

Company:

Nusco S.p.A.

Rating:

BUY (unchanged)

Target Price:

€1.8 (from €2.2)

Sector:

Building Products

April 23rd, 2025 at 19:00

Tough 2024, but margins and expansion intact

FY24: VoP down on incentive cuts, cost control and abroad growth hold

In FY24, Nusco reported a VoP of €51.6mIn, down 8.7% yoy and significantly below both management expectations and our €60.7mIn forecast [Please refer to our Initial Coverage on October 18th, 2024]. The decline was mainly due to the abrupt termination of key tax incentives, which had previously supported demand in Italy. In contrast, Romanian subsidiary Pinum D&W achieved solid growth (+3.3% yoy), driven by construction sector momentum, commercial expansion and product innovation. The Doors BU generated a VoP of €30.2mIn (-1.4% yoy), while the Windows BU fell to €21.4mIn (-17.3% yoy), reversing its prior growth trajectory. Italy remained the core market (58% of revenue), while international sales rose to 42%, mainly from the EU. EBITDA increased to €6.8mIn (+1.6% yoy), with the margin improving to 13.2% (+130bps), reflecting cost discipline and operational efficiency. The Windows BU led with an 18.9% margin, while the Doors BU posted 9.2%. EBIT fell to €3.4mIn and net income dropped to €1.1mIn, mainly due to a non-operational one-off tax provision. Working capital efficiency improved, supported by a shift toward retail and stricter credit policies. Adj. Net Debt remained stable at €9.1mIn (1.3x EBITDA).

Franchise growth, tech upgrades and global reach at the core of strategy

Nusco's growth strategy includes expanding its commercial footprint through asset-light franchising, diversifying offerings and creating synergies with complementary businesses. The company is enhancing product quality through technological advancements, streamlining production with digitalization and expanding into high-potential foreign markets. It leverages its Romanian subsidiary, Pinum D&W, to reduce reliance on the Italian market and strengthen international expansion.

FY24 miss and Italian market weakness drive FY25-27E growth revision

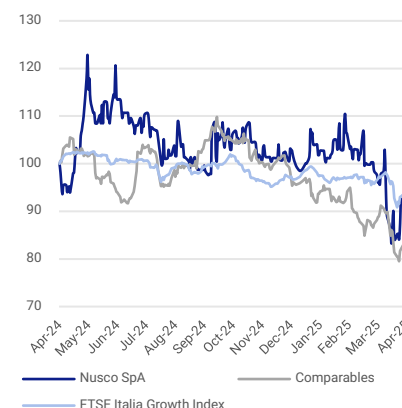
Following Nusco's weaker-than-expected FY24 and the ongoing downturn in the Italian window and door sector, estimates have been revised downward. We now forecast a gradual recovery, with revenues expected to reach €52.3mIn in 2025 (+1.4% yoy), €54.1mIn in 2026 (+3.4% yoy) and €58.9mIn in 2027 (+8.8% yoy), for a revised FY24-27E CAGR of 4.5% (vs 7.2% previously). Windows BU is projected to grow at a 6.3% CAGR (vs 9.4% prev.) and Doors BU at 3.2% (vs 5.1%), with potential upside from EU "Case Green" initiatives driving demand for high-efficiency solutions. The international share is projected to grow to 45% by 2027. EBITDA is now projected to reach €8.3mIn in 2027, growing at a 6.6% CAGR, with stable margins and cost discipline. CapEx is confirmed at €6.8mIn over FY25-27E, backed by a €3.7mIn government subsidy. Adj. Net Debt is forecast to decline, assuming no dividends or buybacks.

Valuation: 12-month TP cut to €1.8/share; BUY confirmed

Our revised DCF model projects cumulative FCF of €9.3mIn for 2025-28E, down from €17.4mIn, reflecting a sharp reduction in revenue growth expectations due to the challenging market environment. Terminal Value increased to €58.9mIn (from €57.6mIn), driven by a reduced WACC from 9.6% to 7.7%, primarily due to a lower beta, which decreased from 1.0 to 0.7, lowering the cost of equity. Due to these adjustments, our revised DCF-derived fair value is €2.1/share, down from €2.2. On a relative valuation basis, the peer group's EV/EBITDA multiple for FY25E is 5.3x, significantly above Nusco's current trading multiple of 3.5x (as of April 23rd, 2025). When combined with the revised lower FY25 EBITDA estimate, this results in a fair value of €1.4/share, down from the prior €2.1. Taking both valuation methods into account, we are revising our 12-month target price (TP) from €2.2 to €1.8/share [Please refer to our Initial Coverage on October 18th, 2024]. Despite the adjustments, the current market price still offers attractive upside potential and we reiterate our BUY recommendation.

Company Profile				
Bloomberg	NUS IM			
FactSet	NUS-IT			
Stock exchange	Italian Stock Exchange			
Reference Index	FTSE Italia Growth Index			
Market Data				
Price (as of April 23 rd , 2025)	€ 0.75			
Number of shares (mln)	19.9			
Market cap. (mln)	€ 14.9			
1-Year Performance				
Absolute	-17.5%			
Max/Min	1.11/0.75			
(€/mln)	FY24	FY25E	FY26E	FY27E
Value of Production	51.6	52.3	54.1	58.9
yoy	-8.7%	1.4%	3.4%	8.8%
Adj. EBITDA	6.9	7.0	7.4	8.4
Adj. EBITDA margin	13.4%	13.4%	13.7%	14.3%
EBIT	3.4	4.1	4.3	5.1
EBIT margin	6.7%	7.9%	7.9%	8.7%
Net Income	1.1	2.1	2.3	3.0
Net Profit margin	2.1%	4.0%	4.3%	5.2%
Adj. Net Debt (Cash)	9.1	8.9	5.7	2.5
Shareholders' equity	27.0	29.0	31.4	34.4
NOWC	14.5	14.9	15.3	16.2
CapEx	(1.4)	2.8	2.0	2.0
Free Cash Flow	6.9	1.2	2.3	2.4
1-Year rebased performance				

1-Year rebased performance



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SWOT analysis

STRENGTHS	WEAKNESSES
• Strong market position in Central and Southern Italy • Geographical diversification with established international production presence through Pinum • A broad product portfolio (doors, windows, security) • Proven operational efficiency and cost control across various stages of the business cycle • Lean and flexible financial structure with low debt	• Strong dependence on the Italian market (58% of revenue) • Exposure to raw material cost volatility • EBITDA margin of the Doors BU still below peers' average • Negative impacts from the cessation of tax incentives • Limited industrial scale compared to large global players
OPPORTUNITY	THREATS
• Green transition and the EU "Case Green" Directive • Potential growth in the contract and non-residential segment • Strengthening of the franchising network in Italy and abroad • International expansion through Pinum and new showrooms • Product innovation and development of smart and sustainable technologies • M&A or strategic partnerships	• End of tax incentives and resulting contraction of domestic demand • Growing competition from low-cost producers in Eastern Europe • Economic weakness in key European markets • Exchange rate risk on international operations

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The reference industry

Nusco at a glance

Nusco S.p.A., based in Nola (NA), is a leading Italian company with over 60 years of experience in producing and marketing interior doors and window frames in wood, PVC, aluminium and iron under the "NUSCO" brand. As the parent company of the Nusco Group, which includes the Romanian subsidiary Pinum Doors & Windows S.r.l., Nusco is a market leader in central and southern Italy. The Company operates through two Business Units (here on "BU"): the Doors BU, responsible for producing and marketing doors, including armored options, and the Windows BU, focused on windows, shutters and iron grilles. Nusco serves a diverse clientele, including construction companies, franchisees, authorized multi-brand resellers and private customers.

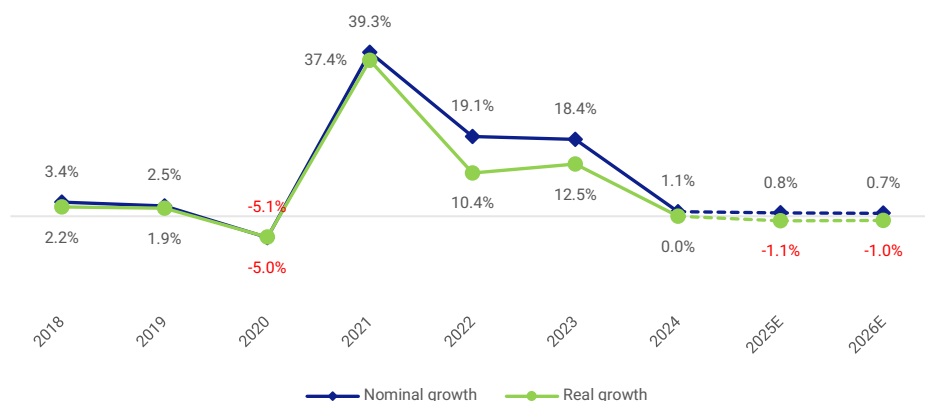
The construction sector in Italy

The primary driver of the door and window industry is the construction sector. Key factors influencing demand include new construction projects, renovations or upgrades of existing housing and the replacement of windows and doors.

Construction sector growth slows to 1.1% in 2024

According to UNICMI¹, in 2024, the construction sector experiences a significant slowdown, with growth dropping from +18.4%² in 2023 to just +1.1%. Despite this sharp deceleration, the sector maintains modest positive growth, supported by resilient infrastructure investments and steady performance in the non-residential segment. Looking ahead to 2025-26, growth is expected to remain subdued, averaging around 1% annually. This modest expansion will be primarily driven by new non-residential construction, both public and private, and continued infrastructure development.

Figure 1: Construction sector growth, 2018-26E



Source: UNICMI (March 2025), Rapporto sul mercato italiano dell'involucro edilizio

Italian construction sector³ hits €206bn in 2024

In early 2025, ISTAT revised its historical data series on construction investments, notably raising the 2023 estimate from €209bn to €239bn. According to the updated figures, construction investments in 2024 exceeded €241bn, with €134bn (-4.2% yoy) allocated to the residential segment and approximately €107bn to non-residential and infrastructure projects. UNICMI estimates that in 2024, investments in public and private non-residential construction totalled around €72bn (+5.3% yoy), while infrastructure investments, where building envelope products are generally not used, accounted for approximately €35bn.

¹ Unione Nazionale delle Industrie delle Costruzioni Metalliche dell'Involucro e dei Serramenti

² The construction market statistics are updated with each ISTAT data release, resulting in revisions to previous years' data. The 2023 figure was significantly revised upward from +4.3% reported in December 2024 to +18.4%.

³ Excluding infrastructure projects.

Although the residential sector remains the dominant component of the construction industry (ca. 65%), changes to tax incentive schemes in 2024 led to a contraction in this segment, particularly in renovation activities. These activities grew at a much slower pace compared to the non-residential sector. This trend is expected to persist in the coming years, with the non-residential sector anticipated to continue growing in 2025 and 2026, albeit at a more moderate pace.

Figure 2: Residential construction investment trend 2018-26E (%)

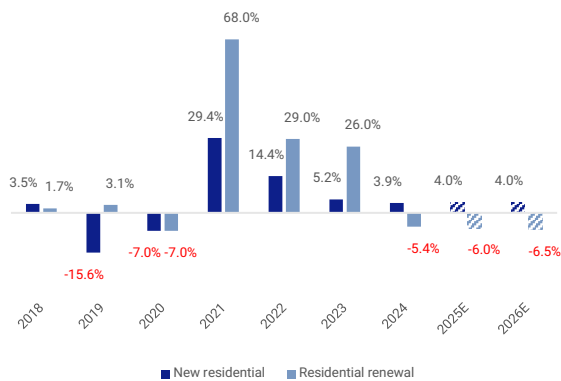
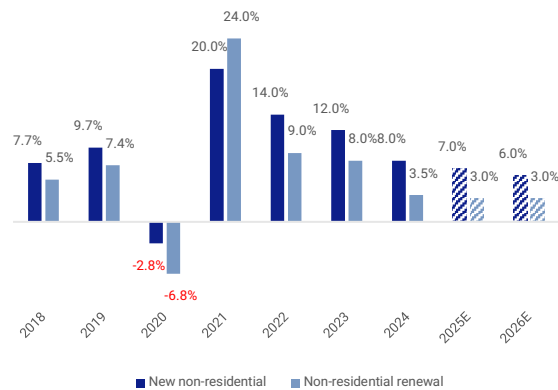


Figure 3: Non-residential construction investment trend 2018-26E (%)



Source: UNICMI (March 2025), Rapporto sul mercato italiano dell'involucro edilizio

Within this broader landscape, in 2024, the window and façades market reached €9.2bn, reflecting a split of €6.0bn for residential and €3.2bn for non-residential properties. Notably, the residential market remains heavily driven by renovations (€5.3bn), while new constructions account for just €0.7bn. In the non-residential sector, renovations are similarly dominant at €2.3bn, with €0.9bn tied to new builds.

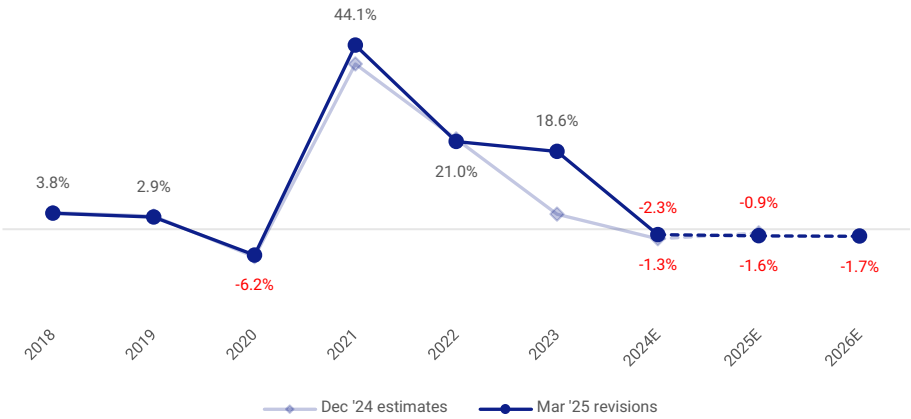
The window and curtain wall market in Italy

Market deceleration continues, further decline forecast

The Italian window and curtain wall sector closed 2024 with a slight decline in demand, posting a -1.3% decrease compared to the previous year, an outcome that was more favorable than UNICMI's December '24 forecast of -2.3%. Following the strong growth sustained through previous years, the market is now showing signs of deceleration, largely influenced by the reduction in government incentives.

Projections for the next two years suggest that this downward trend will continue, with further declines expected at -1.6% in 2025 (worsening the December '24 estimate of -0.9%) and -1.7% in 2026.

Figure 4: Nominal revenue growth trend in fixture and curtain wall sector 2018-26E

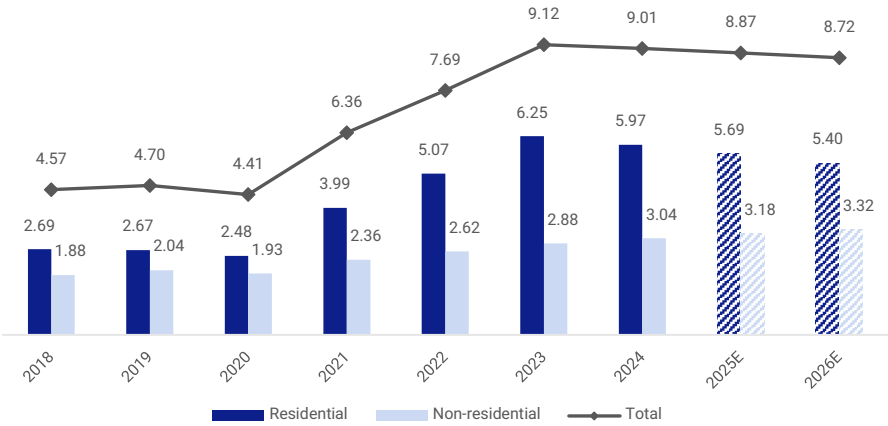


Source: UNICMI (March 2025), Rapporto sul mercato italiano dell'involucro edilizio

Residential demand falls from peak, non-residential growth steady

In the residential sector, demand for windows and doors has exceeded €5bn and remains stable above this threshold. However, revised forecasts indicate a downward trend, with demand expected to fall to €5,688m in 2025 (-4.8% yoy) and €5,398m in 2026 (-5.1%). In contrast, the non-residential sector, currently valued at €3bn, is projected to grow by 4.8% to €3,180m in 2025 and by a further 4.4% to €3,319m in 2026.

Figure 5: Demand for fixtures and curtain walls 2018-26E (€/bn)



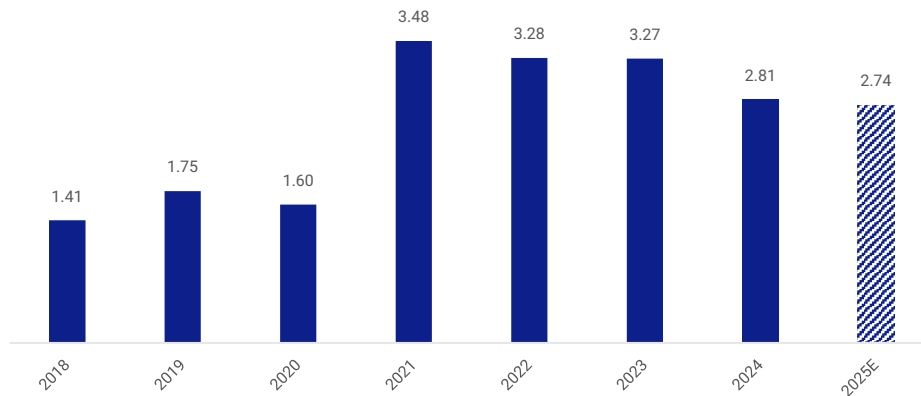
Source: UNICMI (March 2025), Rapporto sul mercato italiano dell'involucro edilizio

Incentives sustain €2.8bn demand in 2024

In 2024, tax incentives continued to drive demand for windows and doors, though less strongly than in previous years. Total turnover from these incentives reached €2,805m, with €2,166m generated through the Ecobonus (ENEA data) and an estimated €639m from the bonus Casa (UNICMI).

Ecobonus largely supported PVC products, which accounted for €1.4bn, 65% of the total Ecobonus-driven demand.

