young since 1985, becoming a partner in 1998. He started his own practice in July 2021 and holds various positions in supervisory boards of companies (Editoriale Bresciana S.p.A., Metal Work S.p.A., Brado S.p.A., Gruppo Ivars and Lucchini RS). In addition, he provides strategic support to

various boards of directors of companies operating in the industrial and/or service sectors. Finally, he is adjunct professor for the Auditing course at the University of Brescia.

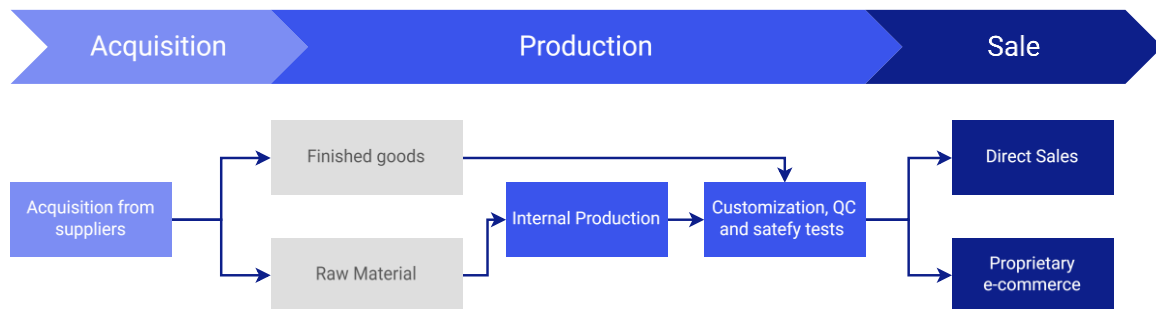
Board of Statutory auditors The Company's Board of Statutory auditors is composed of Luca Locatelli (Chairman), Elisabetta Bombana (Standing Auditor), Alberto Cobelli (Standing Auditor). Mario Mor and Matteo Miglio are substitute auditors. They have been appointed for the 3-year period 2022-2024.

Supervisory Board Saccheria's board appointed the Supervisory Board in 2022, currently composed of Nicola Perrotti (Chairman), Luca Locatelli (Member), Matteo Uberti (Member).

Business model

Big Bags manufacturer and trader Saccheria is a trader of industrial packaging products with a focus on flexible intermediate bulk container (FIBC), here referred to as Big Bags. Other key products include small bags, box bags, fertilizer bags, courier/special products and fabrics. The business model includes i) acquisition of raw materials and finished goods, ii) production, personalization, safety tests and quality control, iii) sale through agents (direct channel) or with a proprietary e-commerce. Products are used in several sectors including waste disposal, chemical, construction, agricultural and food. The Company generates most of its turnover as a distributor of products, a minor portion (15-20%) of its revenues come from internal local production. Internal production as well as personalization is carried out in Italy.

Figure 16: Business model



Source: Bana Profilo elaboration on Company data

Suppliers across 5 countries The Company uses 15 suppliers across 5 countries (Albania, Cina, India, Poland and Turkey) to acquire finished goods for the trading business as well as raw materials for internal production. Most suppliers are located in India, as it accounts for 85% of orders. Closer suppliers provide faster lead time but at a higher cost. Saccheria carries out a selection of the best suppliers that can guarantee a standard level of quality, affordable prices and certain delivery times. Raw materials acquired includes canvases, rolls and components.

Figure 17: Products origin by country in 2021

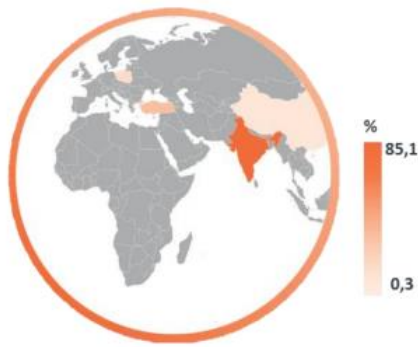
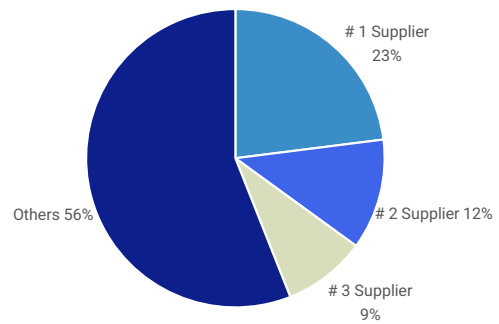


Figure 18: Suppliers weight on cost of sales (2021)



Source: Company data

The only Italian company keeping internal production

Saccheria is the only Italian company that kept a portion of its production locally with a daily production of approximately 1.5k pieces, this allows shorter lead time for customized solutions and can be a strategic lever to attract new customers.

The internal production also covers customization required by clients which includes logos or safety indicators. Special request may come from sales agents or based on a competitor's product. Internally produced as well as third party products undergo checks on quality, resistance and efficiency.

Plant and HQ in Brescia (Italy)

Since 2022, Saccheria owns a 24k sqm headquarter in Provaglio d'Iseo (Brescia, Italy). It includes offices, a manufacturing plant with daily production capacity of 1.5k pieces and a semi-automated warehouse with storage capacity of 500k products. This ensures timely deliveries and is in line with Saccheria's commercial strategy. Moreover, thanks to real-time monitoring, orders are immediately inserted, and replenishment is carried out as needed.

Figure 19: Industrial footprint



Figure 20: Semi-automated warehouse



Source: Company data

Warehouse AI before it was cool

Saccheria has a modern sales system, thanks to automation of internal processes through technological solutions. More precisely, in 2017 the Company started using Google AI tools for applications related to warehouse management and product pricing. For warehouse management purposes bags are cataloged, moved, and stored through a priority order using predictive analysis based both on arrangement and customers' habits. A voice in the headset guides warehouse workers in the fastest loading order. This led to efficiency gains and a reduced number of workers necessary. The other use of AI is related to pricing strategy, in fact the system creates a classification of different buyers based on their payment timing and applies a price proportionate to their ability to respect the collection times. Following the success of the project, the management created the spinoff ELI WMS which provides cloud-based software for warehouse management and logistics. Moreover, Saccheria and ELI WMS

were awarded the Cento4.0 prize, dedicated to innovative manufacturing companies in Lombardia.

Paperless operations Along with the warehouse management technological shift, the company also made its operations paperless by digitizing documents, this drastically reduces the time of managing an order took from 10 minutes to less than sixty seconds. Moreover, the Company observed a reduction in complaints about wrong orders.

B2B through agents The Company targets B2B customers, primarily through the direct sales channel through a network of 25 agents spread across Italy, reporting to the sales manager.

The direct channel is preferred by historical customers, prices are decided in sale contract, additional services that may be provided includes: i) quantity and delivery dates scheduling; ii) maintain a safety stock; iii) locked price for the duration of the contract; iv) delayed payments and discounts.

The sales manager supervises agents’ activities, receives periodic reports from each agent and recurring appointments are held to incentivize communication. Collected data is then used to track performance and plan the Company’s activities. Finally, an annual sales meeting for agents is organized, during which policies and marketing strategies are decided.

Six phasis for direct sale The direct sale channel is articulated in six phasis in which the Company oversees the entire process. Agents seek out and contact new customers (Market Research and Opportunity) and requirements are evaluated (Analysis). In cases where a customer’s product is complex, Saccheria requests a sample for detailed analysis. Based on this analysis, a counter-sample may be created, which then requires the customer’s approval. On the other hand, if the product is straightforward, a data sheet is typically sufficient for Saccheria to formulate an offer. However, some customers, regardless of their product’s complexity, prefer to receive a sample from Saccheria. After the product receives technical approval (Test), a sale offer is made (S.O).

Figure 21: Direct sale



Source: Banca Profilo elaboration on Company data

First ecommerce in Italy In recent years Saccheria developed a proprietary online ecommerce and is the first Italian company in the sector adopting this channel. Since its launch in 2019, daily shipments increased at a 9.6% 19-22 CAGR, moreover returning customers order as a share of total order were up by 10pp to 33% in 2021, showing an improvement in retention rate.