Figure 6: Demand for windows and doors generated by tax incentives 2018-25E (€/bn)



Source: UNICMI (March 2025), Rapporto sul mercato dell'involucro edilizio

Renewal demand leads, but decline looms through 2026

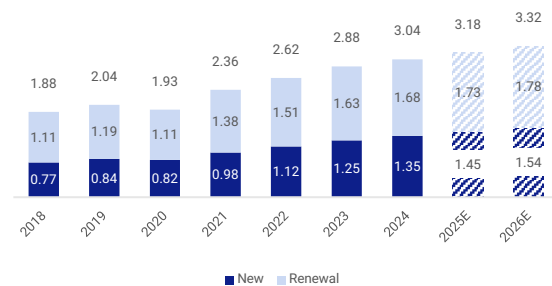
In the residential segment, the renewal market has historically dominated window and door demand, generating €5,243m in 2024 (-5.4% yoy), compared to just €730m (+4.0% yoy) from new construction. However, a gradual decline in the renewal market is projected over the next two years, with estimates pointing to €4,929m in 2025 (-6.0% yoy) and €4,608m in 2026 (-6.5% yoy).

A similar pattern emerges in the non-residential segment, where the renewal market accounted for €1,682m in 2024 (+3.5% yoy), versus €1,353m (+8.0% yoy) from new construction. Unlike the residential sector, however, modest growth is expected in both segments in the coming years.

Figure 7: Demand for fixtures and curtain walls in Residential - New and Renewal 2018-26E (€/bn)



Figure 8: Demand for fixtures and curtain walls in Non-residential - New and Renewal 2018-26E (€/bn)



Source: UNICMI (March 2025), Rapporto sul mercato dell'involucro edilizio

PVC holds top spot, aluminium grows on premium demand

The market share trends (by value) of the three main materials used in window and door production, aluminium, wood and PVC, in both the residential and non-residential segments (excluding curtain walls) remained largely stable in 2024. PVC retained its leading position with a 45% share, showing a slight increase compared to 2022. Aluminium held steady at 35%, while wood declined to 20%, continuing the downward trend seen in previous years. Wood's share is expected to stabilize around this level.

Looking ahead, PVC's share is projected to decline slightly to 44%, while aluminium is expected to grow to 36.5%, driven by strong demand for premium products in both residential and non-

residential markets. Wood is forecast to continue its gradual decline, stabilizing at approximately 19.5%.

In terms of volume, PVC also leads the market, accounting for 50.7% of window units sold in 2024. Aluminium follows with a 26.8% share, while wood accounts for around 22.5% of units sold.

Figure 9: Market share trends (by value) in Italy's window and door industry 2018-26E

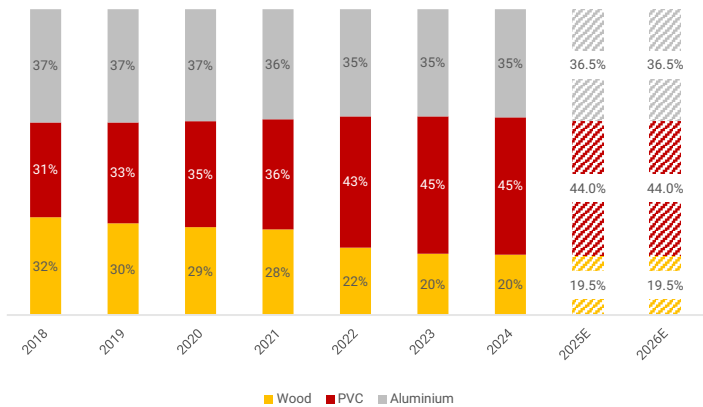
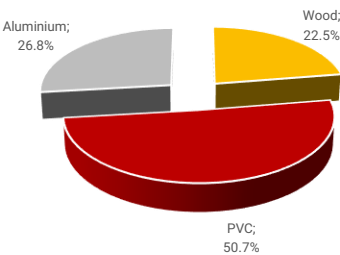


Figure 10: 2024 market share (by units sold) in Italy's window and door industry

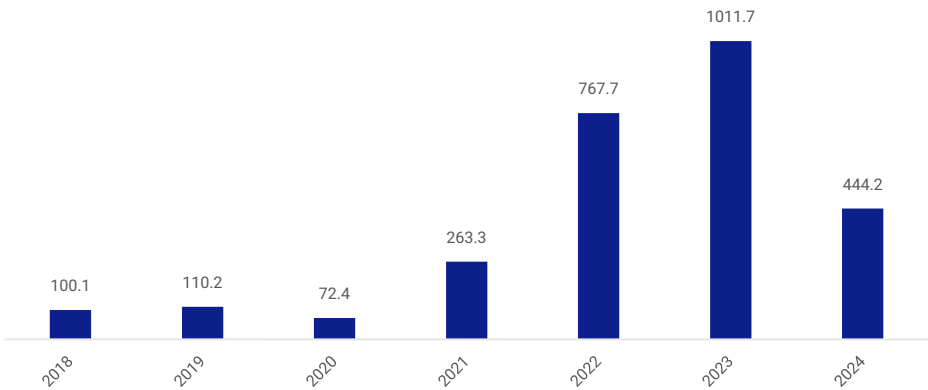


Source: UNICMI (March 2025), Rapporto sul mercato dell'involucro edilizio

PVC imports plunge in 2024

After reaching record highs in 2022 and 2023, imports of PVC windows and doors declined sharply in 2024. Preliminary data show imports falling to €444mIn, a 56% yoy decrease, however these are provisional figures, subject to revision when ISTAT will be in possession of the complete information.

Figure 11: Imports of PVC frames 2018-24 (€/mIn)



Source: UNICMI (March 2025), Rapporto sul mercato dell'involucro edilizio

Poland is the top importer

Main exporting countries are Poland, Austria and Germany. Poland recorded the most significant long-term growth, with a 2017-24 CAGR of 36.88%. Imports are calculated on wholesale prices, therefore, UNICMI suggests that this value needs to be multiplied by about 2.5 to get an idea of the actual impact that imports have on the total (installed) value of the Italian market. We can estimate the impact on market value (final retail price of installed windows and doors) at about €2,529mIn in 2023 (2.5*€1,011.7mIn), equal to about 40% of the total value of the window and door market in the residential sector (€6,245mIn in 2023).

Figure 12: Top importers of PVC frames 2018-24 (€/mln)

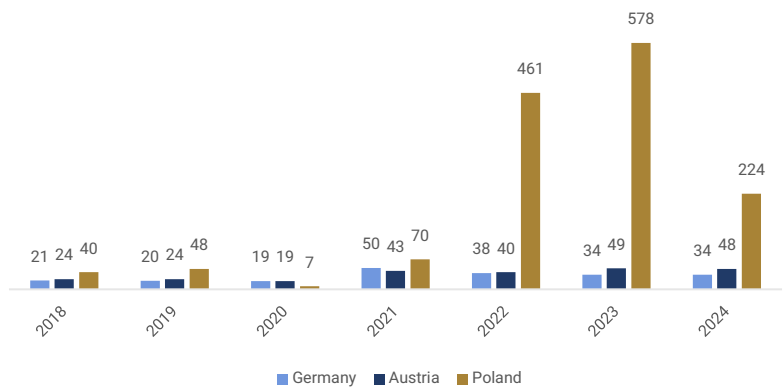


Table 1: Average growth rates of PVC frame imports by country

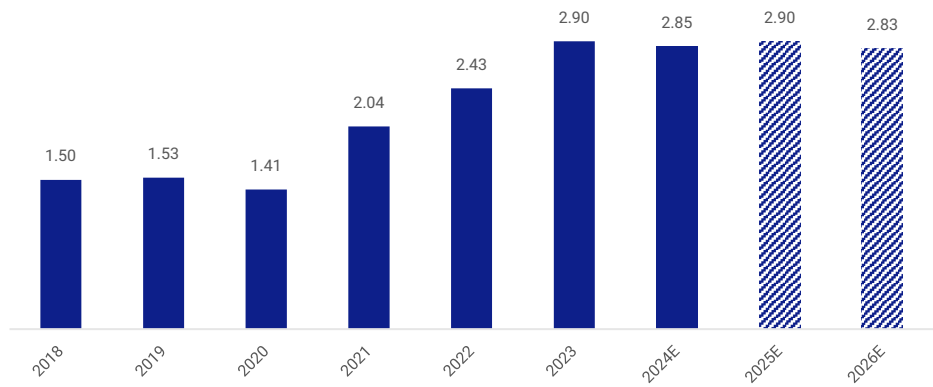
2017 – 24 CAGR	
Poland	36.88%
Austria	12.59%
Germany	5.93%

Source: UNICMI (March 2025), Rapporto sul mercato dell’involucro edilizio

Metal windows and doors market stabilizing after peak

In 2024, the Italian market for metal windows and doors reached €2,845mln, marking a slight decline from its 2023 peak (-1.9% yoy). Market levels are projected to remain stable in 2025 at around €2,900mln, followed by a modest contraction to €2,830mln in 2026. Aluminium continues to strengthen its competitive position, driven by its growing presence in the new construction segment and increasing adoption in high-performance, premium projects where demand for advanced solutions is rising.

Figure 13: Market value of metal windows and doors in Italy 2018-26E (€/bn)



Source: UNICMI (March 2025), Rapporto sul mercato dell’involucro edilizio

Residential sales drive metal fixture and curtain wall sector

In 2024, the residential segment remains the core market for companies in the metal windows, doors and facades sector, accounting for 55.3% of total sales (38.6% from residential replacement and 16.7% from new residential construction). When including the tertiary and commercial sectors, replacement projects represent approximately 52% of overall sales.

Customer analysis reveals that private individuals are the primary buyers, making up 36.6% of the market. They are followed by large enterprises (24.1%), showroom channels (16.7%), small enterprises (14.8%) and public administration (7.8%).

Figure 14: 2024 sales breakdown by market segment

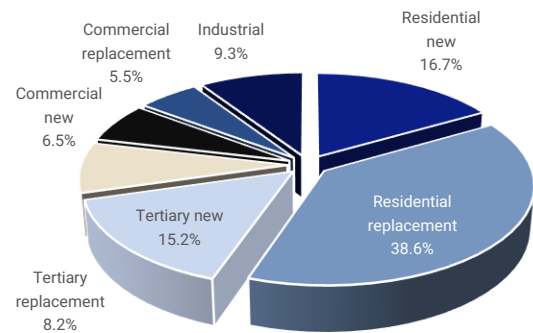
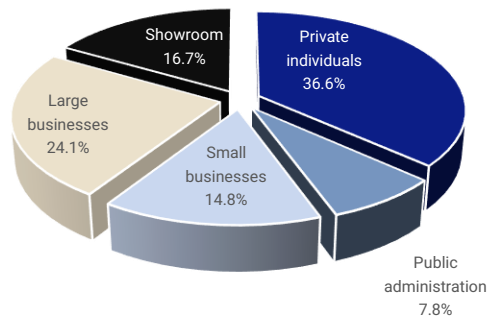


Figure 15: 2024 sales breakdown by customer type

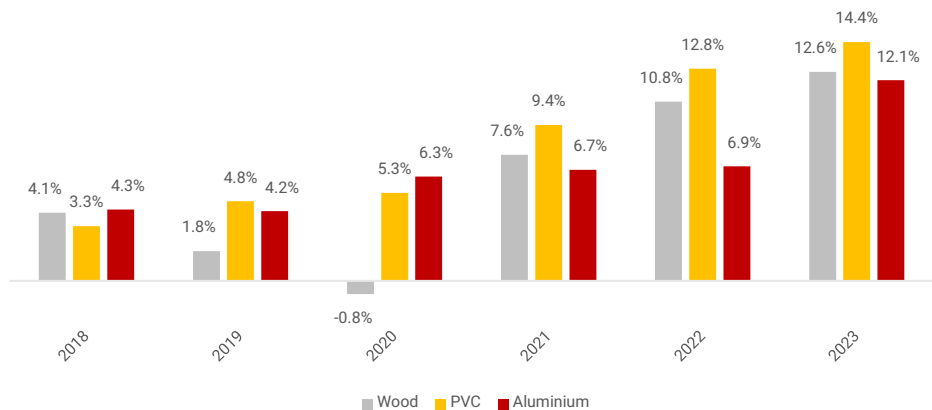


Source: UNICMI (March 2025), Rapporto sul mercato dell'involucro edilizio

Record high ROS achieved across all segments in 2023

According to UNICMI, in 2023, the upward trend in Return on Sales (ROS) was confirmed across all segments of the window and door industry: PVC reached a new peak at 14.4%, solidifying its leading position in profitability; the wood segment continued to perform strongly, with a margin of 12.6%, marking an increase compared to 2022; and aluminium also saw notable improvement, rising to 12.1%, underscoring the material's growing competitiveness in terms of both market share and margins.

Figure 16: Historical Italian fixture manufacturers ROS by material 2018-23

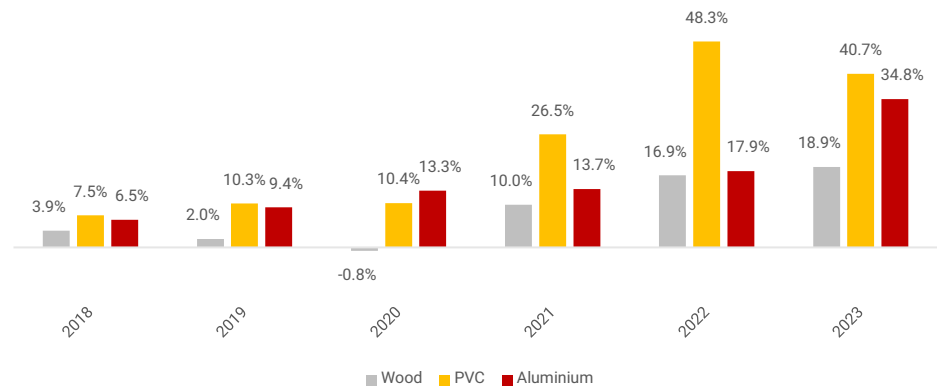


Source: UNICMI (March 2025), Rapporto sul mercato dell'involucro edilizio

ROIC also at record levels

In 2023, all segments analyzed demonstrated strong performance in terms of Return on Invested Capital (ROIC): PVC window manufacturers maintained exceptionally high levels, with a ROIC of 40.7%, supported by the presence of commercial operators with low invested capital; aluminium window manufacturers continued their positive trend, reaching a ROIC of 34.8%, further solidifying the double-digit recovery that began in 2022; and the wood segment also showed notable improvement, with a ROIC of 18.9%, reflecting its strong ability to generate value despite the smaller size of the segment.

Figure 17: Historical Italian fixture manufacturers ROIC by material 2018-23



Source: UNICMI (March 2025), Rapporto sul mercato dell’involucro edilizio

Outlook 2025E-26E

Order book trends suggest that the Italian window, door and curtain wall market is heading for a correction in 2025. However, data collected from a sample of UNICMI member companies at the end of 2024 indicate that order portfolios remain relatively robust, particularly in the windows and doors segment. This resilience is largely attributed to rising demand from non-residential construction, which is helping to offset the decline in residential renovation activity following the scaling back of tax incentives. Pricing trends also remain broadly supportive. Overall, 2024 marked a transitional year, defined by a contraction in the residential segment but balanced by encouraging growth in the non-residential space.

Looking ahead to 2025 and 2026, forecasts point to a structural downsizing of the residential market. This is largely due to significant changes in government incentive schemes, especially those targeting energy-efficient renovations. Nonetheless, demand in the new-build sector, especially in the premium residential segment, is expected to remain healthy.

Importantly, pricing remains resilient across segments, which should help ensure that any market correction unfolds gradually rather than sharply. In the non-residential segment, growth is expected to be driven by a combination of public-sector construction projects and increased private investment, supported by an environment of declining interest rates.

UNICMI anticipates strong growth in demand for windows and doors in the non-residential market, where aluminium continues to enjoy substantial market share.

Competitive arena

Italian market positioning

Nusco operates in a highly competitive Italian market, where it faces strong competition from several prominent private companies specializing in the manufacturing and installation of doors and windows.

Strong growth and brand-driven value

In recent years, Nusco has outpaced peers in growth across both business units. While 2022 growth was boosted by the consolidation of Pinum Doors & Windows S.r.l., the expansion in 2023 was entirely organic, demonstrating the Company's solid operational momentum and ability to grow independently of acquisitions.

Nusco's EBITDA margin is in line with the Italian sector average. In 2023, the Doors BU recorded a notable margin improvement, while the Windows BU remained stable, contrasting with broader margin expansion seen among competitors. Although complete data for 2024 is not yet available, it appears that the gap has been closed, with Nusco's Windows BU margin reaching 18.9%.

In addition to its strong operational performance, Nusco leverages over 60 years of brand heritage in Central and Southern Italy, a valuable intangible asset that enhances the Group's overall valuation. This robust brand identity fosters customer loyalty, strengthens pricing power and supports margin resilience.

Table 2: Italian interior door manufacturers: revenue growth and EBITDA margin

Company	Sales growth (yoy)				EBITDA margin			
	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23
Braga SpA*	-11.4%	38.8%	21.3%	-2.9%	11.2%	14.3%	14.4%	15.2%
Rimadesio SpA*	-11.4%	23.6%	11.0%	13.0%	15.1%	18.7%	14.3%	15.9%
COCIF Soc. Coop*	-12.6%	51.6%	22.1%	29.7%	n.a.	7.0%	7.3%	14.3%
Bertolotto SpA	-0.9%	41.0%	24.7%	1.0%	10.6%	13.7%	14.2%	18.2%
La Venus Srl	1.1%	24.1%	26.7%	-5.7%	6.4%	5.8%	5.6%	6.1%
Garofoli SpA	-10.5%	26.1%	6.8%	-6.4%	5.6%	7.0%	9.9%	10.6%
Viemme Porte Srl	-7.3%	34.9%	17.1%	8.8%	16.1%	16.1%	14.9%	16.7%
Erre Zeta Srl*	0.4%	55.9%	333.3%	16.0%	10.2%	7.2%	7.6%	11.6%
Zanini SpA	-24.4%	34.1%	48.4%	-4.1%	2.3%	6.2%	5.0%	5.7%
Effequattro SpA	-7.1%	33.4%	8.4%	0.2%	2.6%	5.2%	1.6%	6.3%
Mean	-8.4%	36.3%	22.0%	5.0%	6.4%	10.1%	9.5%	12.1%
Median	-8.9%	24.5%	21.7%	0.6%	8.3%	7.1%	8.7%	13.0%
Nusco SpA (Doors BU)	-23.3%	47.9%	58.1%	47.1%	7.7%	6.5%	6.3%	10.1%

Source: Banca Profilo elaborations on AIDA and Company data

*non-normalized data

Table 3: Italian window manufacturers: revenue growth and EBITDA margin

Company	Sales growth (yoy)				EBITDA margin			
	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23
Finstral SpA*	n.a.	26.5%	20.5%	20.3%	13.0%	n.a.	n.a.	n.a.
Sciuker Frames SpA*	89.8%	355.4%	88.3%	-38.6%	34.0%	27.9%	21.7%	27.7%
Piva Group SpA*	0.0%	41.8%	26.5%	2.9%	7.6%	6.6%	13.9%	20.5%
Internorm Italia Srl	-15.2%	73.8%	62.8%	7.0%	3.2%	9.3%	11.0%	9.2%
Tecnoplast SpA	8.2%	53.3%	72.6%	26.0%	14.7%	11.2%	16.5%	19.5%
New Time SpA*	46.1%	38.9%	52.6%	46.8%	11.2%	10.7%	13.7%	18.5%
Agostini Group Srl	-3.8%	42.1%	48.1%	29.7%	13.6%	18.3%	22.9%	34.2%
Fossati Serramenti Srl	-9.6%	82.2%	56.5%	-24.0%	15.3%	23.0%	31.7%	26.2%
Biemme Finestre Srl	-0.1%	96.4%	56.0%	21.6%	7.0%	8.3%	7.8%	10.1%
Kompany Srl	2.6%	67.5%	42.9%	-4.2%	11.6%	10.7%	10.5%	19.3%
Nobento SpA	18.0%	20.6%	67.4%	2.2%	6.4%	5.8%	7.7%	5.4%
Mean	13.1%	87.8%	52.7%	8.8%	13.1%	14.0%	16.6%	20.5%
Median	0.0%	60.4%	54.3%	13.6%	12.3%	10.7%	13.9%	19.5%
Nusco SpA (Windows BU)	-15.1%	80.6%	67.4%	32.8%	11.3%	15.2%	14.1%	13.9%

Source: Banca Profilo elaborations on AIDA and Company data

*non-normalized data

Listed peers

Our focused selection of publicly listed companies operates in the broader window and door manufacturing sector, which aligns with Nusco's business. Our peer group includes industry players with comparable operations: Inwido AB (Sweden), Deceuninck NV (Belgium), JELD-WEN Holding (US), Eurocell Plc (UK), Epwin Group Plc (UK) and Sciuker Frames (Italy). These companies provide valuable context for benchmarking Nusco's performance and strategic positioning within the sector.