This sale method can be marketed to both multinationals as well as micro-consumers and it offers: i) best price as it is the least expensive channel, ii) multiple payments systems (credit card, PayPal, bank transfer), iii) satisfied or refunded formula, iv) technological assistance. Payments are immediate and are based on product availability on the website. Processes are

automated with ERP software SAP Business One. The channel has witnessed substantial yoy growth, with a 31% increase in 2023, enabling territorial expansion and tackling sectors not usually served. By number of orders ecommerce outpaced direct sales in 2023, though volumes and revenue account for 4.7% of total revenue.

Customer insights from ecommerce

Beyond serving as an alternative sales channel, e-commerce offers a strategic advantage by providing valuable analytics to enhance customer insights. The primary benefit is that orders originate directly from end customers rather than regional distributors. During an interview, the management disclosed that this approach has led to the discovery of new niche use cases for Big Bags.

Figure 22: Ecommerce daily shipments (#)

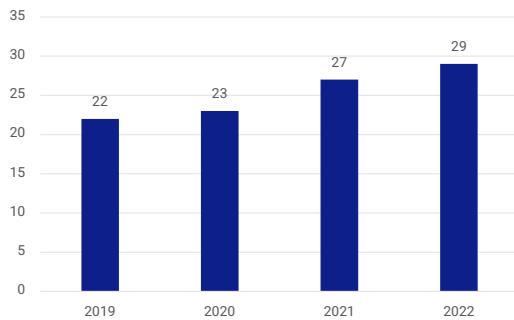
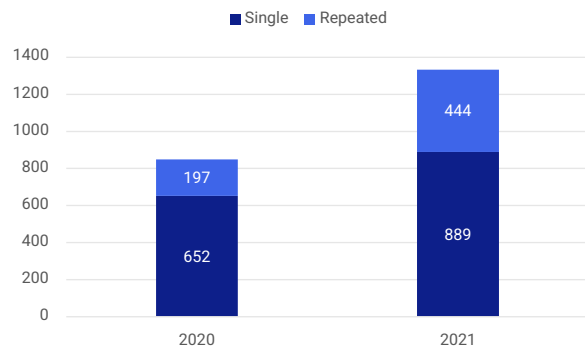


Figure 23: Single vs repeated ecommerce order (#)



Source: Company data

Product types

Big Bags (FIBC)

Flexible intermediate bulk container (FIBC) here referred to as Big bags, are large bags with a capacity of 1,000kg or 1,500kg, usually made of polypropylene. Big bags have 4 handling straps used for forklifts and have a safe factor of 5:1 or 6:1, meaning that that at full capacity they can withstand several times their weight when operated and moved. Big bags can be constructed with i) 4 panels, with stitching at each side; ii) U panel, two panels and a single u-shaped panel for the other two sides and the bottom; iii) tubular, a single piece of fabric is used for all sides, sewn on a bottom base. Bags often have a spout bottom which allows material to be funneled easily.

UN approved bags are characterized by additional a labeling system to track the origin, materials, manufacturer, coating, and other important factors of the bag.

Due to their excellent resistance, they are adequate for bulky materials such as waste, asbestos and food products. Food-grade bags, often used for cereals, spices, coffee, cocoa, yeast, and flour, adhere to additional requirements regarding stitching, cleaning, traceability, and specific labeling.

Fertilizer bags

Fertilizer Bags are disposable propylene bags used mainly in the agricultural sector characterized by their superior handling. They maintain the quality of the bagged product over time thanks to PE/HDPE lining. The typical weight capacity is 600kg. The Company reports their revenue separately, but the product can be classified as a Big Bag/FIBC.

Small bags

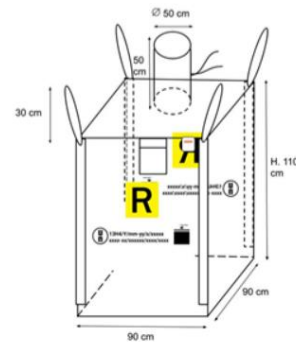
Small bags are simpler products in terms of features compared to Big Bags, moreover they are available in different sizes, thickness and shape. The materials employed include biodegradable jute, polyethylene, as well as polypropylene, which is the same material used in Big Bags. Polyethylene bags are often specifically utilized as liners within other bag types, to enhance content protection and prevent the spillage of dust or liquids

Box bags	Box Bags are a packaging product primarily used in the garment cycle, such as collections of used clothes, rags and products fabric. Compared to Big Bags they do not have carrying handle and the price is almost half.
Courier (special products)	Special Products and Postal Bags are made of waterproof polypropylene raffia and are used for letters and small postal parcels. Often customized with branding and colors.
Fabrics and components	Finally, the company also sells rolls, panels, pieces of canvas of various materials (both technical and eco-sustainable), belts, ribbons.

Figure 24: Big bags with UN labels



Figure 25: Big bag with top filling



Source: Company data

Plastics polymers	Most of the company's products use plastic polymers such as polypropylene and polyethylene. The first is more rigid and has a higher melting point; both materials are recyclable, but they lose strength and flexibility during the process. Polypropylene yarns are widely used in the industrial sector thanks to their high tensile strength, shock absorption during handling and high breaking load. The Company tends to use virgin materials (not recycled) to maintain the material quality level.
Jute is reusable and recyclable	Saccheria also sells bags made of Jute, a natural fiber of plant origin, which can be spun into thick and resistant threads. The material is widely used in the agricultural sector and increasingly common for rigid packaging, replacing plastic, wood and paper. They are good substitutes for disposable plastic bags as they can be reused; moreover, the fiber is biodegradable and recyclable, when burned or left in landfills it does not generate toxic gases.
New eco-sustainable products	Saccheria has studied new eco-sustainable products to reduce waste and for the containment of waste. Among the products consistent with principles of the circular economy there are: i) jute bags for plant nurseries, biodegradable and after use intended to be dispersed into the ground; ii) pallet band, which improves the stability of pallets during their movement and allows reuse compared to traditional unlike traditional wrapping pallets with disposable film.

Clients

Fragmented client portfolio The client portfolio is highly fragmented with over 10k customers in Italy across 25 sectors. Top 10 largest customers accounted for 18% of revenues in 2021, with the largest one accounting for 5% while the other 9 account on average for ~1.5% each. Less than 5% of clients generated more than €100k each, with the vast majority being below €100k.

€2.5mIn contract with Poste Italiane In April 2023, the Company was awarded a 18-month ~€2.5mIn contract by Poste Italiane relating to the supply and delivery of postal bags for sending correspondence. More precisely, Saccheria was chosen for two lots: i) supply of bags for logistics centers; ii) bags for postal use for the Justice sector, covering 100% of national needs.

Sector breakdown The revenue breakdown by sector in 2021 from the first 100 customers includes: chemical (34%), construction (11%), food (10%), agricultural fertilizers (10%) and transport couriers (9%), mining (7%), agricultural (6%), waste (5%), metals (4%), pharmaceutical (3%), asbestos (1%).

Figure 26: Concentration by client (2021)

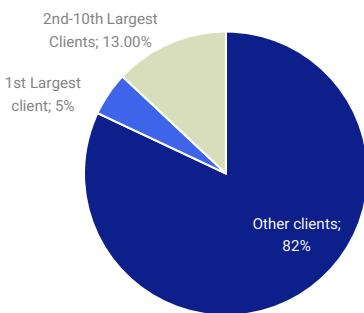


Figure 27: Clients by revenue (2021)

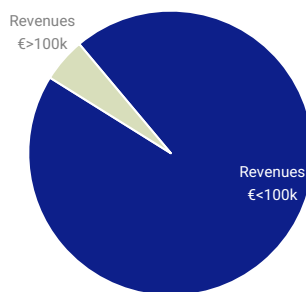
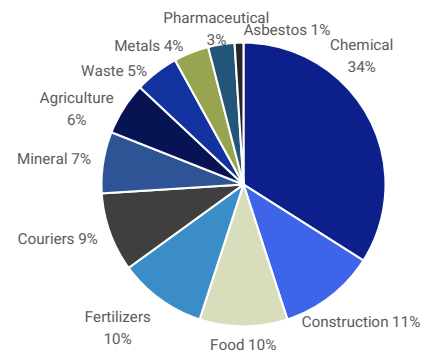


Figure 28: Breakdown by sector (2021)



Source: Banca Profilo elaborations on Company data

Sackmonarchy

Fashion Bag brand launched in 2023 In June 2023 the Company launched a proprietary e-commerce for its Sackmonarchy brand, dedicated to fashion bags and developed by creative director Nicola Marini.