Nusco's growth trajectory was disrupted in 2024 due to a challenging market environment in its core market, Italy. Looking ahead, we anticipate a recovery, albeit at a slower pace compared to peers. While the Company's margins lagged behind industry standards until 2022, a notable improvement in 2023 brought them in line with the sector, and this positive trend is expected to continue over the coming years.

Table 4: Public peers' revenue growth and EBITDA margin

Company	Currency	Market Cap (mln)	Enterprise Value (mln)	Sales growth (yoy)				EBITDA margin			
22/04/2025				FY23	FY24	FY25E	FY26E	FY23	FY24	FY25E	FY26E
Inwido AB	Swedish Krona	11,066	12,413	-6.0%	-1.5%	4.1%	5.5%	14.5%	14.4%	15.2%	15.3%
Deceuninck nv	Euro	302	404	-11.1%	-4.5%	-0.3%	5.1%	10.7%	12.9%	14.1%	14.5%
JELD-WEN Holding, Inc.	U.S. Dollar	440	1,611	-5.3%	-12.3%	-11.5%	3.2%	8.2%	6.4%	6.7%	8.0%
Eurocell Plc	British Pounds	156	218	-4.4%	-1.8%	17.7%	7.0%	11.7%	13.4%	13.8%	13.9%
Epwin Group PLC	British Pounds	128	235	-2.9%	-6.2%	3.8%	1.8%	12.8%	16.0%	13.2%	13.1%
Sciuker Frames SpA	Euro	17	104	-38.6%	17.9%	12.4%	21.7%	30.4%	18.0%	20.2%	20.9%
Mean				-11.4%	-1.4%	4.4%	7.4%	14.7%	13.5%	13.9%	14.3%
Median				-5.7%	-3.2%	3.9%	5.3%	12.3%	13.9%	13.9%	14.2%
Nusco SpA	Euro	15.3	24.3	39.5%	-8.7%	1.4%	3.4%	12.8%	13.4%	13.4%	13.7%

Source: Banca Profilo elaborations on FactSet data and Banca Profilo estimates

Inwido AB (SE):

FY24 sales

SEK8.84bn; EBITDA margin 14.4%

Inwido AB is a leading building materials company specializing in windows and doors. The company operates through 34 business units across 12 countries, employing around 4,700 people. It operates through three primary sales channels: manufacturers of prefabricated homes, construction companies, and direct-to-consumer sales. Inwido markets products under corporate brands like Elitfonster and Tiivi, with most of its revenue generated in Sweden. The company also offers innovative "smart windows" featuring antibacterial glass, integrated camera surveillance and mobile-controlled locks. Inwido's operations are divided into four segments: Scandinavia, Eastern Europe, e-Commerce and Western Europe, with the Scandinavia segment contributing the largest share of revenue. The company has been listed on Nasdaq Stockholm since 2014.

In FY24 the Company reported revenue of SEK8.84bn (-1.5% yoy) and EBITDA of SEK1.27bn, with margin of 14.4%.

Deceuninck NV (BE):

FY24 sales €827mln;

EBITDA margin 12.9%

Deceuninck NV designs and manufactures PVC systems and accessories for residential and light commercial buildings. Its product offerings include PVC systems for windows, doors, sliding windows and doors, roller shutters and louver shutters. Additionally, the company provides outdoor living solutions such as terrace and fencing systems, along with wall cladding, roofline systems, wall and ceiling coverings, and window boards. Deceuninck operates across three geographical segments: Europe (its main revenue source), North America and Turkey & Emerging Markets.

In FY24 the Company reported revenue of €827mln (-4.5% yoy) and EBITDA of €107mln, with margin of 12.9%.

JELD-WEN Inc (US):

FY24 sales \$3.78bn;

EBITDA margin 6.4%

JELD-WEN is a prominent global designer, manufacturer and distributor of high-performance interior and exterior doors, windows and related building products, catering to both new construction and repair and remodeling sectors. The company's diverse product offerings include aluminium, vinyl and wood windows, as well as folding and sliding patio doors, door frames and moldings. Globally recognized under the JELD-WEN brand, its products are also

marketed as LaCantina and VPI in North America, and Swedoor, DANA and Kellpex in Europe. Established in 1960, JELD-WEN operates approximately 85 manufacturing facilities across 15 countries, with the majority of its revenue generated in the United States.

In FY24 the Company reported revenue of \$3.78bn (-12.3% yoy) and EBITDA of \$240m, with margin of 6.4%.

Eurocell Plc (UK):
FY24 sales £358m;
EBITDA margin 11.7%

Eurocell PLC is a manufacturer, distributor and recycler of Unplasticized PVC (UPVC), a type of building plastic. The company offers a range of products, including UPVC windows, doors, conservatories, skylights, roofs and roofline systems, as well as various interior and outdoor living solutions. Eurocell is organized into two divisions: Profiles and Building Plastics. The Profiles segment manufactures and sells window, door and conservatory profiles to fabricators, who then supply the final products to installers, retail outlets and home-builders. The Building Plastics division sells and distributes Eurocell-branded roofline products and third-party related items to installers, small builders and roofing contractors. Eurocell operates mainly in the United Kingdom.

In FY24 the Company reported revenue of £358m (-1.8% yoy) and EBITDA of £42m, with margin of 11.7%.

Epwin Group Plc (UK):
FY24 sales £324m;
EBITDA margin 16.0%

Epwin is a leading UK-based, vertically integrated manufacturer of energy-efficient, low-maintenance building products with strong sustainability credentials. Serving the Repair, Maintenance and Improvement (RMI), new build, and social housing sectors, the Group holds significant market shares in its core segments. With nearly 50 years of growth, both organic and through acquisitions, Epwin offers a broad range of PVC, GRP, composite, and aluminium products, primarily for the UK market. Its portfolio includes several nationally recognised B2B brands, strategically positioned to address the diverse needs of its customer base.

In FY24 the Company reported revenue of £324m (-6.2% yoy) and EBITDA of £52m, with margin of 16.0%.

Sciuker Frames (IT):
FY23 VoP €119m;
EBITDA margin 30.4%

Sciuker Frames SpA is an Italian company specializing in the design, development, production, and marketing of windows made from natural wood-aluminium materials and structural wood-glass. The company's product range includes structural glass wood windows, Isik aluminium wooden windows, Stratek 80 aluminium wooden windows, Stratek City aluminium wooden windows and aluminium shutters. Sciuker Frames operates in Italy.

In FY23 the Company reported revenue of €119m (-38.6% yoy) and EBITDA of €36m, with margin of 30.4%.

Nusco's strong profitability and undervaluation

Nusco's solid profitability in 2023, marked by a return on equity (ROE) of 8.6%, declined to 4.0% in 2024, slipping below the industry average of 5.4%. Nonetheless, we anticipate a return to outperformance beginning in 2025.

Nusco's current valuation also underscores its relative attractiveness, as it trades at a significant discount with a price-to-book ratio (P/BV) of less than 1.0x, suggesting the market has yet to fully reflect its improving fundamentals.

Table 5: Peers' key ratios

Company	Dividend yield	P/BV	ROE	Leverage (A/E)	Net debt/EBITDA	Net Income margin
22/04/2025	FY23	FY24	FY24	FY24	FY24	FY24
Inwido AB	4.8%	1.9x	12.0%	1.8x	1.1x	6.1%
Deceuninck nv	2.5%	1.0x	2.8%	2.1x	0.8x	1.7%
JELD-WEN Holding, Inc.	0.0%	1.1x	4.1%	4.2x	4.9x	-5.0%
Eurocell Plc	4.2%	1.3x	9.1%	2.1x	1.3x	2.9%
Epwin Group PLC	5.9%	1.2x	8.9%	2.8x	2.1x	5.1%
Sciuker Frames SpA*	0.0%	1.3x	-4.6%	4.8x	4.4x	-2.0%
Mean	2.9%	1.3x	5.4%	3.0x	2.4x	1.5%
Median	3.3%	1.2x	6.5%	2.5x	1.7x	2.3%
Nusco SpA	0.0%	0.7x	4.0%	2.2x	1.3x	2.1%

Source: Banca Profilo elaborations on FactSet data and Banca Profilo estimates

*FY23-based ratio

Avg. FY25 EV/EBITDA at 5.3x The selected peer group trades at an average FY25E EV/EBITDA of 5.3x, with a corresponding Net Debt/EBITDA ratio of 2.4x.

Table 6: Peers' multiples

Company	EV/EBITDA		
22/04/2025	FY24	FY25E	FY26E
Inwido AB	9.8x	8.9x	8.4x
Deceuninck nv	3.8x	3.5x	3.2x
JELD-WEN Holding, Inc.	6.7x	7.1x	5.9x
Eurocell Plc	4.5x	3.8x	3.5x
Epwin Group PLC	4.5x	5.3x	5.3x
Sciuker Frames SpA	4.1x	3.3x	2.6x
Mean	5.6x	5.3x	4.8x
Median	4.5x	4.5x	4.4x
Nusco SpA	3.5x	3.5x	3.3x

Source: Banca Profilo elaborations on FactSet data and Banca Profilo estimates

FY24 results

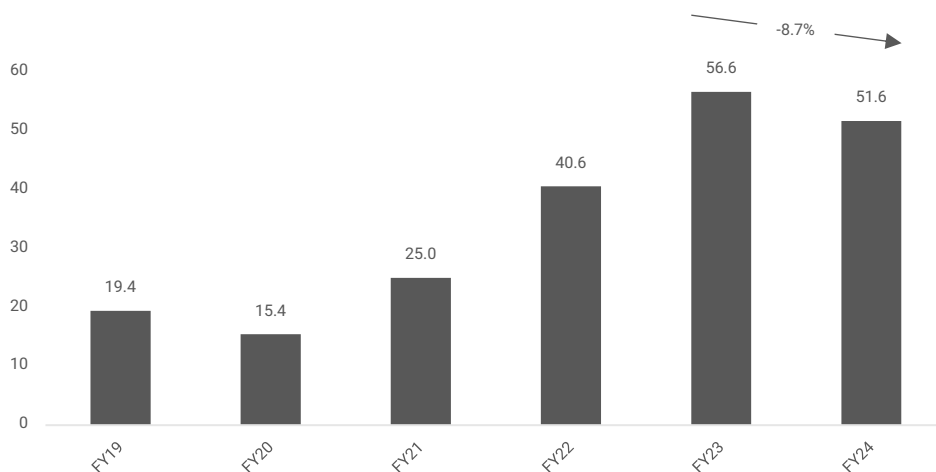
FY24 VoP falls 8.7% yoy to €51.6mIn amid market slowdown

In 2024, the Group recorded a Value of Production (hereon "VoP") of €51.6mIn, marking a 8.7% yoy decline and falling well below both our FY24E estimate of €60.7mIn [*Please refer to our Initial Coverage on October 18th, 2024*] and management's expectations. The decline was mainly driven by the abrupt termination of tax incentives in Italy, specifically the Superbonus 110% and Ecobonus, which had strongly supported the window and door frame market over the previous two years. Their discontinuation effectively froze the domestic market, as consumers adopted a wait-and-see approach in anticipation of potential new incentives.

Conversely, the subsidiary Pinum Doors & Windows S.r.l. delivered a solid performance, achieving a 3.3% yoy increase in revenue. This growth was driven not only by the sustained momentum in Romania's construction sector but also by the ongoing expansion of Pinum's commercial network, rising brand recognition in its key markets, and a clear strategic focus on delivering innovative, customized products that align with evolving customer demands. The subsidiary's strong results underscore the robustness and effectiveness of Nusco Group's internationalization strategy, reinforcing the value of its long-term strategic vision.

Taking a broader perspective, the Group's VoP grew from €19.4mIn in 2019 to €51.6mIn in 2024, representing a CAGR of 22% over the period.

Figure 18: VoP FY19–24 (€/mIn)

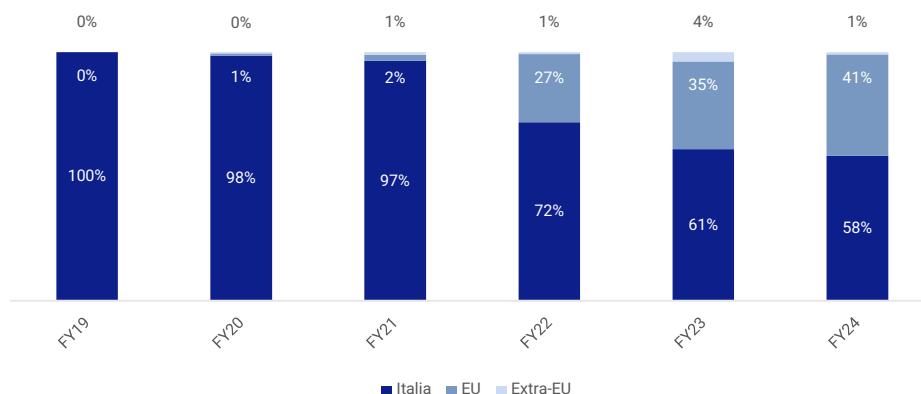


Source: Banca Profilo elaborations on Company data

FY24 revenue:
Italy (58%), EU (41%)
and extra-EU (1%)

The effectiveness of Nusco Group's diversification strategy is clearly reflected in the geographical breakdown of revenues. While the Italian market remains the primary contributor, accounting for 58% of revenue in FY24, international markets continued to gain traction, rising by 3pp yoy to reach 42%. This growth was predominantly driven by the EU (ex-Italy), which alone represented 41% of revenue, highlighting the increasing relevance of foreign markets in the Group's overall revenue mix.

Figure 19: Revenue breakdown by geographic area FY19-24 (%)



Source: Banca Profilo elaborations on Company data

FY24 VoP down:

Doors BU VoP at
€30.2mIn (-1% yoy)

Windows BU VoP at
€21.4mIn (-17% yoy)

In 2024, the Doors BU generated a VoP of €30.2mIn, recording a modest yoy decline of 1.4%. In contrast, the Windows BU saw a sharper slowdown, with VoP declining 17.3% yoy to €21.4mIn, driven by a marked deceleration in the second half of the year when turnover fell to €9.0mIn.

Over the 2019–24 period, the Windows BU recorded a CAGR of 23% in production value, while the Doors BU achieved a CAGR of 21%, highlighting sustained long-term growth across both business lines.

Figure 20: Doors BU VoP FY19–24 (€/mIn)

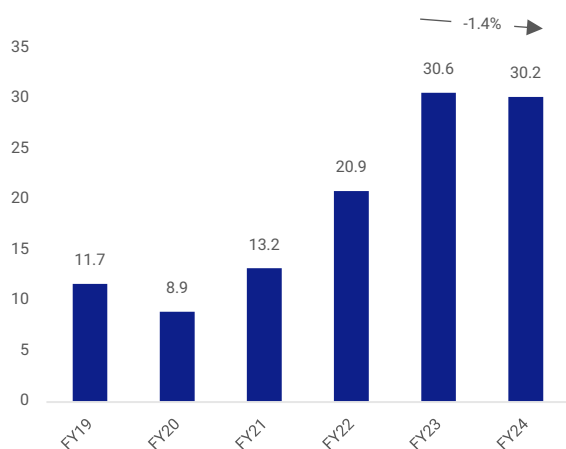
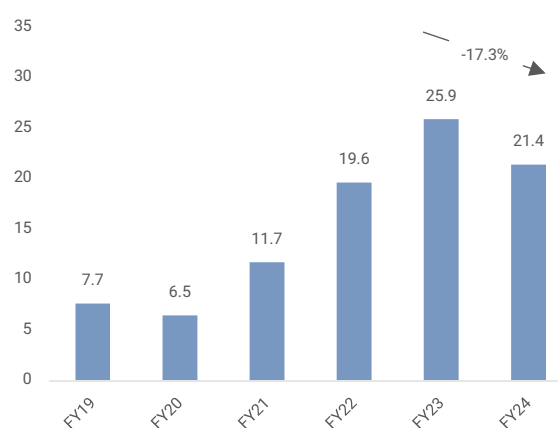


Figure 21: Windows BU VoP FY19–24 (€/mIn)



Source: Banca Profilo elaborations on Company data

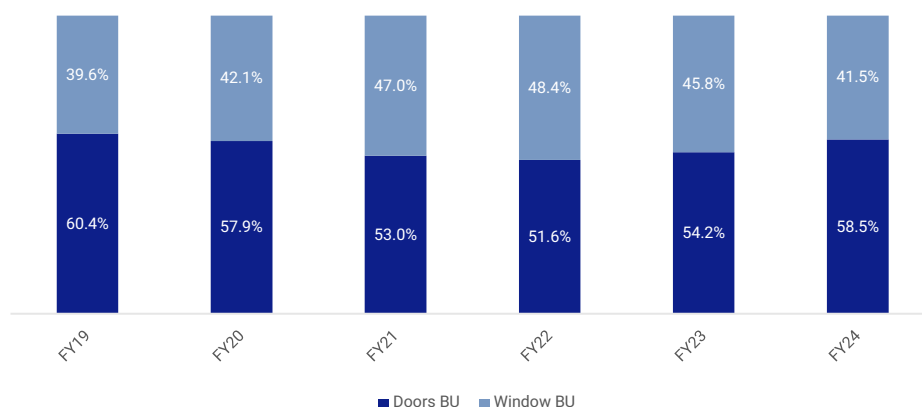
FY24 revenue breakdown:

Doors BU (58%)

Windows BU (42%)

In recent years, the share of VoP from the Windows BU had been increasing, supported by public incentives. However, following the expiration of these incentives last year, this upward trend reversed in FY24, with the Windows BU's contribution declining to 41.5%. As a result, the Doors BU, historically the primary revenue driver, reclaimed the majority share at 58.5%.

Figure 22: VoP breakdown by BU FY19–24 (%)



Source: Banca Profilo elaborations on Company data

Raw materials and production costs dominate cost structure

Direct materials and production costs (labelled “Raw materials and production” in the figure below) have declined over the years, yet remain the largest expense for both BUs. In 2024, they fell further to 66.5% of VoP for the Doors BU and 84.4% for the Windows BU. Labour was the second-largest cost category, accounting for 23.4% of VoP in the Doors BU, edging up year over year and returning to 2020 levels, and 8.1% in the Windows BU. Services and other costs, including transport, marketing and leasing, were broadly consistent across both BUs, averaging around 10% of VoP.

Figure 23: Doors BU costs as a % of VoP FY19–24

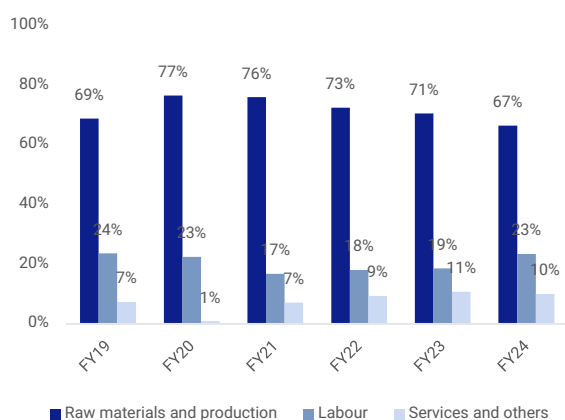
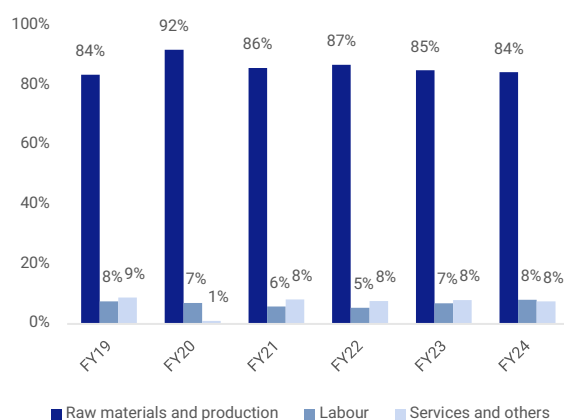


Figure 24: Windows BU costs as a % of VoP FY19–24

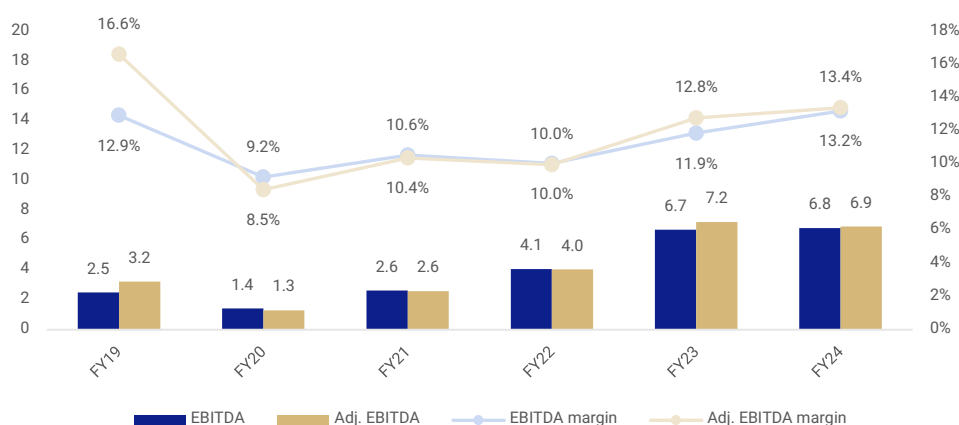


Source: Banca Profilo elaborations on Company data

FY24 EBITDA margin at 13.2%

Despite the decline in turnover, EBITDA in 2024 recorded a modest increase to €6.8m, up 1.6% yoy from €6.7m in FY23, though still below our FY24 estimate of €9.0m. Nevertheless, the EBITDA margin continued to improve, rising by 60bps to 13.2%, an increase from 11.9% in the prior year. This growth highlights the Group's ability to enhance and optimize its operating margins despite challenging market conditions, further reinforcing the competitive positioning of the Nusco Group.

Figure 25: EBITDA (€/mln) and EBITDA margin (%) FY19-24



Source: Banca Profilo elaborations on Company data

FY24 EBITDA margin:
Doors BU at 9.2% and
Windows BU at 18.9%

In FY24, EBITDA for the Doors BU declined to €2.8m (–11.1% yoy) and the margin also edged down by 90bps to 9.2%.

EBITDA for the Windows BU rose to €4.1m (+12.4% yoy), with the margin expanding by 500bps to 18.9%. This strong profitability highlights the BU's effective adaptability and cost control, partially supported by increased "Other revenue", driven by Pinum's processing and assembly services in Romania and the favorable spread applied to sales paid with tax credits.

Figure 26: Doors BU EBITDA (€/mln) and EBITDA margin (%) FY19-24

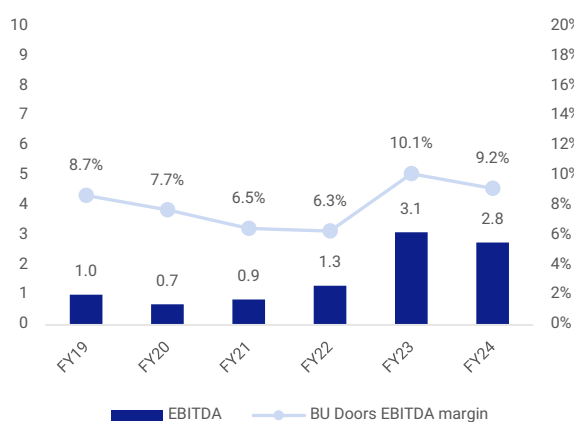
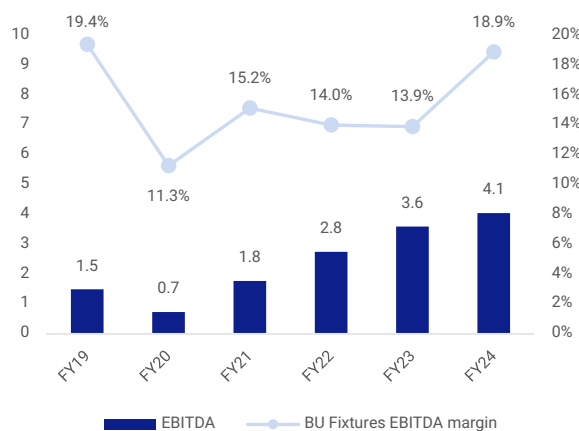


Figure 27: Windows BU EBITDA (€/mln) and EBITDA margin (%) FY19-24



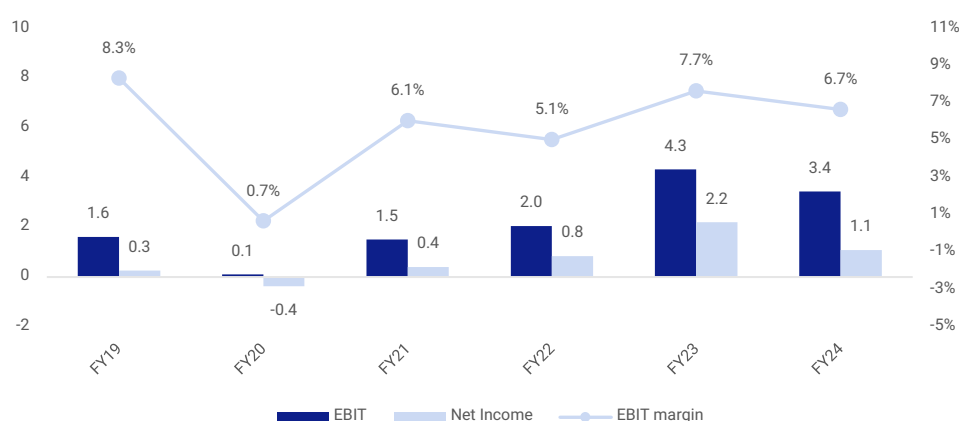
Source: Banca Profilo elaborations on Company data

**EBIT at €3.4m and
Net Income at
€1.1m in FY24**

In 2024, EBIT declined to €3.4m, down from €4.3m in the previous year. Nevertheless, the EBIT margin remained relatively resilient at 6.7%, compared to 7.7% in 2023, reflecting the Group's ability to preserve operating profitability despite a more challenging economic backdrop.

Net income, however, experienced a more significant contraction, falling to €1.1m from €2.2m in the prior year. This was primarily due to an extraordinary provision related to a tax assessment concerning R&D tax credits under the "Industria 4.0" scheme. The issue was resolved in 2025 through full settlement of the assessed amount.

Figure 28: EBIT, Net Profit (€/mln) and EBIT margin (%) FY19-FY24



Source: Banca Profilo elaborations on Company data

Table 7: Income Statement FY19-24 (€/mln)

		Profit & Loss						
		FY19	FY20	FY21	FY22	FY23	FY24E OLD	FY24
Doors BU		11.6	8.9	13.2	20.9	30.7	32.1	30.1
	% on Revenue	60.4%	57.9%	53.0%	51.6%	54.1%	53.0%	58.6%
Window BU		7.6	6.5	11.7	19.6	26.0	28.5	21.3
	% on Revenue	39.6%	42.1%	47.0%	48.4%	45.9%	47.0%	41.4%
Revenue		19.3	15.4	24.9	40.5	56.7	60.6	51.3
yoy		7.4%	-20.1%	61.6%	62.5%	40.2%	6.9%	-9.6%
Change in finished product inventories		0.1	0.0	0.1	0.1	(0.2)	0.0	0.3
	% on VoP	0.6%	0.1%	0.4%	0.2%	-0.3%	0.1%	0.7%
Value of Production		19.4	15.4	25.0	40.6	56.6	60.7	51.6
yoy		8.1%	-20.5%	62.1%	62.2%	39.5%	7.3%	-8.7%
Raw materials		(10.5)	(9.0)	(15.5)	(25.1)	(32.4)	(35.0)	(29.9)
	% on VoP	54.2%	58.3%	61.9%	61.8%	57.2%	57.7%	57.9%
Material Profit		8.9	6.4	9.5	15.5	24.2	25.6	21.7
	% on VoP	45.8%	41.7%	38.1%	38.2%	42.8%	42.3%	42.1%
Production costs		(1.8)	(3.0)	(3.0)	(4.4)	(6.4)	(3.9)	(3.6)
	% on VoP	9.3%	19.6%	12.0%	10.8%	11.2%	6.4%	7.0%
Direct labour costs		(1.4)	(1.0)	(0.9)	(2.1)	(2.6)	(3.6)	(3.8)
	% on VoP	7.2%	6.5%	3.8%	5.1%	4.7%	5.9%	7.3%
Contribution margin		5.7	2.4	5.6	9.0	15.2	18.2	14.4
	% on VoP	29.3%	15.6%	22.4%	22.3%	26.8%	30.0%	27.8%
Sales transport costs		(0.3)	(0.2)	(0.3)	(0.4)	(0.6)	(0.6)	(0.5)
	% on VoP	1.4%	1.5%	1.3%	1.1%	1.0%	0.9%	1.1%
Margin after sales costs		5.4	2.2	5.3	8.6	14.6	17.6	13.8
	% on VoP	27.9%	14.1%	21.1%	21.3%	25.8%	29.0%	26.8%
Marketing costs		(0.5)	(0.4)	(0.5)	(0.6)	(0.8)	(0.8)	(0.6)
	% on VoP	2.8%	2.8%	2.0%	1.5%	1.4%	1.4%	1.2%
Margin after specific costs		4.9	1.7	4.8	8.0	13.8	16.8	13.2
	% on VoP	25.1%	11.3%	19.1%	19.7%	24.5%	27.6%	25.6%
Operating costs		(0.7)	(0.7)	(1.0)	(3.0)	(4.8)	(7.4)	(6.6)
	% on VoP	3.5%	4.9%	3.8%	7.3%	8.5%	12.1%	12.7%
Costs for use of third-party assets		(0.1)	(0.2)	(0.5)	(0.4)	(0.7)	(0.7)	(0.6)
	% on VoP	0.3%	1.1%	2.0%	0.9%	1.2%	1.2%	1.1%
Other operating costs		(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
	% on VoP	2.1%	0.8%	0.3%	0.3%	0.2%	0.2%	0.5%
Indirect labour costs		(1.1)	(1.0)	(1.2)	(1.8)	(3.1)	(3.3)	(3.3)
	% on VoP	5.9%	6.3%	5.0%	4.4%	5.5%	5.5%	6.4%
Other revenue		0.6	1.6	0.6	1.3	2.1	3.8	4.4
	% on VoP	3.3%	10.2%	2.4%	3.2%	3.8%	6.2%	8.5%
Adj. EBITDA		3.2	1.3	2.6	4.0	7.2	9.0	6.9
Adj. EBITDA margin		16.6%	8.5%	10.4%	10.0%	12.8%	14.9%	13.4%

EBITDA		2.5	1.4	2.6	4.1	6.7	9.0	6.8
<i>EBITDA margin</i>		12.9%	9.2%	10.6%	10.0%	11.9%	14.9%	13.2%
D&A		(0.9)	0.0	(0.7)	(1.6)	(1.8)	(2.0)	(1.9)
<i>% on VoP</i>		4.6%	0.0%	3.0%	3.9%	3.1%	3.3%	3.8%
Provisions and write-downs		0.0	(1.3)	(0.4)	(0.4)	(0.6)	(0.7)	(1.4)
<i>% on VoP</i>		0.0%	8.5%	1.5%	1.1%	1.1%	1.1%	2.8%
EBIT		1.6	0.1	1.5	2.0	4.3	6.4	3.4
<i>EBIT margin</i>		8.3%	0.7%	6.1%	5.1%	7.7%	10.5%	6.7%
Financial income and expenses		(0.2)	(0.2)	(0.7)	(0.6)	(0.9)	(1.2)	(1.0)
<i>% on VoP</i>		1.2%	1.1%	3.0%	1.5%	1.6%	1.9%	1.8%
EBT		1.4	(0.1)	0.8	1.5	3.5	5.2	2.5
<i>Pretax margin</i>		7.2%	-0.4%	3.1%	3.6%	6.1%	8.6%	4.8%
Taxes		(1.1)	(0.3)	(0.4)	(0.6)	(1.2)	(2.0)	(1.4)
<i>Tax rate</i>		81.2%	-506.5%	47.3%	42.3%	36.2%	38.4%	56.1%
Net Income		0.3	(0.4)	0.4	0.8	2.2	3.2	1.1
<i>Net Profit margin</i>		1.3%	-2.4%	1.6%	2.1%	3.9%	5.3%	2.1%

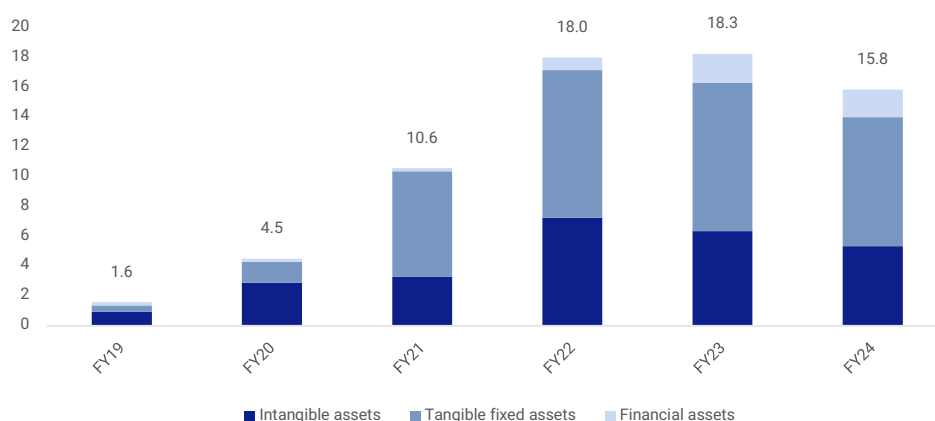
Source: Banca Profilo elaborations on Company data

Fixed assets at €15.8mln

As of December 2024, Fixed Assets amounted to €15.8mln, down from €16.2mln as of June 2024. The decline was primarily attributable to the sale of land owned by the subsidiary Pinum during the year.

The notable rise in 2022 was primarily driven by the consolidation of Pinum Doors & Windows S.r.l. Within Intangible Assets, Goodwill, which stood at €4.3mln at the end of 2022, declined to €3.6mln by June 2024.

Figure 29: Fixed assets FY19-24 (€/mln)

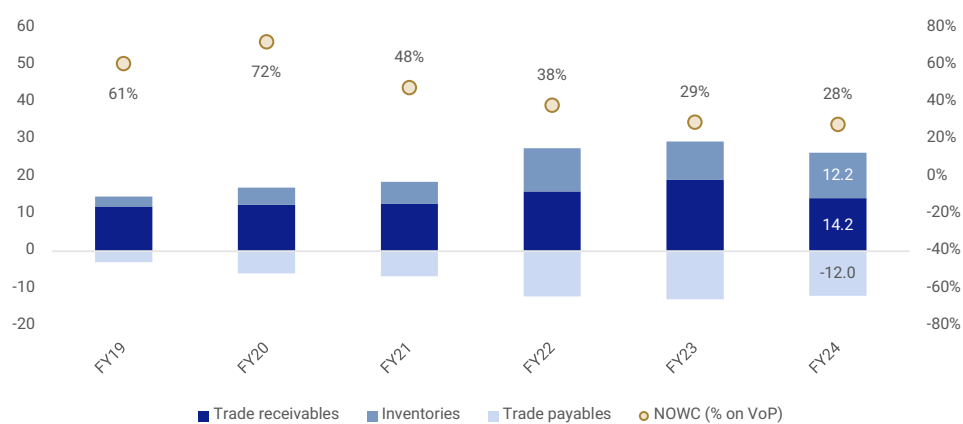


Source: Banca Profilo elaborations on Company data

NOWC points out operational efficiency

As of the end of December 2024, Nusco's Net Operating Working Capital (hereon "NOWC") stood at €14.5mln, down from €15.5mln at the end of June 2024. This includes €14.2mln in Trade Receivables, €12.0mln in Trade Payables and €12.2mln in Inventories. Nusco has consistently demonstrated strong efficiency in working capital management, as reflected in the low level of capital employed relative to its VoP. In 2024, this efficiency was further enhanced by a reduction in Days Sales Outstanding (DSO), driven by a strategic pivot toward the retail channel and a more selective approach to customer profiling. This shift led to improved collection times, which management views as a structural improvement and expects to sustain, and potentially enhance, over the coming years.