Sackmonarchy offers collections of uniquely designed fashion bags and produced in Italy with meticulous attention to detail. All materials come from waste for the production of Big Bags and large bags for industrial use. The brand is committed to reducing waste and taking an active role in environmental impact by putting recycling and recovery of materials as an absolute priority.

Sackmonarchy products include i) bags; ii) backpacks, to store notebooks and tablets; iii) multibag, multifunctional bags that can be used backpacks, shoulder bags and 24H style bags; iv) travel bag.

Mille Miglia 2023 partnership Sackmonarchy partnered with Mille Miglia to develop a special edition of the duffel bag for drivers taking part in the 2023 car race.

Figure 29: Sackmonarchy line-up



Source: Banca Profilo elaboration on Company data

Certifications and awards

Cento4.0	In 2018 Associazione Fabbrica Intelligente Lombarda launched the Cento4.0 competition, destined to manufacturing companies that applied innovative solutions in line with Industry 4.0 principles. Saccheria won thanks to its cloud software Eli Wms for warehouse management. 4 other companies were among the finalists, while 16 participants were considered admissible.
Authorized Economic Operator	In 2019 Saccheria received the certification of Authorized Economic Operator issued by the Customs Agency to operators which meet certain qualitative requirements and are distinguished by their solvency and reliability. This provides favorable terms with customs authorities such as reduced customs controls and overall speeding up shipments. We provide a list of Saccheria's ISO certifications.
Quality management system, March 2021	UNI ISO 9001:2015: Quality management systems certification, which indicates the possession of the minimum requirements to guarantee the quality level of the product and service.
Environmental management, July 2020	UNI ISO 14001:2015: Environmental management certifies the adoption of a management structure for the integration of environmental management practices, pursuing environmental protection, prevention of pollution, as well as the reduction of energy and resource consumption.
Occupational health and safety, August 2022	UNI ISO 45001:2018: Occupational health and safety, certifies the adoption of an occupational health and safety management system aimed at better managing risks and improving performance through creation and implementation of effective policies and objectives.
Ethical Certification, July 2022	SA 8000:2014 Ethical Certification, certifies the adoption of measures to guarantee optimal working conditions, commitment to sustainable development, with particular attention to social issues.
Sustainability report in 2024	In the 9M23 press release Saccheria announced that its first sustainability report will be published in 2024.

Financials

We discuss FY20-23 results, FY21PF reflects Saccheria's acquisition of its HQ, so the main difference between FY20 and FY21PF scope relates to costs for third party assets and fixed assets.

FY23 Revenues down by 23.3% yoy

During the three-year period FY20-22 the Company reported a 16.5% revenue CAGR, abruptly interrupted by FY23 revenue of €17.8mln (-23.3% yoy).

The Company commented that the decrease in sales did not lead to a comparable decline in volumes, as the lower result was driven by i) the timing of a Poste contract worth €0.7mln in 2022, Saccheria won a contract worth €2.5mln with the same Company in 2023; ii) climatic trends in 1H23 led to a contraction of orders to some product families (in particular fertilizer bags, -41% yoy) in 2H23; iii) hard comparable base as revenues in 2022 had been influenced by heightened purchase prices of materials and transport; the decrease in 2023 allowed a reduction in sales prices that did not affect margins; iv) change of Company's policy in relation to credit risk.

Big Bags account for 75% of revenues

In 2023 Big Bags were 75% of revenues (€13.3mln), followed by Small Bags with 7% (€1.3mln) and Fertilizer Bags with 6% (€1.1mln).

Revenues concentrated in Italy

In 2022, the majority of Saccheria's revenue was generated from Italy, accounting for 95.1% of the total. The remaining revenue came from Europe (4.7%) and other countries (0.2%). This distribution was similar to that of 2021, although Italy's contribution was slightly less at 92.6%.

Figure 30: Revenue by product (€k)

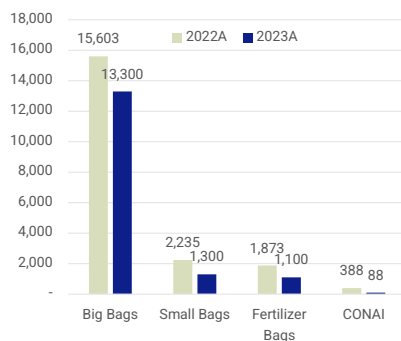


Figure 31: Ecommerce sales (€k)

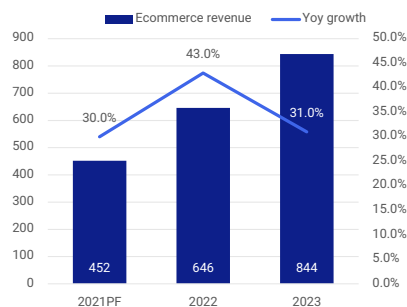
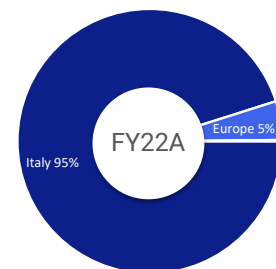


Figure 32: Revenue by region (%)



Source: Banca Profilo elaborations on company data

CONAI contribution

Finally, €0.1mln relates to the CONAI (Consorzio Nazionale Imballaggi) contribution, which the Company collects on behalf of CONAI. The contribution is mandatory and used to fund costs of separate waste collection, recycling and recovery of packaging waste. This amount does not have an impact on EBITDA as it is cancelled out, even though it negatively affects EBITDA Margin.

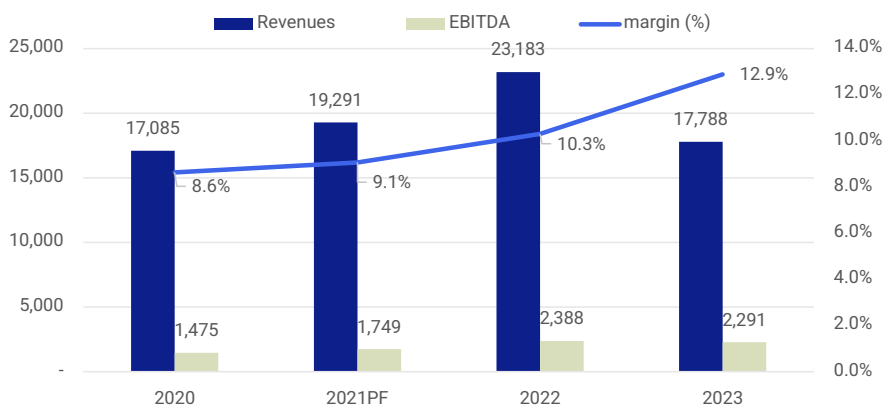
Outstanding ecommerce growth

Contrary to the FY23 downturn, e-commerce has seen a surge, with revenues increasing by 31% to €0.8 million. The average order size was €450 and there is growing demand for the 10-pack retail size. Over the past three years, this channel has experienced a CAGR of 36.6%.

Material costs normalization in 2023

After the surge in material costs witness in 2022 (+15.1% yoy, 64.7% on Total revenues), costs normalized in 2023 (-26.0% yoy, 61.9% on Total revenues). They remain the main cost driver followed by Cost of services at €4.3mln (-31.2% yoy, 16.5% on Total revenues) which includes costs for transportation, utilities, consulting and directors. Labor costs were €1.4mln (+2.8% yoy, 7.7% on Total revenues).