Figure 30: NOWC FY19-24 (€/mln)

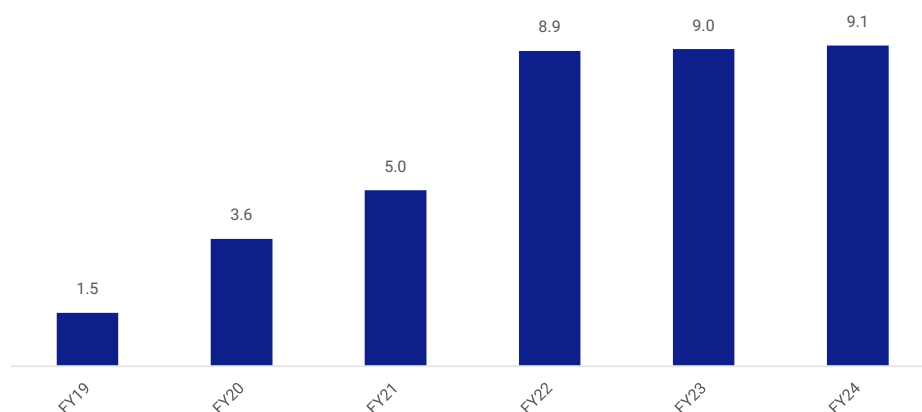


Source: Banca Profilo elaborations on Company data

Adj. Net Debt at
€9.1mln

As of December 2024, reported Net Debt edged up slightly to €10.1mln, compared to €10.0mln at the end of 2023. Concurrently, adj. Net Debt, which excludes tax payables, increased marginally to €9.1mln from €9.0mln (or 1.3x EBITDA), reflecting a modest yoy rise of 1.1%.

Figure 31: Adj. Net Debt (Cash) FY19-24 (€/mln)



Source: Banca Profilo elaborations on Company data

Table 8: Balance Sheet FY19-24 (€/mln)

Balance Sheet							
	FY19	FY20	FY21	FY22	FY23	FY24E OLD	FY24
Intangible assets	1.0	2.9	3.3	7.3	6.4	5.5	5.3
Tangible fixed assets	0.4	1.4	7.1	9.9	10.0	9.2	8.7
Financial assets	0.2	0.2	0.2	0.8	1.9	1.7	1.8
Fixed Assets	1.6	4.5	10.6	18.0	18.3	16.3	15.8
Inventories	2.7	4.7	6.0	11.6	10.3	13.1	12.2
<i>% on VoP</i>	<i>13.7%</i>	<i>30.6%</i>	<i>23.8%</i>	<i>28.7%</i>	<i>18.1%</i>	<i>21.7%</i>	<i>23.7%</i>
Trade receivables	12.0	12.4	12.7	16.0	19.1	18.4	14.2
<i>% on VoP</i>	<i>61.9%</i>	<i>80.3%</i>	<i>50.7%</i>	<i>39.5%</i>	<i>33.8%</i>	<i>30.4%</i>	<i>27.5%</i>
Trade payables	(2.9)	(5.9)	(6.7)	(12.2)	(12.9)	(13.5)	(12.0)
<i>% on COGS w/o labour cost</i>	<i>15.0%</i>	<i>37.2%</i>	<i>27.3%</i>	<i>30.1%</i>	<i>23.2%</i>	<i>23.0%</i>	<i>23.1%</i>
Net Operating Working Capital	11.8	11.2	11.9	15.5	16.5	18.1	14.5
<i>% on VoP</i>	<i>60.6%</i>	<i>72.4%</i>	<i>47.7%</i>	<i>38.2%</i>	<i>29.2%</i>	<i>29.8%</i>	<i>28.1%</i>
Other current assets	6.1	3.4	7.2	6.6	10.5	11.1	14.2
Other current liabilities	(1.7)	(4.4)	(4.4)	(6.3)	(8.5)	(4.9)	(6.1)
Net Working Capital	16.2	10.2	14.7	15.7	18.5	24.3	22.5
<i>% on VoP</i>	<i>83.5%</i>	<i>65.9%</i>	<i>58.8%</i>	<i>38.8%</i>	<i>32.8%</i>	<i>40.1%</i>	<i>43.6%</i>
Non-current assets	4.6	4.7	0.1	1.2	0.0	0.0	0.2
Non-current liabilities	(6.1)	(3.1)	(2.8)	(2.4)	(2.2)	(2.2)	(2.5)
Net Invested Capital	16.3	16.2	22.6	32.5	34.6	38.5	36.0
Intangible	0.0	1.9	0.9	7.8	0.1	0.1	(0.5)
Tangible	0.0	1.0	5.9	10.9	0.8	0.2	(0.9)
CapEx	0.0	2.9	6.8	18.7	0.9	0.3	(1.4)
<i>% on VoP</i>	<i>0.0%</i>	<i>18.9%</i>	<i>27.2%</i>	<i>46.2%</i>	<i>1.6%</i>	<i>0.4%</i>	<i>-2.8%</i>
Share capital	18.0	18.0	17.1	21.0	21.0	22.5	22.5
Reserves and retained earnings	(3.5)	(5.0)	0.1	1.7	2.4	3.2	3.4
Group Net Income	0.3	(0.4)	0.4	0.8	2.2	3.2	1.1
Shareholders' equity	14.8	12.6	17.7	23.6	25.6	29.0	27.0
Adj. Net Debt (Cash)	1.5	3.6	5.0	8.9	9.0	9.5	9.1
Reported Net Debt (Cash)	6.0	7.5	4.1	7.2	10.0	9.5	10.1

Source: Banca Profilo elaborations on Company data

Table 9: Free Cash Flows FY19-24 (€/mln)

Free Cash Flow							
	FY19	FY20	FY21	FY22	FY23	FY24E OLD	FY24
EBIT	1.6	0.1	1.5	2.0	4.3	6.4	3.4
<i>Tax rate</i>	<i>81.2%</i>	<i>-506.5%</i>	<i>47.3%</i>	<i>42.3%</i>	<i>36.2%</i>	<i>38.4%</i>	<i>56.1%</i>
NOPAT	0.3	0.6	0.8	1.2	2.8	3.9	1.5
D&A	0.9	0.0	0.7	1.6	1.8	2.0	1.9
Changes in ONWC	(2.3)	0.6	(0.8)	(3.6)	(1.0)	(1.6)	2.0
CapEx	0.0	(2.9)	(6.8)	(18.7)	(0.9)	(0.3)	1.4
Free Cash Flow	(1.1)	(1.7)	(6.0)	(19.6)	2.6	4.1	6.9

Source: Banca Profilo elaborations on Company data

Strategy and estimates

Strategic guidelines

Strengthening competitive position through innovation and sustainability

The results achieved by Nusco S.p.A. to date confirm the robustness of its business model, establishing a strong foundation for further enhancing its competitive position both in Italy and in international markets. The company aims to increase sales by focusing on products that maintain high levels of profitability and quality. Concurrently, Nusco will continue to invest in R&D activities aimed at innovation and the implementation of new production techniques.

Nusco's commitment to innovation is closely tied to its focus on sustainability. The Company intends to develop energy-efficient solutions that not only meet market demands but also align with global sustainability goals, anticipating the needs of increasingly eco-conscious customers. Optimizing the cost structure will remain a priority, pursued through careful planning and monitoring of individual expense items. Current growth prospects are bolstered by favourable trends in the industry, particularly regarding the objectives of the "Agenda 2030" for energy efficiency in both residential and commercial buildings.

Strategic initiatives for growth

The Group's growth objectives will be pursued through a series of strategic initiatives, including:

- in early 2025, Nusco opened four new franchise stores, two in the province of Naples, one in Avellino and one in the province of Taranto, furthering the Group's strategy to expand its commercial footprint through an asset-light franchising model. This approach enables scalable, low-CapEx growth, boosts average channel margins and strengthens brand awareness;
- diversifying and personalizing its commercial offerings;
- creating production and commercial synergies with complementary businesses and engaging in co-marketing initiatives with retailers;
- enhancing certification activities and technological development to improve product quality standards and introduce new solutions and production processes;
- streamlining internal production processes through investments in technology development and digitalization, supported by the "Piano Nazionale Transizione 5.0";
- expanding into high-potential foreign markets;
- leveraging its Romanian subsidiary, Pinum D&W, already contributing 42% of Group revenues, to boost international expansion and reduce dependence on the Italian market. With strong operational efficiency and access to key foreign markets, Pinum is also positioned to become a strategic hub for industrial and logistical synergies;
- advancing its ESG strategy with strengthened governance, sustainability reporting since 2022 and the launch of the UNI/PdR 125:2022 gender equality certification process in 2025, enhancing its risk profile and appeal to ESG-focused investors.

Prioritizing foreign market expansion in emerging regions

Foreign market expansion will continue to be a priority for Nusco, with particular attention given to emerging markets such as the Middle East and Asia, where the demand for high-quality, low-environmental-impact products is rapidly growing.

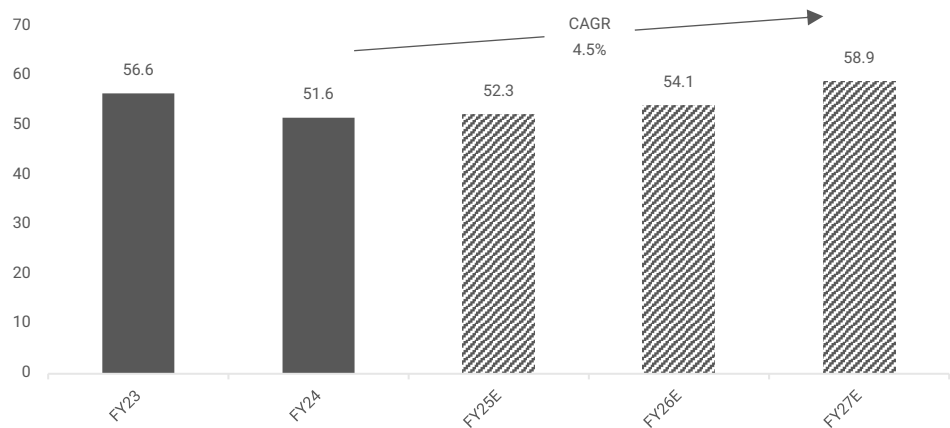
Our FY25E-27E estimates

Estimates cut post-FY24 dip; gradual recovery ahead

Nusco’s FY24 results were weaker than expected, with VoP declining to €51.6mln, mainly due to the end of fiscal incentives in the Italian window and door market, which significantly affected domestic demand. As a result, we have revised our estimates downward [*Please refer to our Initial Coverage on October 18th, 2024*]: we now project a gradual recovery, with revenues expected to reach €52.3mln in 2025 (+1.4% yoy) and €54.1mln (+3.4% yoy) in 2026, both figures still representing a pace of growth above the Italian construction market. A more substantial rebound is expected in 2027, with revenues forecast to rise to €58.9mln (+8.8% yoy). This leads to a revised 2024-27E CAGR of 4.5%, down from 7.2%.

While lower than previously anticipated, this growth trajectory reflects a more conservative and realistic outlook in light of recent market dynamics, while still highlighting Nusco’s potential to outperform peers thanks to its strategic positioning and product mix.

Figure 32: VoP FY23–27E (€/mln)

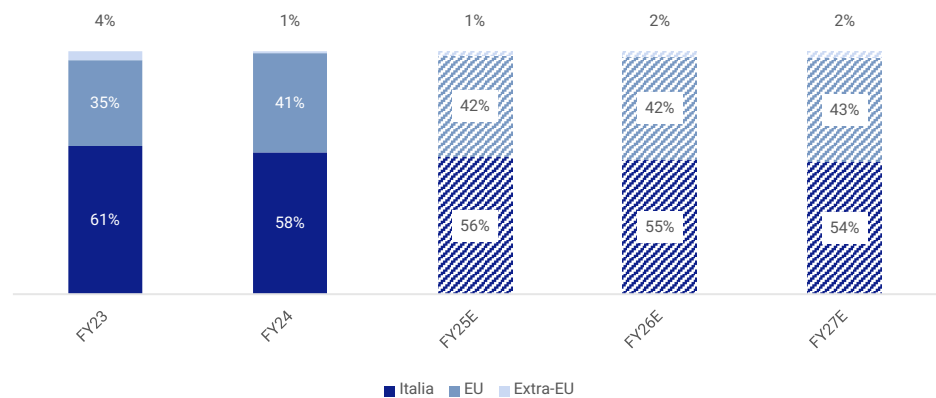


Source: Banca Profilo elaborations and estimates on Company data

Foreign sales up as expected

We expect international revenue to reach 45% of total turnover by 2027. FY24 results showed a stronger-than-expected shift, with sales from EU (ex-Italy) countries rising to 41% (vs 39% forecast). However, non-EU revenue underperformed, dropping from 4% to 1%, leading to a downward revision of growth expectations for these markets. Despite this, geographical diversification remains central to Nusco’s expansion strategy.

Figure 33: Revenue breakdown by geographic area FY23-27E (%)



Source: Banca Profilo elaborations and estimates on Company data

Doors BU shields against Windows BU contraction

We have revised our growth projections for Nusco's BUs in light of the 2024 slowdown and the more conservative outlook for the next two years. For the Windows BU, we now forecast a CAGR of 6.3% for FY24-27E (vs previous 9.4%), expecting it to return to 2023 levels by 2027. For the Doors BU, we now anticipate a CAGR of 3.2% over the same period (vs previous 5.1%), reflecting the ongoing market challenges. The sector's stagnation, driven by the post-fiscal-incentive correction, has led us to revise our previous expectations of Windows catching up with the more mature Doors BU by 2026. However, the long-term outlook remains positive, with potential acceleration stemming from the Italian government's implementation of the European Directive "Case Green" targets. As part of the national commitment, Italy must outline by December 2025 how it plans to meet the set objectives, which could include new incentives or other measures to stimulate the market.

Figure 34: Doors BU VoP FY23–27E (€/mln)

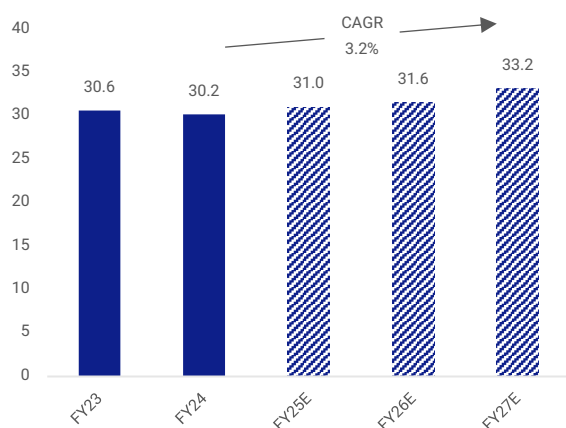
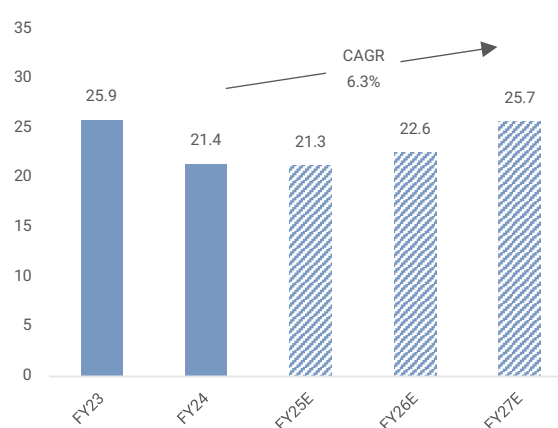
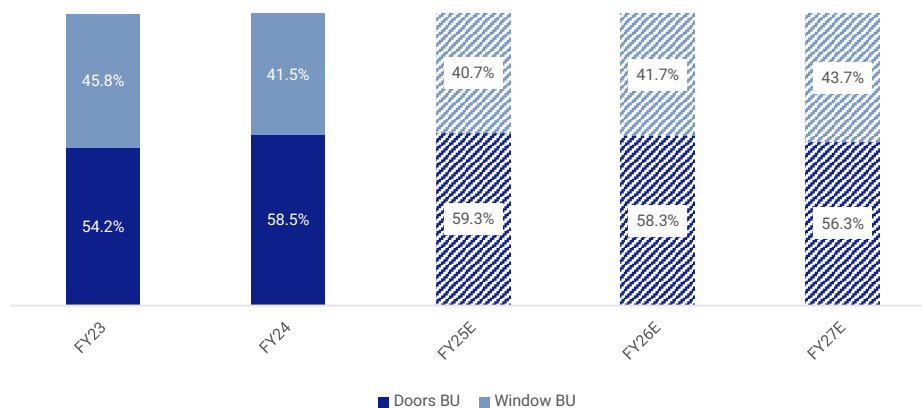


Figure 35: Windows BU VoP FY23–27E (€/mln)



Source: Banca Profilo elaborations and estimates on Company data

Figure 36: VoP breakdown by BU FY23–27E (%)



Source: Banca Profilo elaborations and estimates on Company data

In-housing fixture production aims for cost reductions

Overall, we anticipate a cost structure that aligns with previous years. We believe there is still potential for margin recovery through ongoing efforts to reduce raw material costs and optimize the supply chain.

In conjunction with the approval of its 1H24 financial report, Nusco announced the termination of its subcontracting agreement with related party Modo S.r.l., transitioning 112 employees and their associated contracts directly to Nusco. This strategic move aims to maintain production capacity and ensure timely order fulfillment. By integrating Modo's workforce,

Nusco anticipates increased production flexibility, reduced costs and enhanced competitiveness in the market.

Figure 37: Doors BU costs as a % of VoP FY23–27E

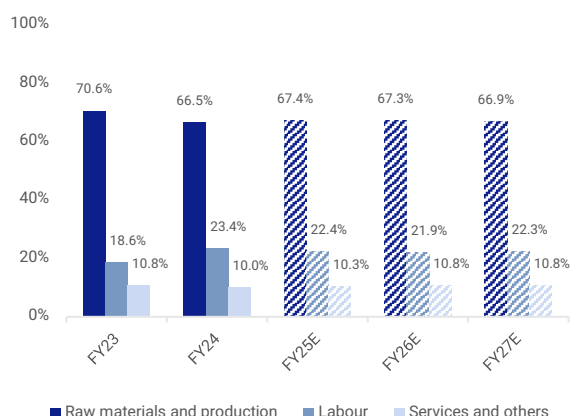
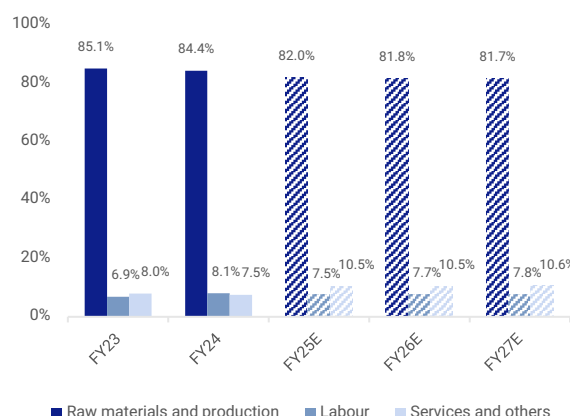


Figure 38: Windows BU costs as a % of VoP FY23–27E

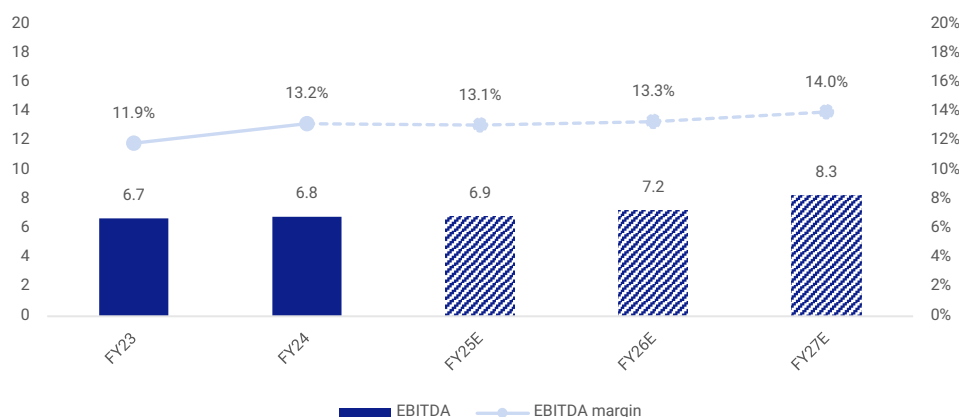


Source: Banca Profilo elaborations and estimates on Company data

Revised EBITDA outlook, stable margins provide support

Following the revenue contraction in 2024 and the downward revision of growth expectations, we have also revised our EBITDA projections. We now estimate EBITDA to grow at a CAGR of 6.6% over the next three years, reaching €8.3m in FY27. While this is significantly below our previous forecast, which projected €11.5m by FY26, the Company has already achieved notable improvements in profitability during 2024 thanks to effective cost rationalization measures. Management now aims to maintain EBITDA margins at current levels, positioning the company to benefit from future demand recovery and resume a growth trajectory once market conditions improve.

Figure 39: EBITDA (€/m) and EBITDA margin (%) FY23-27E



Source: Banca Profilo elaborations and estimates on Company data

Figure 40: Doors BU EBITDA (€/mln) and EBITDA margin (%) FY23-27E

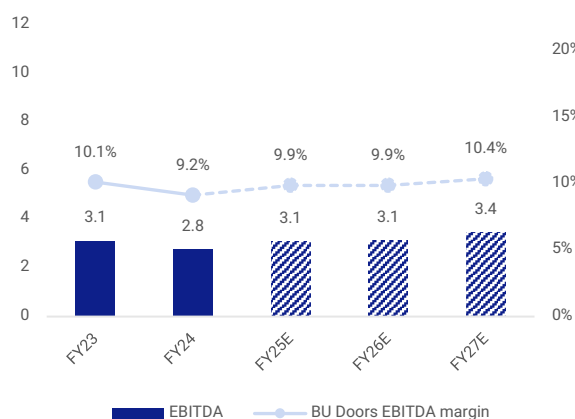
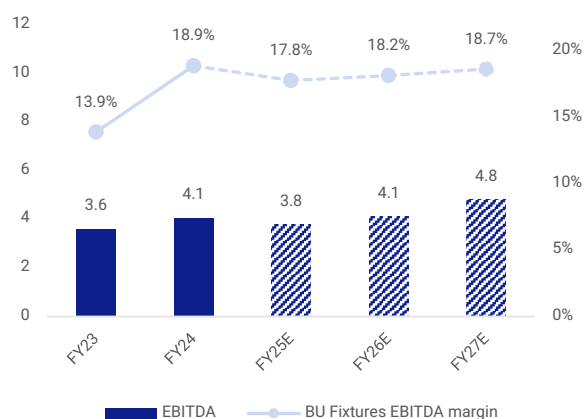


Figure 41: Windows BU EBITDA (€/mln) and EBITDA margin (%) FY23-27E

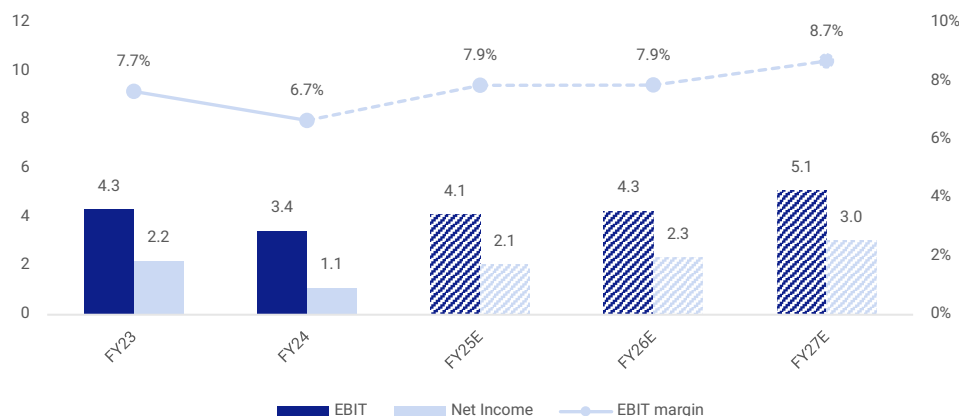


Source: Banca Profilo elaborations and estimates on Company data

Rising EBIT and Profit

We end with a Net Income CAGR of 40.7% over FY24-27E: it is expected to rise from €1.1mln in FY24 to €3.0mln in FY27E. This growth is underpinned by a robust EBIT margin and strategically managed debt levels, despite the current environment of high borrowing costs.

Figure 42: EBIT, Net Profit (€/mln) and EBIT margin (%) FY23-27E



Source: Banca Profilo elaborations and estimates on Company data

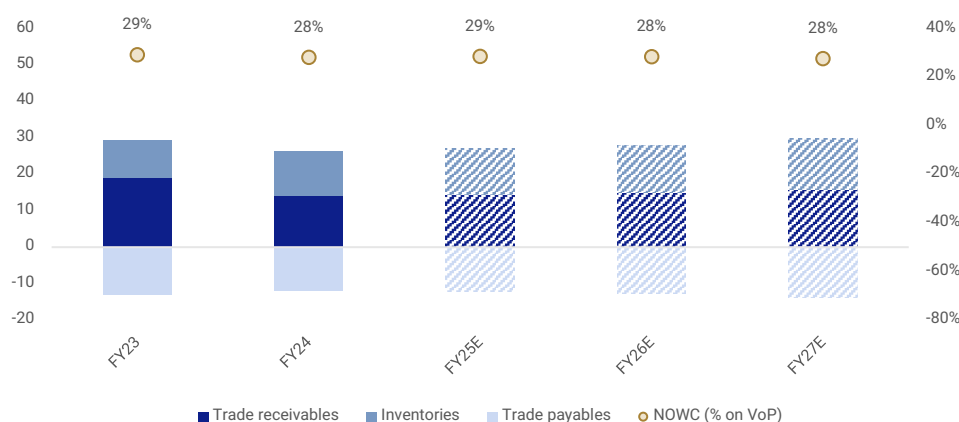
Table 10: Pro Forma Income Statement FY23-27E (€/mln)

Profit & Loss								
	FY23	FY24	FY25E OLD	FY25E	FY26E OLD	FY26E	FY27E	
Doors BU	30.7	30.1	33.8	31.0	35.6	31.5	33.1	
% on Revenue	54.1%	58.6%	52.0%	59.3%	51.0%	58.3%	56.3%	
Window BU	26.0	21.3	31.2	21.3	34.2	22.5	25.7	
% on Revenue	45.9%	41.4%	48.0%	40.7%	49.0%	41.7%	43.7%	
Revenue	56.7	51.3	65.0	52.2	69.8	54.0	58.8	
yoy	40.2%	-9.6%	7.2%	1.8%	7.4%	3.4%	8.8%	
Change in finished product inventories	(0.2)	0.3	0.0	0.1	0.1	0.1	0.1	
% on VoP	-0.3%	0.7%	0.1%	0.2%	0.1%	0.2%	0.2%	
Value of Production	56.6	51.6	65.0	52.3	69.9	54.1	58.9	
yoy	39.5%	-8.7%	7.2%	1.4%	7.4%	3.4%	8.8%	
Raw materials	(32.4)	(29.9)	(37.3)	(30.1)	(39.8)	(31.1)	(33.6)	
% on VoP	57.2%	57.9%	57.4%	57.6%	57.0%	57.5%	57.1%	
Material Profit	24.2	21.7	27.7	22.2	30.0	23.0	25.3	
% on VoP	42.8%	42.1%	42.6%	42.4%	43.0%	42.5%	42.9%	
Production costs	(6.4)	(3.6)	(2.6)	(3.6)	(2.8)	(3.7)	(4.0)	
% on VoP	11.2%	7.0%	4.1%	6.9%	4.1%	6.8%	6.8%	
Direct labour costs	(2.6)	(3.8)	(4.9)	(3.7)	(5.1)	(3.6)	(3.8)	
% on VoP	4.7%	7.3%	7.5%	7.0%	7.3%	6.7%	6.5%	
Contribution margin	15.2	14.4	20.2	15.0	22.1	15.7	17.5	
% on VoP	26.8%	27.8%	31.0%	28.6%	31.6%	29.1%	29.6%	
Sales transport costs	(0.6)	(0.5)	(0.6)	(0.5)	(0.7)	(0.6)	(0.6)	
% on VoP	1.0%	1.1%	0.9%	1.0%	1.0%	1.0%	1.0%	
Margin after sales costs	14.6	13.8	19.6	14.4	21.4	15.2	16.8	
% on VoP	25.8%	26.8%	30.1%	27.5%	30.7%	28.0%	28.6%	
Marketing costs	(0.8)	(0.6)	(0.9)	(0.7)	(1.0)	(0.7)	(0.7)	
% on VoP	1.4%	1.2%	1.4%	1.3%	1.4%	1.3%	1.3%	
Margin after specific costs	13.8	13.2	18.7	13.8	20.5	14.5	16.1	
% on VoP	24.5%	25.6%	28.7%	26.3%	29.3%	26.8%	27.3%	
Operating costs	(4.8)	(6.6)	(6.0)	(5.1)	(6.4)	(5.0)	(5.1)	
% on VoP	8.5%	12.7%	9.3%	9.7%	9.2%	9.2%	8.6%	
Costs for use of third-party assets	(0.7)	(0.6)	(0.8)	(0.6)	(0.9)	(0.6)	(0.7)	
% on VoP	1.2%	1.1%	1.2%	1.1%	1.2%	1.1%	1.1%	
Other operating costs	(0.1)	(0.2)	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)	
% on VoP	0.2%	0.5%	0.2%	0.3%	0.2%	0.3%	0.3%	
Indirect labour costs	(3.1)	(3.3)	(3.5)	(3.1)	(3.8)	(3.2)	(3.5)	
% on VoP	5.5%	6.4%	5.4%	6.0%	5.4%	6.0%	5.9%	
Other revenue	2.1	4.4	2.1	2.2	2.2	1.9	1.7	
% on VoP	3.8%	8.5%	3.2%	4.3%	3.2%	3.5%	3.0%	
Adj. EBITDA	7.2	6.9	10.3	7.0	11.5	7.4	8.4	
Adj. EBITDA margin	12.8%	13.4%	15.8%	13.4%	16.5%	13.7%	14.3%	
EBITDA	6.7	6.8	10.3	6.9	11.5	7.2	8.3	
EBITDA margin	11.9%	13.2%	15.8%	13.1%	16.5%	13.3%	14.0%	
D&A	(1.8)	(1.9)	(2.0)	(1.9)	(2.2)	(2.1)	(2.2)	
% on VoP	3.1%	3.8%	3.0%	3.6%	3.1%	3.8%	3.7%	
Provisions and write-downs	(0.6)	(1.4)	(0.7)	(0.9)	(0.8)	(0.9)	(1.0)	
% on VoP	1.1%	2.8%	1.1%	1.6%	1.1%	1.6%	1.6%	
EBIT	4.3	3.4	7.6	4.1	8.6	4.3	5.1	
EBIT margin	7.7%	6.7%	11.6%	7.9%	12.3%	7.9%	8.7%	
Financial income and expenses	(0.9)	(1.0)	(1.2)	(0.8)	(1.2)	(0.4)	(0.2)	
% on VoP	1.6%	1.8%	1.8%	1.4%	1.7%	0.8%	0.3%	
EBT	3.5	2.5	6.4	3.4	7.4	3.8	4.9	
Pretax margin	6.1%	4.8%	9.8%	6.4%	10.6%	7.0%	8.4%	
Taxes	(1.2)	(1.4)	(2.4)	(1.3)	(2.8)	(1.5)	(1.9)	
Tax rate	36.2%	56.1%	38.4%	38.4%	38.4%	38.4%	38.4%	
Net Income	2.2	1.1	3.9	2.1	4.5	2.3	3.0	
Net Profit margin	3.9%	2.1%	6.0%	4.0%	6.5%	4.3%	5.2%	

Source: Banca Profilo elaborations and estimates on Company data

Stable NOWC

We anticipate that the NOWC will maintain stability as a percentage of VoP, while also achieving sufficient growth to support the anticipated increase in revenue over the coming years.

Figure 43: NOWC FY23-27E (€/mln)

Source: Banca Profilo elaborations and estimates on Company data

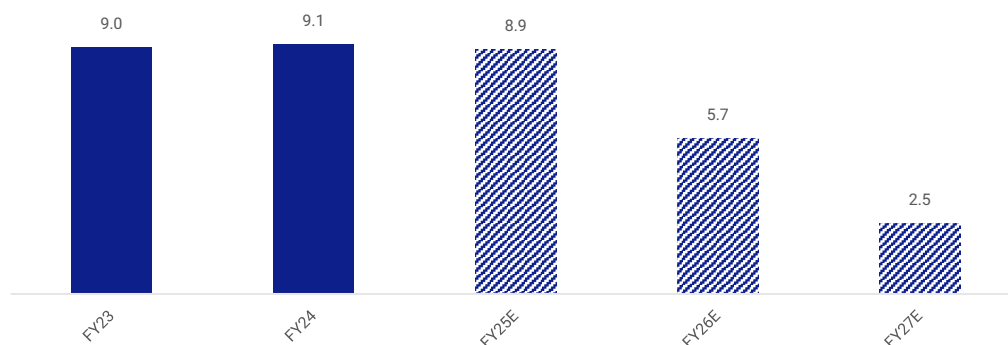
CapEx plan remains unchanged, focused on tangible assets

We maintain our CapEx estimates unchanged, projecting cumulative investments of €6.8mln between 2025 and 2027, primarily allocated to tangible assets scheduled for deployment starting in 2025. These investments will be concentrated in the Nola production facility and include the renovation of a production line for PVC window frames, the installation of two fully automated vertical warehouses and the digitization of the order management system. Against this investment programme amounting to €4.9mln, Nusco was granted by the Ministero delle Imprese e del Made in Italy a total subsidy of €3.7mln covering a nominal percentage equal to 75% of the admitted investment, of which €1.9mln in the form of a grant for plants and €1.7mln in the form of subsidised financing to be repaid in 7 years.

More specifically, we forecast €2.8mln of CapEx in 2025, followed by €2.0mln in 2026-27 related only to ordinary maintenance.

Debt reduction supported by rising profitability

We anticipate adjusted Net Debt to decline over the next three years, supported by growing net income. This projection may prove conservative should the Company successfully and promptly collect the tax credits associated with the accumulated 110% Superbonus (ca. €10mln as of December 31, 2024). Our estimates also assume no dividend distributions or share buyback programs by Nusco throughout the forecast period.

Figure 44: Adj. Net Debt (Cash) FY23-27E (€/mln)

Source: Banca Profilo elaborations and estimates on Company data

Table 11: Pro Forma Balance Sheet FY23-27E (€/mln)

Balance Sheet							
	FY23	FY24	FY25E OLD	FY25E	FY26E OLD	FY26E	FY27E
Intangible assets	6.4	5.3	5.3	5.3	5.0	5.0	4.7
Tangible fixed assets	10.0	8.7	10.1	9.6	10.2	9.8	9.9
Financial assets	1.9	1.8	1.7	1.8	1.7	1.8	1.8
Fixed Assets	18.3	15.8	17.1	16.7	16.9	16.6	16.4
Inventories	10.3	12.2	11.9	12.7	14.6	13.1	14.0
% on VoP	18.1%	23.7%	18.4%	24.2%	20.9%	24.2%	23.7%
Trade receivables	19.1	14.2	22.2	14.3	21.1	14.9	15.9
% on VoP	33.8%	27.5%	34.1%	27.4%	30.2%	27.5%	27.0%
Trade payables	(12.9)	(12.0)	(15.0)	(12.1)	(15.3)	(12.6)	(13.7)
% on COGS w/o labour cost	23.2%	23.1%	23.7%	23.1%	22.7%	23.5%	23.6%
Net Operating Working Capital	16.5	14.5	19.1	14.9	20.4	15.3	16.2
% on VoP	29.2%	28.1%	29.4%	28.5%	29.2%	28.3%	27.6%
Other current assets	10.5	14.2	10.6	13.8	10.6	12.6	11.8
Other current liabilities	(8.5)	(6.1)	(4.9)	(5.2)	(4.9)	(5.2)	(5.2)
Net Working Capital	18.5	22.5	24.8	23.6	26.1	22.8	22.9
% on VoP	32.8%	43.6%	38.2%	45.0%	37.4%	42.0%	38.8%
Non-current assets	0.0	0.2	0.0	0.2	0.0	0.2	0.2
Non-current liabilities	(2.2)	(2.5)	(2.2)	(2.5)	(2.2)	(2.5)	(2.5)
Net Invested Capital	34.6	36.0	39.7	37.9	40.9	37.0	37.0
Intangible	0.1	(0.5)	0.8	0.8	0.6	0.6	0.6
Tangible	0.8	(0.9)	2.0	1.9	1.4	1.4	1.4
CapEx	0.9	(1.4)	2.8	2.8	2.0	2.0	2.0
% on VoP	1.6%	-2.8%	4.2%	5.3%	2.9%	3.7%	3.4%
Share capital	21.0	22.5	22.5	22.5	22.5	22.5	22.5
Reserves and retained earnings	2.4	3.4	3.2	4.5	3.2	6.5	8.9
Group Net Income	2.2	1.1	3.9	2.1	4.5	2.3	3.0
Shareholders' equity	25.6	27.0	29.7	29.0	30.3	31.4	34.4
Adj. Net Debt (Cash)	9.0	9.1	10.1	8.9	10.6	5.7	2.5

Source: Banca Profilo elaborations and estimates on Company data

Positive FCFs over the period

Cumulatively, for the period of FY25-27E, FCFs are projected at €6.0mln (vs previous €11.5mln), including €6.8mln of CapEx and an increase in NOWC amounting to €1.7mln.