Figure 33: Revenue, EBITDA (€k), EBITDA margin (%)



Source: Company Data

EBITDA margin expansion but roadblocks in 2H23

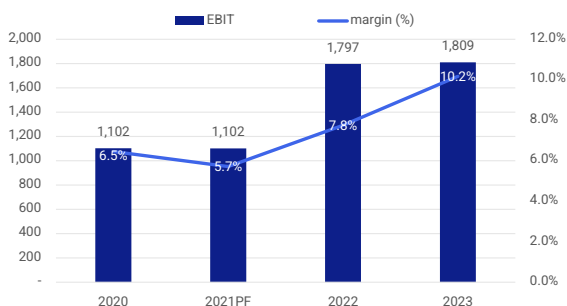
Following lower yoy sales, EBITDA declined by 4.1% yoy to €2.3m, nevertheless thanks to costs normalization in 2023 Saccheria was able to improve the EBITDA margin by +2.6pp to 12.9%. We note that marginality in 2H23 declined to 12.1% (-1.5pp vs 1H23). Since 2020, the Company's EBITDA margin improved on average by 1pp/year.

EBIT margin expanded by +2.4pp

EBIT was almost flat (+0.7% yoy) at €1.8m despite lower sales, marginality improved by 2.4pp yoy to 10.2%.

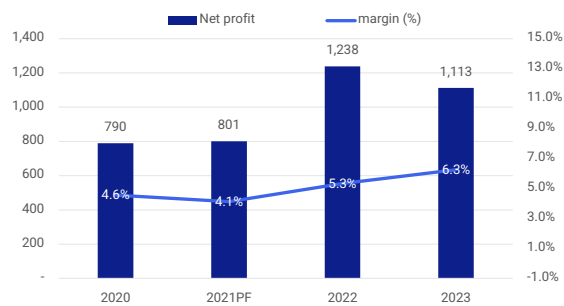
Higher interest rate levels led to a surge in financial expenses, which witnessed a sixfold increase to €270k.

Figure 34: EBIT (€k) and EBIT margin (%)



Source: Banca Profilo elaborations on company data

Figure 35: Net profit (€k) and Net profit margin (%)

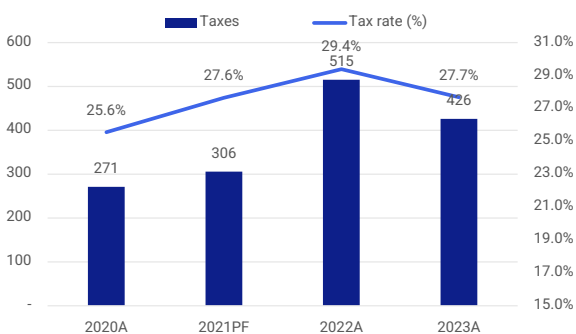


Source: Banca Profilo elaborations on company data

Effective tax rate at 27.7%

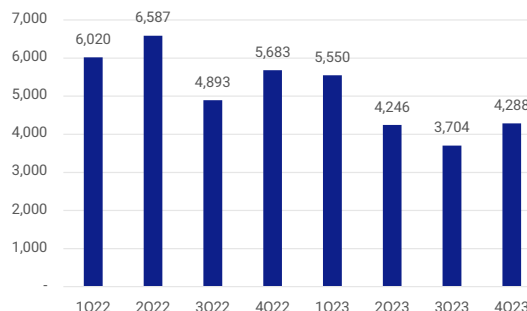
In 2023 the Company paid €426k of taxes, or 27.7% effective tax.

Figure 36: Taxes (€k) and effective tax rate (%)



Source: Banca Profilo elaborations on company data

Figure 37: Quarterly revenues (€k)



Source: Banca Profilo elaborations on company data

Net profit margin improved by 0.9pp

Higher financing costs affected Net profit which was down by 10.1% to €1.1mln, though margin improved by 0.9pp to 6.3%.

Table 1: Income Statement FY20-23 (€k)

Income Statement	2020	2021PF	2022	2023
Revenues	17,085	19,291	23,183	17,788
Other revenues	215	148	159	259
Total revenues	17,300	19,439	23,342	18,047
yoy (%)	n.a.	12.4%	20.1%	-22.7%
Material costs	(11,841)	(13,117)	(15,103)	(11,176)
Costs of services	(2,105)	(3,032)	(4,319)	(2,970)
Cost for the use of third-part assets	(480)	(42)	(44)	(55)
Labor costs	(1,254)	(1,341)	(1,354)	(1,393)
Other operating expenses	(145)	(158)	(134)	(162)
EBITDA	1,475	1,749	2,388	2,291
margin (%)	8.6%	9.1%	10.3%	12.9%
yoy (%)	n.a.	18.6%	36.5%	-4.1%
D&A	(218)	(561)	(552)	(455)
Write off	(155)	(86)	(39)	(27)
EBIT	1,102	1,102	1,797	1,809
margin (%)	6.5%	5.7%	7.8%	10.2%
yoy (%)	n.a.	0.0%	63.1%	0.7%
Net financial expenses	(41)	5	(43)	(270)
Taxes	(271)	(306)	(515)	(426)
Net profit	790	801	1,238	1,113
margin (%)	4.6%	4.1%	5.3%	6.3%

Source: Company Data

Acquisition of HQ in 2021

As we briefly mentioned, in October 2021 the Company acquired Immobiliare Franceschetti for €4.9mln, owner of the industrial complex leased to Saccheria. The acquisition was carried out to make property management more efficient, allowing the Company to save on rent on the industrial complex used as a production plant.

IPO at the end of 2022

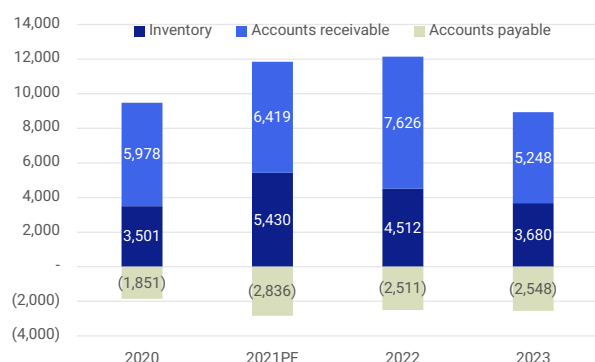
The IPO was carried out at the end of 2022, raising €1.8mln. The greenshoe option was exercised in January 2023 and amounted to 159k shares.

At the end of 2023 Intangibles were €0.3mln and mainly refer to ERP software, costs of the merger with the real estate entity and IPO costs amortized over 5 years.

NWC optimization in 2023

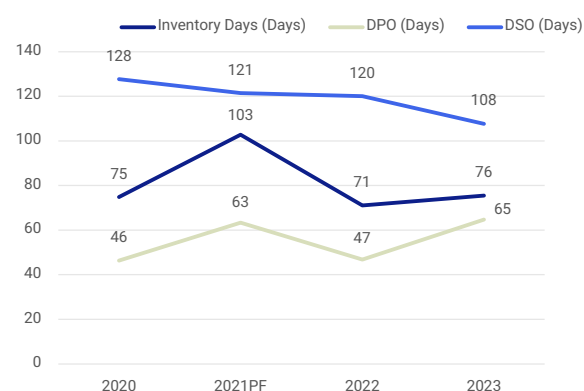
In 2023 the Company improved substantially its NWC which was down by 33.7% to €6.4mln, explaining a €4.8mln operating cash flow. Accounts payables were up by 1.5% to €2.5mln, while Inventory was reduced by 18.4% to €3.7mln. Accounts receivable were reduced also thanks to a stricter credit risk policy, bringing 23A DSO to 108 from 120 in 22A and well below historical average of 123.

Figure 38: Operating net working capital FY20-23 (€k)



Source: Banca Profilo elaborations on company data

Figure 39: Inventory, DPO and DSO FY20-23 (Days)



Source: Banca Profilo elaborations on company data

Net debt to €1.2mln from €5.3mln

At the end of FY23 net debt drastically declined to €1.2mln (from €5.3mln at the end of 22A) primarily thanks to favorable movements in NWC. Net debt includes dividends approved in December 2023 and paid in January 2024.