Table 12: Pro Forma Free Cash Flows FY23-27E (€/mln)

Free Cash Flow							
	FY23	FY24	FY25E OLD	FY25E	FY26E OLD	FY26E	FY27E
EBIT	4.3	3.4	7.6	4.1	8.6	4.3	5.1
Tax rate	36.2%	56.1%	38.4%	38.4%	38.4%	38.4%	38.4%
NOPAT	2.8	1.5	4.7	2.5	5.3	2.6	3.2
D&A	1.8	1.9	2.0	1.9	2.2	2.1	2.2
Changes in ONWC	(1.0)	2.0	(1.1)	(0.5)	(1.3)	(0.4)	(0.9)
CapEx	(0.9)	1.4	(2.8)	(2.8)	(2.0)	(2.0)	(2.0)
Free Cash Flow	2.6	6.9	2.8	1.2	4.2	2.3	2.4

Source: Banca Profilo elaborations and estimates on Company data

Key Risk

TYPE OF RISK		DESCRIPTION
EXTERNAL CONTEXT	<i>Geopolitical:</i> - high likelihood - low impact	The Group is exposed to macro-geopolitical risks, including the conflict between Russia and Ukraine and rising global trade tensions, such as escalating tariffs between major economies. While these issues may impact energy prices, supply chains, and market stability, Nusco has no direct exposure to the affected regions or trade routes. The Company has no material ties to Russia or Ukraine in terms of management, suppliers, or financial dealings and remains unaffected by recent tariff changes. It has also implemented measures to mitigate potential effects on raw material and energy costs.
	<i>Interest rate:</i> - medium likelihood - medium-low impact	The Group is exposed to interest rate risk, as its financial debt is almost entirely at variable rates. Future increases in interest rates could lead to higher financial costs associated with this variable-rate debt. However, due to the Group's low overall indebtedness to the financial system, any potential rise in interest rates is not expected to significantly impact its operational activities or growth prospects.
	<i>Exchange rate:</i> - medium likelihood - medium impact	The Group is exposed to potential risks associated with fluctuations in exchange rates with foreign suppliers, which may arise from changes in the major currencies used in international transactions. These exchange rate fluctuations could affect the costs of procuring goods and services from abroad, impacting operational margins. However, the Group's current geographical diversification of activities and its ability to negotiate favorable agreements with suppliers help mitigate the potential impact of currency fluctuations on its overall economic and financial situation.
BUSINESS & STRATEGY EXECUTION	<i>Obsolescence:</i> - medium-low likelihood - medium impact	The Group is exposed to the risk of technological obsolescence, particularly concerning its production systems. If the Group is unable to promptly update its systems to keep pace with technological advances in its market, this could have negative effects on its economic, asset and financial position.
	<i>Competitive pressure:</i> - medium likelihood - high impact	The Group operates in a highly competitive environment. Competitive pressure in its market is driven by larger players or those with specific competitive advantages in relevant sectors. An increase in the number of competitors, their economies of scale, or their competitive advantages compared to the Group could negatively impact the Group's market position, as well as its economic and financial situation.
	<i>Liquidity:</i> - low likelihood - high impact	The Group is exposed to liquidity risk, which is the possibility of facing difficulties in meeting its financial obligations, particularly those related to liabilities. To manage this risk, the Group continuously monitors its financial position and implements prudent policies to maintain a proper balance between liability maturities and its ability to generate cash. This approach ensures the Group can confidently address its immediate and medium-to-long-term financial needs while minimizing the impact of unforeseen events on cash requirements.
	<i>Credit risk:</i> - low likelihood - high impact	The Group faces credit risk, which refers to the potential losses arising from counterparties, both commercial and financial, failing to meet their obligations. Insolvent positions are promptly handled by the Group's legal team, and for certain clients, risk is mitigated through additional guarantees, such as pledges and sureties.

Table 13: Risk matrix

Impact	Very high					
	High	Liquidity; Credit		Competitive pressure		
	Medium		Obsolescence	Exchange rate		
	Medium-Low			Interest rate		
	Low				Geopolitical risk	
Potential impact on the business VS likelihood of occurrence		Low	Medium-Low	Medium	High	Very high
		Likelihood				

Source: Banca Profilo elaborations on Company data

Valuation

DCF method and market multiples

Given Nusco's projected cash generation, the DCF method is well-suited for valuation. Additionally, we have identified a sample of listed peers to provide a relevant peer group for relative valuation using market multiples.

DCF valuation

€9.3mln of cumulated FCFs in FY25-28E and Terminal Value at €3.3mln

For the DCF model, we based our analysis on projected free cash flows for the explicit 2025-28E period, totaling €9.3mln, down from the previously estimated €17.4mln. We consider the FY28 FCF of €3.3mln as the basis for the Terminal Value calculation (vs previous €4.4mln).

7.7% WACC

We would use a 7.7% WACC, down from previous 9.6%, derived from:

- a risk-free rate at 4.30% (vs previous 4.32%), as implicitly expected by consensus on the 30Y Italian BTP yield curve (100 days MA);
- a market risk premium equal to 5.5%;
- a levered beta of 0.7 (vs previous 1.0) coming from the average of chosen listed peers;
- a cost of debt of 8.9% (vs previous 9.3%);
- a target Debt-to-Equity (D/E) ratio of 33% (vs previous 25%);
- a perpetual growth rate of 2%.

Table 14: WACC calculation

WACC Calculation	
Perpetual growth rate	2.0%
WACC	7.7%
Risk free rate (30Y)	4.30%
Equity risk premium	5.5%
Beta	0.7
KE	8.1%
Cost of debt	8.9%
Tax rate	27.9%
KD	6.4%

Table 15: DCF valuation

DCF Valuation (€/mln)					
	FY25E	FY26E	FY27E	FY28E	Over
Free Cash Flow	1.2	2.3	2.4	3.3	3.3
Years	1	2	3	4	
Discount factor	0.93	0.86	0.80	0.74	
NPV Free Cash Flows	1.1	2.0	2.0	2.5	
Sum of NPVs					7.6
Terminal Value					58.9
NPV Terminal Value					43.8
Enterprise Value					51.4
Net Debt					9.1
Equity Value					42.3
Number of shares (mln)					19.9
Per share value (€)					2.12
Current price (€)					0.75

Source: Banca Profilo elaborations and estimates on Company data (as of April 23rd, 2025)

DCF valuation: €2.1/share

The DCF method leads us to an Enterprise Value of €51.4mln, down from the previous estimate of €53.5mln, and an Equity Value of €42.3mln, compared to €44.0mln previously. This translates to a fair value of €2.1/share, revised down from €2.2/share [Please refer to our Initial Coverage on October 18th, 2024].

Market multiples

EV/EBITDA multiples

The selected sample for assessing Nusco's relative valuation using the market multiples approach includes Inwido AB (SE), Deceuninck NV (BE), JELD-WEN Holding Inc. (US), Eurocell Plc (UK), Epwin Group Plc (UK) and Sciuker Frames SpA (IT).

Table 16: Market multiples

Company	EV/EBITDA		
	22/04/2025	FY24	FY25E
Inwido AB		9.8x	8.9x
Deceuninck nv		3.8x	3.5x
JELD-WEN Holding, Inc.		6.7x	7.1x
Eurocell Plc		4.5x	3.8x
Epwin Group PLC		4.5x	5.3x
Sciuker Frames SpA		4.1x	3.3x
Mean		5.6x	5.3x
Median		4.5x	4.5x
Nusco SpA		3.5x	3.3x

Table 17: Relative valuation

Valuation on EV/EBITDA market multiples (€/mln)	
	FY25E
EV/EBITDA	5.3x
EBITDA	7.0
Enterprise Value	37.3
Net Debt	9.1
Equity Value	28.2
Number of shares (mln)	19.9
Price per share (€)	1.42
Current price (€)	0.77

Source: Banca Profilo elaborations and estimates on Company data (as of April 23rd, 2025)

FY25E EV/EBITDA at 5.3x

For the market multiples valuation, we apply an average FY25 EV/EBITDA multiple of 5.3x (as of April 23rd, 2025), up from 5.0x previously.

Market multiples valuation: €1.4/share

The relative valuation method results in an Enterprise Value of €37.3mln, down from the previous estimate of €51.5mln, and an Equity Value of €28.2mln or €1.4/share, compared to €40.6mln or €2.1/share previously [Please refer to our Initial Coverage on October 18th, 2024].

BUY confirmed with 12-month TP cut to €1.8/share

Based on updated valuations, we have cut our 12-month target price to €1.8/share, an average of the DCF and multiple valuation, down from €2.2/share [Please refer to our Initial Coverage on October 18th, 2024]. Given the potential upside on Nusco closing price (as of April 23rd, 2025), we confirm our BUY recommendation.

Appendix: History, structure and people

Company's evolution

From family craftsmanship to international player

Founded in 1968 by Mario Nusco, the Company began as a humble craft business, steeped in the rich traditions of woodworking that had been passed down through generations. From its inception, Nusco focused on producing high-quality interior doors, a niche that showcased the family's dedication to craftsmanship. However, it wasn't long before the vision expanded beyond its local roots.

In 1993, Nusco took a significant step into the international arena with the establishment of Nusco European Doors Snc. This pivotal move marked the beginning of a transformative journey that would see the Company evolve into Nusco Porte S.p.A. in 2001, and later into Nusco S.p.A. in 2011. Each of these transitions not only reflected the growth of the brand but also underscored its ambition to become a recognized player in the global market.

2007: entering the window market

2007 marked another turning point for Nusco as the Company ventured into the window market. With the opening of a new production facility in Nola, the Company began crafting wood and aluminium windows, developed in collaboration with Modo S.r.l. These products were marketed under the "NUSCO" brand, further diversifying the Company's offerings. This strategic expansion was driven by a commitment to innovation and quality, principles that have always been at the core of Nusco's operations.

2011: Nusco S.p.A. and franchising

By 2011, as Nusco S.p.A. took shape, the Company embraced a franchising model that allowed it to reach new customers and markets. The inaugural franchises opened in Salerno and Avellino, laying the groundwork for a robust network that would flourish in the years to come.

2012-2015: PVC windows and iron shutters

The introduction of a PVC window line in 2012 and the production of iron shutters and grates in 2015 solidified Nusco's reputation for adaptability and responsiveness to market demands.

2019: National franchise network expansion

The franchise network saw significant growth in 2019, with the debut of stores in Rome and a burgeoning presence across various regions. This momentum was pivotal as Nusco aimed to enhance its brand visibility and accessibility in an increasingly competitive landscape.

2021: Initial Public Offering (IPO)

A landmark moment arrived in August 2021 when Nusco was listed on AIM Italia, subsequently transitioning to Euronext Growth Milan. This move was more than just a financial maneuver; it represented Nusco's commitment to fueling its growth trajectory and securing the necessary resources to innovate and expand.

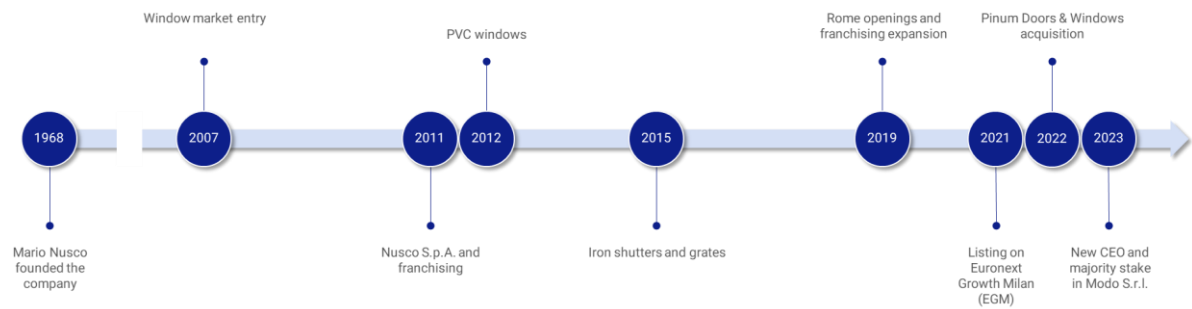
2022: Pinum Doors & Windows acquisition to boost international growth

The strategic acquisition of Pinum Doors & Windows S.r.l. in 2022 further solidified Nusco's competitive position. This Romanian-based company, also under the Nusco family umbrella, offered a diverse product range that enriched Nusco's portfolio. Integrating Pinum not only broadened Nusco's international reach but also improved control over its value chain, enhancing operational efficiency and access to essential raw materials.

2023: New CEO and stake in Modo S.r.l.

In September 2023, Nusco welcomed Guerino Luciano Vassalluzzo as its new BoD Chairman and CEO, signaling a new era of leadership and vision. Later that year, the Company took another significant step by acquiring 44.17% of Modo S.r.l., reinforcing its strategic alliance with a Company recognized for its expertise in wooden windows and doors. This investment is set to enhance Nusco's production flexibility, expand its range of customized offerings, and improve quality, all while creating operational synergies through greater vertical integration.

Figure 45: Nusco timeline from 1968 to 2024



Source: Banca Profilo elaborations on Company data

Group structure

Nusco Invest is the largest shareholder

Nusco S.p.A. operates with a solid financial foundation, boasting a share capital of €22.5mln, divided into 19,945,325 ordinary shares. The Company's ownership structure reflects the strong commitment from its primary stakeholders. Nusco Invest S.r.l., a holding company, commands a significant 58.29% stake, underscoring the family legacy that has guided Nusco since its inception. Parfin S.r.l. further consolidates this commitment with a 21.07% holding.

Free float equal to 20%

The free float stands at a 20.15%, providing a balanced opportunity for external investors to engage with the Company, while a modest 0.49% is retained as treasury shares.

Nusco expands Its reach with two subsidiaries

- Nusco S.p.A. has two subsidiaries:
- Nusco Energy S.r.l., established in October 2021, is a new venture aimed to position itself as a general contractor specializing in energy efficiency upgrades, specifically targeting projects eligible for Italy's 110% Superbonus incentive. However, as of June 30, 2024, Nusco Energy has yet to commence its operations;
 - Pinum Doors & Windows S.r.l., acquired in July 2022, was previously owned by the Nusco family and is based in Romania. This subsidiary operates within the same sector as Nusco S.p.A. and offers a wide and diversified product range, enhancing Nusco's portfolio and expanding its reach in Eastern Europe.

Figure 46: Nusco S.p.A. shareholder structure

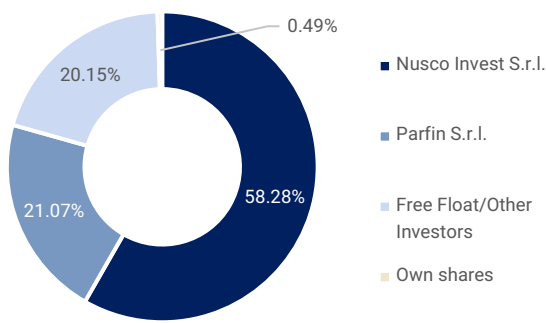
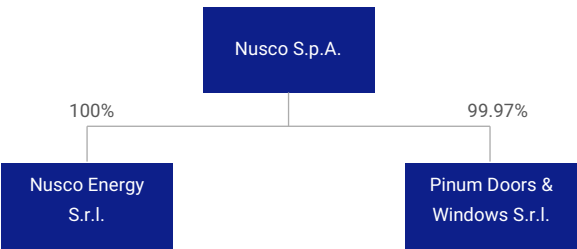


Figure 47: Nusco S.p.A. structure



Source: Banca Profilo elaborations on Company data

Key people

Guerino Luciano Vassalluzzo: the CEO and Chairman

Born on July 28, 1964, in San Paolo Bel Sito (NA), he holds a degree in Economics and Commerce. He joined the Nusco Group in 2004 as Administrative Director and became Chairman and CEO in 2023. With two decades of experience at the company, he has significantly contributed to Nusco’s management and growth, holding top positions that focus on corporate strategy and organizational development. As Chairman of the Board, he has legal representation, while as Managing Director, he oversees banking relationships, personnel management, and other operational responsibilities.

Marco Nardi: the CFO

Marco Nardi was born in Naples on January 22, 1991. He holds a degree in Business Administration with a specialization in Management and Business Control, and he completed a Master's in Administration, Finance, and Control at the 24Ore Business School. Since 2019, he has been a certified public accountant and statutory auditor. In 2021, he joined the Nusco Group, and in September 2023, he assumed the critical roles of CFO and Investor Relator.

As CFO, Marco Nardi oversees the company's financial management, focusing on strategic planning, resource optimization, and risk management. His efficiency-driven approach has led to a significant improvement in the Group's financial performance. As Investor Relator, he is responsible for maintaining and strengthening relationships with investors, presenting the company's strategy and financial results with transparency and clarity, thereby contributing to the consolidation of stakeholder trust.

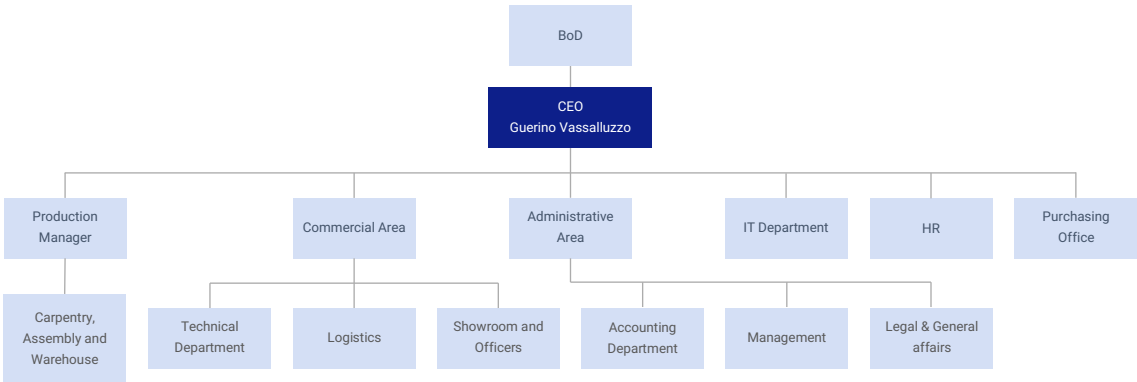
Nello Lucio: the Commercial director

Nello Lucio, born in Nola (NA) on April 6, 1967, joined the Nusco Group in 1989 and has held the position of Commercial Director since 1999. With over three decades of experience within the company, Nello Lucio has played a pivotal role in driving Nusco’s commercial growth, leading sales strategies with expertise and vision.