Table 2: Balance Sheet FY20-23 (€k)

Balance sheet	2020	2021PF	2022	2023
Tangible	581	5,478	5,113	4,913
Intangibles	191	165	481	342
Financials	201	143	143	1
Fixed assets	973	5,786	5,737	5,256
Inventory	3,501	5,430	4,512	3,680
Accounts receivable	5,978	6,419	7,626	5,248
Accounts payable	(1,851)	(2,836)	(2,511)	(2,548)
Operating net working capital	7,628	9,013	9,627	6,380
Other current assets (liabilities)	(219)	(35)	(362)	(359)
Other liabilities	(708)	(733)	(824)	(819)
Other assets	-	-	-	142
Net Invested capital	7,674	14,031	14,177	10,600
Equity	4,937	5,992	8,832	9,382
Net debt (cash)	2,738	8,039	5,345	1,218
Liquidity	(366)	(645)	(1,525)	(4,324)
Other	-	-	(62)	(38)
Debt	3,104	8,684	6,933	5,580

Source: Company Data

Following FY23 results, the Company will propose €0.042DPS to the board. After the IPO Saccheria paid a special dividend and a regular dividend worth a total of €0.084DPS.

The dividend yield is equal to 3.5% compared to the last closing price on March 21, 2024.

Strategies and Estimates

Strategies

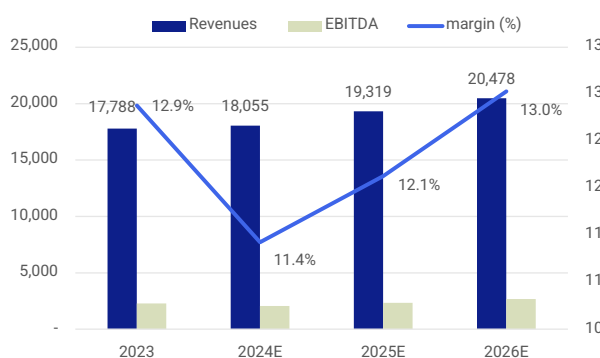
Local market leadership	Saccheria, with its long-standing historical presence, has secured a prominent position among the top 3 largest FIBC operators in Italy. Additionally, being the sole company with a B2B e-commerce platform further solidifies its competitive edge. This strategic advantage allows them to tap into digital channels for sales, customer engagement and operational efficiency.
Unlocking International markets through ecommerce	The ecommerce channel, which has been operational since 2019, has consistently demonstrated outstanding performance (36.6% CAGR). This trend persisted throughout the initial months of 2024. Notably, Saccheria recently launched its proprietary e-commerce sites specifically targeting Spain/Portugal and France/Belgium, a strategic move considering the European Big Bags market value is estimated at €1bn. These launches are expected to yield tangible results in 2024.
M&A scouting ongoing	Saccheria, throughout 2023, actively engaged in M&A scouting (10 competitors), exploring potential targets with revenues ranging from €3.5-20mln. The Company believes that the sector is resistant to acquisitions, largely due to its control by long-established families, the latter could lead to drastic generational changes. Saccheria remains committed to seeking opportunities, both locally and internationally.
Focus on further technological improvements	Since Luigi and Luisa joined the Company underwent a technological makeover which led to substantial improvements in efficiency and margins. Moreover, the company leverages AI to process data in order to predict customers behavior, with the aim of optimizing warehouse rotation, organize order fulfillment times and set pricing. Seeing that the management launched a spin-off of internal software confirms our view of the competence but most importantly on their passion on the subject. According to the management there is still room to deliver further improvements.
Strong cash generation also thanks to low capex	Most of Saccheria's sales are generated through its trading activities, resulting in low expected capex requirements, likely driven by IT investments given the management's demonstrated interests. This explains the Company's strong cash generation capacity, which supports future dividends and can enable acquisitions.

Our FY24E-26E estimates

Acceleration in FY25E thanks to Poste's contract	Following the decline in revenues recorded in 2023 we expect flat sales during 1H24, with an acceleration from 2H24E leading to an overall increase of +1.2% yoy in FY24E. While Saccheria should benefit from Poste's 18-month €2.5mln contract already in FY24E we assume that most of sales will be generated during FY25E, supporting a stronger top line growth in FY25E (+6.9%). For FY26E we estimate a growth of +5.9%, leading to an overall FY23-26E CAGR of 4.8%. This is somewhat in line with market research, which indicates a growth of big bags in Europe at a CAGR of 4.6% in FY23-28F.
Shipping costs surge to impact FY24E	Given the decline in EBITDA margin to 12.1% in 2H23 (vs 13.6% in 1H23), coupled with a surge in shipping costs and slowdowns due to tensions in the Red Sea, we anticipate that the margin will continue to be subdued at 11.4% (-1.3pp yoy). We expect an easing of conditions towards the end of FY24E, which should improve EBITDA marginality that we see climbing above FY23 levels by FY26E.
Heightened financing costs to continue to weigh on profitability	Given muted revenue growth and EBITDA marginality decline, we expect Net income to decrease by 11.2% yoy as Financial expenses continue to weigh down profit margin (5.5%, -0.8pp yoy). However, we foresee a swift rebound in profitability, with the margin expected to almost recover to its FY23 level of 6.3% in FY24E, driven by revenue growth. Furthermore, we

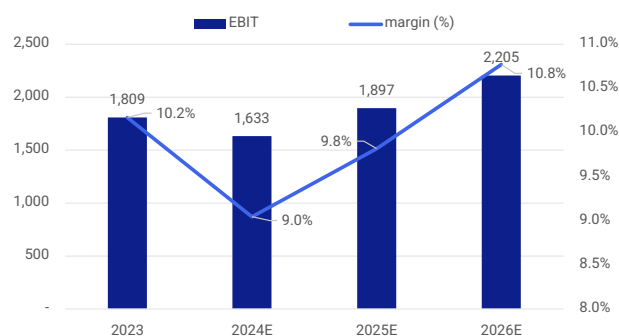
project that by FY26E, net income will surpass its peak level from FY22 (€1.2 million), reaching €1.4 million.

Figure 40: Revenues, EBITDA, margin FY23-26E (€k)



Source: Banca Profilo elaborations on company data

Figure 41: EBIT, margin FY23-26E (€k)



Source: Banca Profilo elaborations on company data

Table 3: Income Statement FY22-26E (€k)

Income Statement	2022	2023	2024E	2025E	2026E
Revenues	23,183	17,788	18,055	19,319	20,478
Other revenues	159	259	200	200	200
Total revenues	23,342	18,047	18,255	19,519	20,678
yoy (%)	20.1%	-22.7%	1.2%	6.9%	5.9%
Material costs	(15,103)	(11,176)	(11,318)	(12,102)	(12,820)
Costs of services	(4,319)	(2,970)	(3,140)	(3,299)	(3,495)
Cost for the use of third-part assets	(44)	(55)	(73)	(58)	(61)
Labor costs	(1,354)	(1,393)	(1,497)	(1,542)	(1,447)
Other operating expenses	(134)	(162)	(164)	(176)	(186)
EBITDA	2,388	2,291	2,063	2,343	2,668
margin (%)	10.3%	12.9%	11.4%	12.1%	13.0%
yoy (%)	36.5%	-4.1%	-10.0%	13.6%	13.9%
D&A	(552)	(455)	(404)	(419)	(434)
Write off	(39)	(27)	(26)	(27)	(29)
EBIT	1,797	1,809	1,633	1,897	2,205
margin (%)	7.8%	10.2%	9.0%	9.8%	10.8%
yoy (%)	63.1%	0.7%	-9.7%	16.1%	16.3%
Net financial expenses	(43)	(270)	(242)	(205)	(168)
Taxes	(515)	(426)	(404)	(491)	(591)
Net profit	1,238	1,113	988	1,201	1,446
margin (%)	5.3%	6.3%	5.5%	6.2%	7.1%

Source: Banca Profilo estimates

Slight increase of inventory in FY24E

As underscored by the FY23 operating cash flow, the Company has reduced its inventory and improved collection days. However, in FY24E we expect Saccheria to accumulate stock, thereby slightly reversing this trend to hedge against uncertainties brought by potential shipping delays. We foresee the DSO normalizing towards 115, a median value between the FY23 levels and the historical average of approximately 120.

Minimal capex required supports

We expect that capex will be minimal, estimated at €125k per year, which is less than 1% of sales. This expenditure is expected to be primarily allocated to intangible assets related to IT

strong FCF generation

investments, given that the majority of the company's revenue is generated through trading activities. We do not anticipate a warehouse expansion as it is unlikely to be a limiting factor for top-line growth. This means that Saccheria has very good cash generation capabilities.

30% payout ratio

As Saccheria has distributed dividends, we estimate a payout ratio of 30%.

Table 4: Balance Sheet FY22-26E (€k)

Balance sheet	2022	2023	2024E	2025E	2026E
Tangible	5,113	4,913	4,620	4,407	4,184
Intangibles	481	342	323	242	155
Financials	143	1	1	1	1
Fixed assets	5,737	5,256	4,944	4,650	4,340
Inventory	4,512	3,680	3,957	4,234	4,488
Accounts receivable	7,626	5,248	5,689	6,087	6,452
Accounts payable	(2,511)	(2,548)	(2,617)	(2,570)	(2,496)
Operating net working capital	9,627	6,380	7,029	7,751	8,445
Other current assets (liabilities)	(362)	(359)	(386)	(386)	(386)
Other liabilities	(824)	(819)	(879)	(906)	(851)
Other assets	-	142	142	142	142
Net Invested capital	14,177	10,600	10,849	11,251	11,690
Equity	8,832	9,382	9,496	10,401	11,486
Net debt (cash)	5,345	1,218	1,353	850	204
Liquidity	(1,525)	(4,324)	(3,456)	(3,226)	(3,213)
Other	(62)	(38)	(38)	(38)	(38)
Debt	6,933	5,580	4,847	4,114	3,455

Source: Banca Profilo estimates

Table 5: FCF forecasts FY22-FY29E (€k)

Free Cash Flow	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E
EBIT	1,797	1,809	1,633	1,897	2,205	2,440	2,618	2,813
Taxes	(515)	(426)	(404)	(491)	(591)	(669)	(729)	(792)
NOPAT	1,282	1,383	1,230	1,406	1,615	1,771	1,889	2,020
D&A	552	455	404	419	434	367	361	356
Change in NWC	(286)	3,243	(622)	(722)	(694)	(510)	(546)	(573)
Change in other	99	(33)	60	26	(55)	50	51	56
Capex	(484)	(83)	(125)	(125)	(125)	(125)	(125)	(125)
FCF	1,162	4,965	947	1,004	1,175	1,553	1,630	1,735

Source: Banca Profilo elaborations and estimates on Company data

Risks and upside

The primary downside risks to our projections include potential shipping delays, increased container costs and the implementation of a plastic tax, which could lead to a decrease in either margins or volumes. The main upside risks encompass the early realization of contract sales with Poste, the potential for securing an additional contract with Poste, a quicker than expected normalization of shipping costs and the successful completion of an acquisition.

Valuation

DCF and market multiples	We carry out the valuation of Saccheria using both a DCF method and a relative market multiples approach based on a sample of listed international companies "comparable" to Saccheria.
TP €2.0/sh, BUY	We took the simple average between DCF and relative market multiples valuation and ended up with a TP of €2.0/sh. Given the significant potential upside on Saccheria closing price (as of April 15, 2024), we set our recommendation to BUY.

Table 6: Valuation

Valuation	
Weight (Multiples)	50%
Equity value (DCF) (€,mln)	21.6
Equity value (Multiples) (€,mln)	13.1
Average (€,mln)	17.4
Number of shares (mln)	8.9
TP (€)	2.0

Source: Banca Profilo elaborations and estimates on Company data

DCF

Cumulated FCFs of €8mln, €1.3mln TV	To run the DCF model we use our projections of FCFs for the FY24-29E period: €8mln of cumulated FCFs. We consider the average FCF of €1.3mln as the Terminal Value cash flow.
7.3% WACC	We use a 7.3% WACC, derived from: <ul style="list-style-type: none"> risk free rate at 4.4%, as implicitly expected by consensus on the 30Y Italian BTP yield curve in a scenario of next-to come easing monetary policy; market risk premium equal to 5.5%; beta of 0.7 coming from the average of chosen listed peers; target Debt to Equity structure of 30%.
DCF valuation: €2.4/share	Considering the DCF valuation we end up with an EV of €22.8mln. After subtracting net debt of €1.2mln (end of FY23), we estimate an equity value of €21.6mln or €2.4/sh.

Table 7: Discounted Cash Flows FY24-29E (€,mln)

DCF Valuation	2024E	2025E	2026E	2027E	2028E	2029E	TV
Free Cash Flows	0.9	1.0	1.2	1.6	1.6	1.7	1.3
Years (#)	1	2	3	4	5	6	-
Discount factor	0.93	0.87	0.81	0.75	0.70	0.65	-
Terminal Value							25.4
NPV	0.9	0.9	1.0	1.2	1.1	1.1	16.6
Sum of NPVs (€ mln)	0.9	1.8	2.7	3.9	5.0	6.2	22.8

Source: Banca Profilo elaborations and estimates

Table 8: DCF Valuation

DCF Valuation	
Enterprise Value (€ mln)	22.8
Net debt (cash) (€ mln)	1.2
Equity Value (€ mln)	21.6
Number of shares (mln)	8.9
Price per share (€)	2.4

Table 9: WACC Calculation

WACC Calculation	
Perpetual growth rate	2.0%
Risk free rate (30Y)	4.4%
Equity risk premium	5.5%
Levered Beta	0.7
KE	8.4%
Cost of debt	5.2%
Tax rate	29.0%
KD	3.7%
Target D/E	30.0%
WACC	7.3%

Source: Banca Profilo elaborations and estimates

Market multiples

A relative valuation based on companies identified in Listed companies (p. 29) is carried out. The first three in Table 10 operate in the same business segment with a considerable higher concentration on production compared to Saccheria; as data availability was scarce, those Companies will not be considered in the final average. The seven companies in the second group are used to determine the EV/EBITDA 24 multiple.

Market multiples valuation: €1.5/share

Considering the sample of peers, the EV/EBITDA 2024E is 7.0x (as of 10 April, 2024), pointing to an EV of €14.4mln. After subtracting net debt of €1.2mln (end of FY23), we estimate an equity value of €13.1mln or €1.5/sh.

Table 10: Revenue growth and EBITDA margin

15/04/2024	Revenue Growth				EBITDA Margin			
	2022	2023	2024E	2025E	2022	2023	2024E	2025E
Smurfit Kappa	26.8%	-12.0%	-1.5%	3.9%	16.1%	16.7%	17.8%	18.6%
DS Smith	21.2%	13.5%	-13.9%	2.7%	12.0%	14.3%	14.5%	14.6%
Cabka	22.4%	-2.7%	5.7%	9.0%	-7.4%	11.1%	13.5%	14.5%
Grifal	41.5%	2.5%	18.8%	20.3%	11.8%	14.5%	14.4%	14.3%
Billerud Aktiebolag	62.5%	-3.2%	-0.5%	2.1%	19.2%	8.5%	11.6%	13.8%
Mayr Melnhof Karton	52.5%	-11.1%	2.3%	4.9%	15.1%	10.0%	13.8%	15.6%
BEWi	40.4%	5.2%	-0.7%	7.7%	11.0%	9.2%	11.1%	13.4%
Mean	38.2%	-1.1%	1.5%	7.2%	11.1%	12.1%	13.8%	15.0%
Saccheria	20.1%	-22.7%	1.2%	6.9%	10.2%	12.7%	11.3%	12.0%

Source: Bloomberg, Banca Profilo elaborations and estimates

Table 11: Market multiples valuation

	EV/EBITDA				Multiples Valuation	
	2023	2024	2025	12M		
15/04/2024					EV/EBITDA 24	7.0x
Smurfit Kappa	7.2	6.9	6.4	7.3	EBITDA 24E (€,mln)	2.1
DS Smith	6.3	7.5	7.3	6.9	Enterprise Value (€,mln)	14.4
Cabka	8.0	6.2	5.3	N.A.	Net Debt FY23 (€,mln)	1.2
Grifal	7.8	6.6	5.5	7.6	Equity Value (Multiples) (€,mln)	13.1
Billerud Aktiebolag	8.7	6.4	5.3	8.7	Number of shares (mln)	8.9
Mayr Melnhof Karton	8.7	6.1	5.2	8.7	Price per share (Multiples)	1.5
BEWi	10.5	8.7	6.8	10.6		
Mean	8.2	7.0	6.0	8.3		
Saccheria	5.4	6.6	5.8	5.5		

Source: Bloomberg, Banca Profilo elaborations and estimates

Listed companies

No listed FIBC manufacturers in EU

To our knowledge there are not listed producers or sellers of FIBC based in Europe. We therefore initially built a comparable list of global producers of FIBC. We then created a panel of EU based companies that offer packaging solutions.

Table 12: Comparable listed companies

Company Name	Country	Currency	Market Cap	Description
Jumbo Bag	India	INR	405	Producer of FIBC bags
HCP Plastene Bulkpack	India	INR	1,955	Producer of FIBC bags
Isbir Sentetik	Turkey	TRY	4,609	Producer of FIBC bags
Smurfit Kappa	Ireland	EUR	11,115	Producer of paper packaging
DS Smith	Britain	GBP	5,688	Producer of paper packaging
Cabka	Netherlands	EUR	129	Recyclable plastic pallets
Grifal	Italy	EUR	24	Packaging materials, paper and PTE
Billerud Aktiebolag	Sweden	SEK	25,236	Producer of paper packaging
Mayr Melnhof Karton	Austria	EUR	2,360	Producer of paper packaging
BEWi	Norway	EUR	523	Provider of packaging and insulation
Saccheria	Italy	EUR	11.1	Provider and producer of FIBC bags

Source: Banca Profilo Research, Bloomberg (as of April 15, 2024)

FIBC

We identified three listed companies focused primarily on FIBC production, two of which based in India, being the country that carries out most of the global production.

Jumbo Bag (India): €13mln revenue with 6% EBITDA margin

Jumbo Bag (India), founded in 1990 with an initial production capacity of 720k/y bags, and currently at 3.6mln/y. The Company's portfolio includes bags built with main stitching methods, all four types of FIBC (A, B, C, D) construction methods, as well as bag liners.

In 2022 (FY ending in March) the Company generated €13.3mln of revenue (-14.8% yoy), with an EBITDA of €0.8mln (margin 6.4%, -0.7pp yoy).

HCP Plastene (India): €42mln revenue with 6% EBITDA margin

Plastene Group (India) was created in 1995 with a focus on flexible packaging product; the Company entered the FIBC segment in 2006. The Company's portfolio includes FIBC, bag liners, small bags, polypropylene fabrics. The Company acquired Gopala Polyplast in 2020 becoming HCP Plastene.

In 2022 (FY ending in March) the Company generated €42.1mln of revenue (+213% yoy), with an EBITDA of €2.7mln (margin 6.4%, -1.1pp yoy).

<p>Isbir Sentetik: Dokuma (Turkey) €113mIn revenue with 18% EBITDA margin</p>	<p>Isbir Sentetik (Turkey) began operating in 1968 producing small bags and fabrics. The Company expanded internationally in UK, USA and Israel between 2004 and 2007. IS currently produces Type C and D bags, with 4 and 1-2 loops, also with UN certifications. The portfolio also includes carpet backing and polypropylene fabrics.</p> <p>In 2022 the Company generated €113.2mIn of revenue (-5.1% yoy), with an EBITDA of €20.8mIn (margin 18.4%, -2.0pp yoy).</p> <p>The second component of our sample includes EU based companies that offer packaging solutions that can be complementary and substitutes to FIBC, as well as positioned at final stages of the supply chain.</p>
<p>Billerud (Sweden): €3.6bn revenue with 9% EBITDA margin</p>	<p>Billerud (Sweden) was founded over 150 years ago as a producer of pulp and paper. In 2012, the Company merged with Swedish company Korsnäs, becoming BillerudKorsnäs. In 2022, the Group acquired US-based paper Verso for \$825mIn and was rebranded as Billerud. The Company operates 6 mills in EU and 3 in North America, the portfolio includes paper-based packaging products for industrial and retail use, including boxes, bags, paper and kraft paper. Clients are packaging manufacturers, brands and retail chains across 100 countries.</p> <p>In 2023 the Company generated €3.6bn of revenue (-3.2% yoy), with an EBITDA of €0.3bn (margin 8.9%, -10.0pp yoy).</p>
<p>Cabka (Netherlands): €209mIn revenue with 15% EBITDA margin</p>	<p>Cabka (Netherlands) was founded in Germany in 1994, operating in the recycling of plastic by producing in 1998 the first recycled nestable plastic pallets. The Company expanded in the US in 2005 with an office and a production facility near St. Louis, while in 2008 it opened an office and a factory in Valencia (Spain). Cabka merged with Innova Packaging in 2012, acquired Belgian Company Eryplast in 2015 and was listed on Euronext Amsterdam through the merger with Dutch Star Companies TWO. The Company portfolio includes containers and pallets made of recycled plastic.</p> <p>In 2023 the Company generated €208.9mIn of revenue (+22.4% yoy), with an EBITDA of €-15.5mIn (vs €25mIn/14.7% margin yoy).</p>
<p>DS Smith (UK): €8.2bn revenue with 14% EBITDA margin</p>	<p>DS Smith (UK) is a cardboard packaging provider, created in 1940 and listed on London Stock Exchange in the late 1950s. The Company has a long track record of growth through external lines which began in the 1980s with 4 acquisitions. Since 2000 the Company acquired more than 15 companies and exited its investment in Spicers, currently is active in more than 30 countries. The portfolio is primarily comprised of paper-based products including industrial packaging for shipping purposes, retail cardboard packages and POS cardboard displays.</p> <p>In 2023 (FY ending in April) the Company generated €8.2bn of revenue (+13.5% yoy), with an EBITDA of €1.2bn (margin 14.3%, +2.3pp yoy).</p>
<p>Grifal (Italy) €38mIn revenue with 15% EBITDA margin</p>	<p>Grifal Group (Italy) operates in the packaging sector and is active since 1969. Grifal was listed on EGM in 2018 and was renamed Grifal Group in 2021 following the acquisition of Tieng and Cornelli. Grifal has a 4.2k sqm industrial plant in Romania. Finally, the Company's portfolio primarily includes packaging materials to protect goods during shipping, in both paper and polyethylene.</p> <p>In 2023 the Company generated €37.8mIn of revenue (+2.5% yoy), with an EBITDA of €5.5bn (margin 14.8%, +3.0pp yoy).</p>
<p>Smurfit Kappa (Ireland): €11mIn revenue with 12% EBITDA margin</p>	<p>Smurfit Kappa (Ireland) is a producer of corrugated paper founded in 1934 and listed on Euronext Dublin since 1964. The Company expanded in the US thanks to the merger with Stone Container Corporation in 1998; in 2005 Smurfit merged with Kappa Packaging (Netherlands) and became Smurfit Kappa Group. The Company employs more than 47k people across 350 manufacturing facilities in 36 countries. Smurfit Kappa product portfolio includes industrial, retail and consumer packaging.</p>

In 2023 the Company generated €11.3bn of revenue (-12.0% yoy), with an EBITDA of €2.0bn (margin 17.7%, +1.6pp yoy).

Mayr Melnhof Karton (Austria):

€4.2bn revenue with 10% EBITDA margin

Mayr Melnhof Karton (Austria) is a producer of paper founded in 1950 and listed on Vienna stock exchange in 1994. The Company began carrying out cross-border M&A in 1984 with FS-Karton (Germany), the international expansion was accelerated through several acquisitions from 2000 onwards. In Mayr Melnhof Karton acquired Essentra Packaging and Eson Pac. The company has 71 production sites across 3 continents and sells its products in more than 140 countries. The product portfolio includes paper (MM Board & Paper) and packaging (MM Packaging) with a focus on retail and consumer packaging.

In 2023 the Company generated €4.2bn of revenue (-11.1% yoy), with an EBITDA of €0.4bn (margin 13.5%, +3.5pp yoy).

BEWi (Norway)

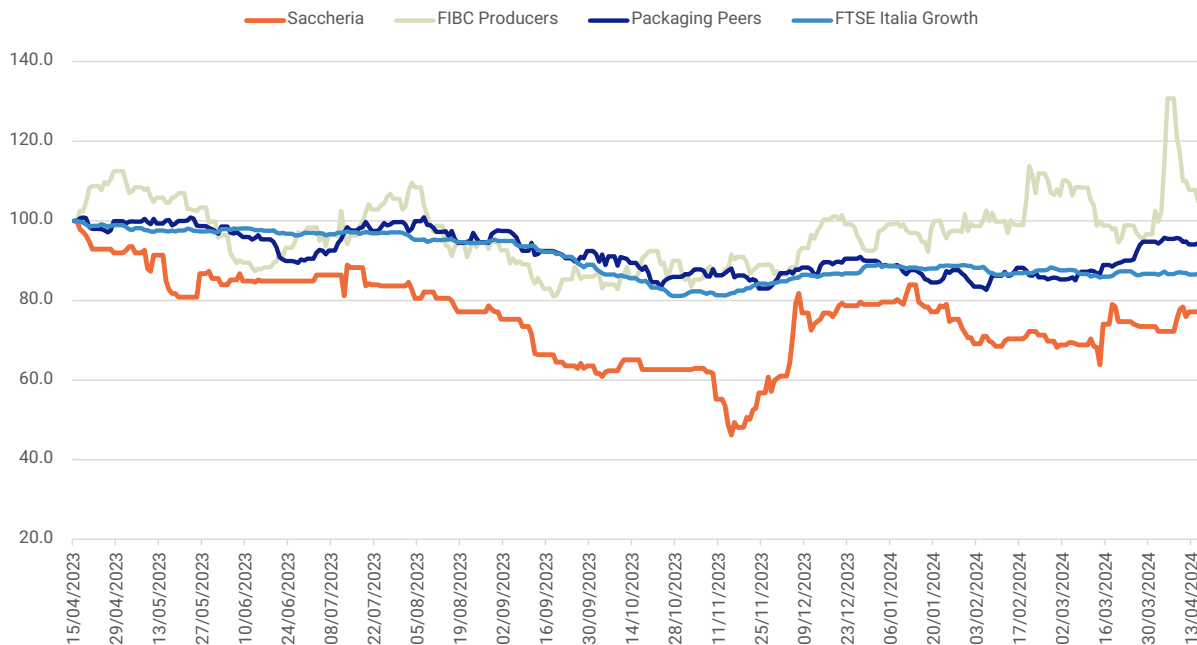
€1bn revenue with 9% EBITDA margin

BEWi (Norway) is a producer and supplier of packaging and insulation material founded in 1980 and listed on Oslo Børs in 2020. The Company has always focused on external growth, with more than 10 acquisitions since 2020.

Operations are divided in four business lines: i) production of polystyrene and other foam materials (Raw), ii) solutions for insulation and infrastructure (Insulation & Construction), iii) packaging solution for industrial sectors, including boxes for transportation of food and protective packaging (Packaging & Components), iv) Collection and recycling of used material (Circular).

In 2023 the Company generated €1.1bn of revenue (+5.2% yoy), with an EBITDA of €0.1bn (margin 8.9%, +0.2pp yoy).

Figure 42: Peers price



Source: Banca Profilo elaborations on Bloomberg (as of April 15, 2024)

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Saccheria
"ID Card"

 Recommendation
BUY

 Target Price
2.0 €

 Upside
60%
Company Overview

Saccheria is a seller of industrial packaging products with a focus on Big Bags, small bags, box bags, fertilizer bags, courier/special products and fabrics. Products are used in several sectors including waste disposal, chemical, construction, agricultural and food. The Company generates most of its turnover as distributor of products through a minor portion (15-20%) of its revenues through internal local production. Products are sold directly, through agents or with a proprietary e-commerce.

The reference market is represented by the FIBC (Flexible intermediate bulk container) sector. Saccheria's Big Bags and Fertilizer Bags are both classified as FIBC, and they represent more than 75% of its revenues. The main alternative to FIBC are Gaylord boxes, made of corrugated cardboard, usually single use and sized to fit on top of standard pallets. Pallet size boxes usually can contain up to 2,200kg, wall thickness varies depending on the application.

SWOT Analysis
Strengths

- Scalable warehouse automation
- Good brand awareness
- Among three top players in Italy
- First mover advantage in e-commerce
- In-house production
- Reduced operating costs thanks to technology and automation

Weaknesses

- High labor cost for local production
- Revenues concentrated in Italy


Opportunities

- Expansion of e-commerce in new countries
- Local and international acquisitions


Threats

- Headwinds from EU Directives on packaging waste
- Introduction of a plastic tax

Main catalysts

-  Early realization of contract sales with Poste
- Securing an additional contract with Poste
- Quicker than expected normalization of shipping costs
- Successful completion of an acquisition

Main risks

-  Potential shipping delays
- Increased container costs
- Implementation of a plastic tax, which could lead to a decrease in either margins or volumes

Saccheria "ID Card"

Recommendation

BUY

Target Price

2.0 €

Upside

60%

Main Financials

(€,k)	2021PF	2022	2023	2024E	2025E
Total revenues	19,439	23,342	18,047	18,255	19,519
<i>yoy change</i>		20.1%	-22.7%	1.2%	6.9%
EBITDA	1,749	2,388	2,291	2,063	2,343
<i>margin (%)</i>	9.1%	10.3%	12.9%	11.4%	12.1%
EBIT	1,102	1,797	1,809	1,633	1,897
<i>margin (%)</i>	5.7%	7.8%	10.2%	9.0%	9.8%
Net profit	801	1,238	1,113	988	1,201
<i>margin (%)</i>	4.1%	5.3%	6.2%	5.4%	6.2%
Net debt (cash)	8,039	5,345	1,218	1,353	850
Equity	5,992	8,832	9,382	9,496	10,401
Operating net working capital	9,013	9,627	6,380	7,029	7,751
Capex and acquisitions	(90)	(484)	(83)	(125)	(125)
Free Cash Flow		1,162	4,965	947	1,004

Key Financial Ratios

	2021PF	2022	2023	2024E	2025E
Tax rate	27.6%	29.4%	27.7%	29.0%	29.0%
ROIC	7.9%	12.7%	17.1%	15.1%	16.9%
ROE	14.7%	16.7%	12.2%	10.5%	12.1%
Days Sales Outstanding	121	120	108	115	115
Days Payables Outstanding	63	47	65	65	60
Capex/Sales	0.5%	2.1%	0.5%	0.7%	0.6%
Net debt (cash) / EBITDA	4.6x	2.2x	0.5x	0.7x	0.4x
Net debt (cash) / Equity	1.3x	0.6x	0.1x	0.1x	0.1x
Interest Coverage Ratio	26.6x	-220.4x	41.5x	6.7x	6.8x

Source: Bloomberg, Banca Profilo estimates and elaborations

Company Description

Company Sector	Containers & Packaging
Price (€)	1.25
Number of shares (mln)	8.9
Market Cap (€ mln)	11.1
Reference Index	FTSE Italia Growth
Main Shareholders	Jack Holding Srl, Victor Srl
Main Shareholder stake	41.0%
Free Float	18.1%
Daily Average Volumes (30D)	22,800
Sample of comparables	Jumbo Bag, HCP Plastene Bulkpack, Isbir Sentetik, Smurfit Kappa, DS Smith, Cabka, Grifal, Billerud Aktiebolag, Mayr Melnhof Karton, BEWi

Data of peers

	2022	2023	2024E	2025E
Sales Growth (yoy)	38%	-1%	1%	7%
EBITDA Margin	11%	12%	14%	15%

Average data

Multiples of peers

	2023	2024E	2025E	12M
EV / EBITDA	8.2x	7.0x	6.0x	8.3x

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ADDITIONAL INFORMATION

THE BANK PROVIDES ALL OTHER ADDITIONAL INFORMATION, ACCORDING TO ARTICLE 114, PARAGRAPH 8 OF LEGISLATIVE DECREE 58/98 ("FINANCIAL DECREE") AND COMMISSION DELEGATED REGULATION (EU) 2016/958 AS OF 9 MARCH 2016 (THE "COMMISSION REGULATION") ON THE RELEVANT SECTION OF ITS WEBSITE (WWW.BANCAPROFILO.IT, IN THE SECTION "CLIENTI AZIENDALI E ISTITUZIONALI/ANALISI E RICERCA").