Thanks to his deep market knowledge and exceptional relationship-building skills, he has strengthened and expanded the company’s commercial network, significantly contributing to revenue growth and the expansion of the Nusco brand. His leadership has fostered strong, long-lasting client relationships, ensuring a stable and competitive presence in the industry. His dedication and innovative spirit have been key to the company’s success, positioning Nusco as a reference point in the Italian doors and windows market.

As of June 30, 2024, the Group's workforce comprised 254 employees and collaborators, reflecting an increase of 13 individuals compared to the end of 2023.

Figure 48: Nusco organizational chart



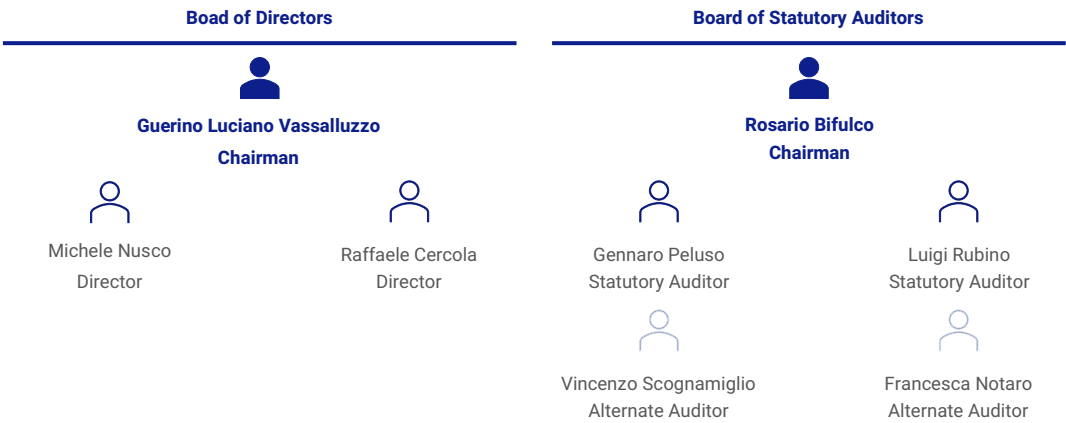
Source: Company data (as of December 31, 2024)

Board of Director and
Board of Statutory
Auditors

Governance at Nusco S.p.A. is managed by a dedicated Board of Directors, consisting of three experienced members, including one independent director, and complemented by a Board of Statutory Auditors that includes three regular and two alternate members.

Appointed during the Shareholders' Meeting on April 29, 2024, this governance structure is designed to uphold transparency and accountability. The current board will serve until the approval of the financial statements for the year ending December 31, 2026, ensuring continuity in leadership as Nusco navigates its growth trajectory in the competitive market landscape.

Figure 49: BoD and Board of Statutory composition



Source: Banca Profilo elaborations on Company data

Appendix: Nusco Business Model

Factory and production process

Nusco Group grows to 22 subsidiaries, leading in Building products and Real Estate

Nusco Group has transformed into a powerhouse, boasting a robust network of 22 subsidiaries spanning across Italy and Romania. Its core competencies lie in the production and marketing of doors and windows, as well as the development, management, and valorization of real estate. In Italy, the Group's real estate operations are helmed by Nusco Immobili Industriali S.r.l., while the manufacturing arm is led by Nusco S.p.A.

Its position within the Nusco Group allows Nusco S.p.A. to focus on its specialty, door production, while also tapping into complementary offerings crafted by other Group companies. This symbiotic relationship fosters a comprehensive product portfolio that includes not just standard doors, but also armored doors, iron shutters, grilles and window frames.

Nusco S.p.A. headquartered in Nola

The core of Nusco's operations is based in Nola (NA), where the Company manages an expansive production hub covering over 40,000 square meters. With a daily capacity of 500 units, this facility enables an annual output of approximately 120,000 doors and 90,000 window frames.

Within this strategic location, Nusco operates four specialized production plants focused on the manufacturing of doors and frames. The headquarters of Nusco S.p.A. is primarily dedicated to the production of interior doors, while three additional facilities, operated by Modo S.r.l., specialize in crafting fixtures made from PVC, wood and aluminium, including a range of shutters and grilles.

Beyond its operations in Italy, Nusco has also established a strong manufacturing presence in Romania. In Bucharest's industrial district of Pipera, the Company runs an active production site, and construction is currently underway on a new facility for Pinum D&W S.r.l. Located on a 44,000-square-meter plot in the municipality of Moara Vlăsie, the new plant will span 20,000 square meters and will be equipped with state-of-the-art, next-generation manufacturing systems for the production of doors and windows. Completion is scheduled for 2026.

Figure 50: Nusco headquarter in Nola



Source: Company data

Two Business Units: Doors and Windows

Nusco S.p.A. operates through two primary Business Units (BU):

1. Doors BU fully internalizes the manufacturing of doors and related operations. It comprises two key production facilities, one at the Nola headquarters dedicated to various types of wooden doors and another in Pipera, Romania, focused on the same. This unit also includes armored doors, exclusively marketed by Nusco S.p.A. The

doors division achieved an impressive annual output of 83,000 doors by 2023, a testament to its efficient operations and market demand.

- 2. Windows BU is tasked with the production and commercialization of PVC, wood, wood/aluminium and aluminium windows. Since 2019, it has expanded to include iron shutters and grilles, addressing rising consumer concerns regarding home security. The window manufacturing is distributed across four plants: three operated by Modo S.r.l. exclusively for Nusco S.p.A. and one owned by the subsidiary Pinum in Romania. By 2023, this division reached an annual output of 135,000 window frames.

Doors' production process

Nusco's door production process begins with the retrieval of panels from the warehouse, followed by a meticulous assembly phase where Anuba hinges are inserted using advanced machinery. Panels are drilled to create postholes for lock insertion, while frames undergo similar machining. After ensuring all components meet stringent quality standards, the doors undergo final finishing processes including sanding, painting, assembling and packing. Beyond just manufacturing, Nusco distinguishes itself by offering a suite of after-sales services, installations, repairs, inspections, and dedicated customer care.

Customer base

Extensive sales network fuels Nusco's growth in Italy and beyond

Nusco's commercial reach within Italy is extensive, supported by a sales network of around 1,000 authorized independent resellers, alongside 57 single-brand shops and two Group-owned showrooms located in Nola and Cinisello Balsamo (MI). These showrooms serve as vital retail spaces for B2C interactions, showcasing the breadth of Nusco's offerings.

In Romania, Pinum is establishing its market presence with two showrooms in Bucharest and eight mono-brand shops strategically distributed across the country. The Group's ambitions also extend to international markets, with commercial establishments in Kuwait, Azerbaijan, Dubai and Libya. The recent inauguration of its first single-brand store in Dubai marks a significant milestone in Nusco's growth trajectory, aligning with its strategic objectives to fortify its sales network and cement its footprint in global markets.

Nusco's franchise model

Nusco's franchise network represents a strategic advantage that fosters growth and success for entrepreneurs within its reputable brand ecosystem. By adopting a proven franchise business model, Nusco provides franchisees with a cohesive brand identity and comprehensive marketing strategies, bolstered by the company's extensive commercial and technological expertise. This framework significantly reduces both investment and time requirements, as evidenced by the successful establishment of showrooms in major Italian cities such as Naples, Milan, and Rome. As the sole general contractor, Nusco simplifies the supply chain by delivering a complete range of high-quality products, including doors, frames, shutters, security grilles and armored doors, allowing franchisees to focus on their core operations. In addition, Nusco equips franchisees with continuous training in product knowledge, sales strategies, and business operations, alongside technical assistance and tailored strategic advice.

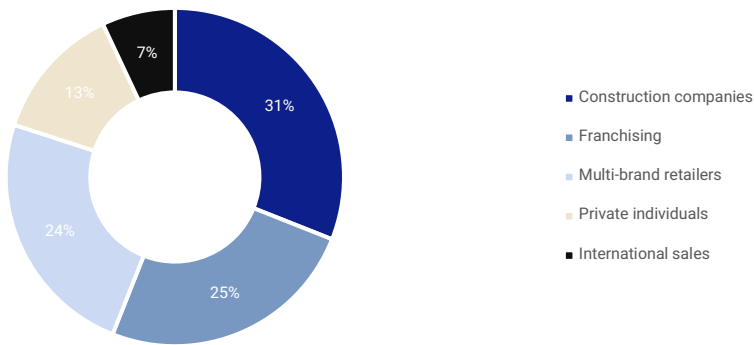
Strong diversification across sales channels

In 2023, Nusco achieved a diversified sales distribution across various channels, with construction companies remaining the primary driver, accounting for approximately 31% of total sales. Here is a breakdown of each channel's contribution:

- Construction companies: Nusco's strong foothold in the construction sector is evident, with this channel representing about one-third of total sales;
- Franchising: representing 25% of sales, the franchising channel has been a key growth factor, enabling Nusco to expand its territorial presence through a well-established, qualified network;
- Multi-brand retailers: contributing 24%, multi-brand retailers play a crucial role in reaching a wide customer base and boosting Nusco's brand visibility;

- Private individuals: sales to private customers, accounting for 13%, highlight the strong consumer trust in Nusco's products and represent a notable share of the Company's business;
- International sales: overseas sales, making up 7%, offer Nusco an opportunity to further expand its customer base and diversify revenue streams, showcasing strong potential for future growth.

Figure 51: 2023 revenue distribution by sales channel (%)



Source: Banca Profilo elaborations on Company data

Suppliers

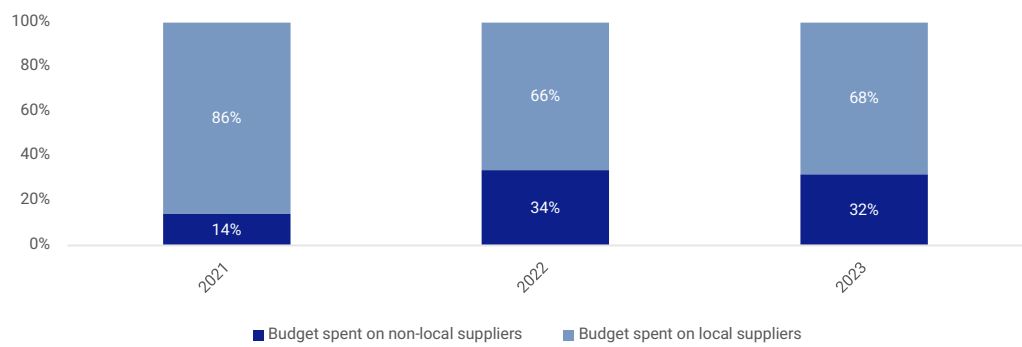
Robust supply network with significant focus on local suppliers

Nusco has built a robust network of suppliers, securing high-quality raw materials like wood, iron, glass and aluminium. Through its market positioning, the Company has forged advantageous agreements with major national and international suppliers, which positively impact final product costs. Supplier selection remains central to its strategy, prioritizing partners who align with Nusco's values and guarantee top-quality materials.

In 2023, Nusco's supplier spending rose by 7.3% to €20.7mln, with local suppliers from Campania accounting for 68% of total expenditure, reflecting a 10.1% increase yoy and a strong focus on supporting the regional economy. Furthermore, in response to the broader economic climate of uncertainty and raw material price volatility, Nusco's management took a proactive stance in 2023 by implementing a forward-thinking supply chain strategy. Recognizing the risk of potential cost inflation, the company locked in raw material prices through advance payments. This pre-emptive measure was designed to safeguard against future price hikes, ensuring price stability and cost predictability across the supply chain, a critical factor in maintaining competitiveness and protecting margins.

As part of its broader market diversification strategy, Nusco has selectively outsourced more complex production tasks. For instance, the production of PVC window frames has been delegated to other Group companies like Modo S.r.l., from which Nusco directly purchases semi-finished or finished products. Similarly, it sources primarily semi-finished goods from Pinum Doors & Windows S.r.l. This outsourcing strategy allows Nusco to streamline its operations, focusing on core production activities while leveraging the specialized capabilities of its sister companies to enhance product offerings and optimize production efficiency.

Figure 52: Supplier expenditure breakdown (%)



Source: Banca Profilo elaborations on Company data

Product range

Interior and security doors

Nusco offers a diverse portfolio of interior doors that combine craftsmanship, innovation, and design flexibility, allowing customers to tailor their choices according to their unique preferences and functional requirements.

At the pinnacle of its product range is the Platinum line, Nusco’s premium offering. Crafted from high-quality solid oak or walnut, these doors exemplify luxury with their rich design elements and intricate detailing. Available in a variety of finishes, the Platinum line offers a high degree of customization, enabling customers to personalize their doors with different styles, coverings, and frames. This adaptability makes it a versatile choice, seamlessly fitting into both classic and contemporary interiors.

In addition to its premium collection, Nusco showcases an impressive array of lacquered, pantographed, and engraved doors, each distinguished by its distinctive design features. Using precision mechanical cutters, these doors are enhanced with intricate patterns and line motifs, brought to life with modern lacquer finishes in a broad spectrum of colours. This collection caters to those with a penchant for contemporary aesthetics, offering striking visual appeal while maintaining durability and function.

One of Nusco’s standout innovations is the Piego system, which marries design and functionality. This clever solution addresses common spatial challenges, such as where traditional door openings become obstacles. The Piego system is an elegant space-saving option, providing both style and practicality in compact environments.

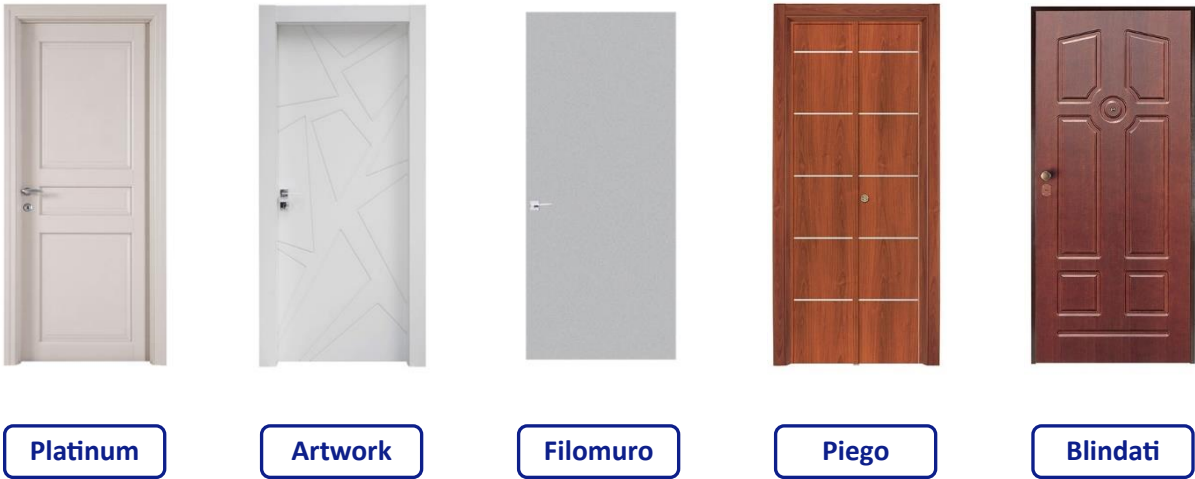
Similarly, Rever by Nusco is a unique product with reversibility as its key feature. Its reversible design allows users to change the door’s opening direction with a simple flipping mechanism, offering flexibility without compromising style.

Beyond traditional door models, Nusco has developed a line of glass doors, designed to maximize natural light in spaces that would otherwise be dim. These glass doors not only enhance room brightness but also add a sleek, modern element to the interiors.

For minimalistic, space-conscious needs, Nusco offers Flush Frame and Sliding systems, designed to integrate seamlessly with the surrounding walls, creating a clean, contemporary aesthetic. These systems are ideal for areas requiring space-saving solutions, such as under-stair storage or compact rooms. A notable innovation in this category is the Magic system, which reimagines the sliding door concept with a modern, hidden mechanism that elevates both form and function. The Magic system offers a sophisticated alternative to traditional sliding doors, delivering enhanced practicality while maintaining an elegant appearance.

Furthermore, Nusco offers a diverse selection of armored doors, including entry doors and gates, certified as class 3 burglar-resistant. This certification ensures that, even if an intruder attempts to breach the security door with tools such as a screwdriver, hammer, drill, or crowbar, it will withstand the attack for a minimum of 20 minutes. This delay is often sufficient to deter most would-be burglars, providing homeowners with peace of mind.

Figure 53: Samples of Nusco's doors



Source: Company data

Window frames

Nusco presents an extensive and diverse selection of windows, featuring a range of materials such as PVC, aluminium, wood and wood-aluminium. This variety not only ensures that customers can find the perfect fit for their stylistic preferences but also addresses the practical requirements of modern living.

One of Nusco's standout features is its commitment to preserving architectural integrity in renovation and restoration projects, particularly in historical areas where safeguarding the building's heritage is paramount. To meet these unique challenges, Nusco has engineered a range of patented windows and doors that combine advanced technology with traditional aesthetics. These products are designed to deliver superior thermal and acoustic insulation without sacrificing the visual appeal required for historical settings.

Figure 54: Samples of Nusco's windows



Source: Company data

Shutters: security and style in iron and aluminium

Nusco offers a diverse range of shutters that balance security, style, and durability, categorized mainly into the Iron series and the Aluminium series.

The Iron series is crafted from high-quality steel and features class 3 anti-burglary certification, providing exceptional security without sacrificing aesthetics. With options for fixed and adjustable slats and a wide array of finishes—including matte, textured, gothic, and wood-effect sublimations—these shutters enhance urban architecture while ensuring robust resistance against the elements.

Conversely, the Aluminium series embodies modern design, characterized by clean lines and a refined look. These lightweight yet durable shutters offer strength and reliability, making them a secure choice for homeowners. Their versatility allows them to adapt to various living contexts, maintaining both functionality and visual appeal with minimal maintenance required.

Overall, Nusco's shutters cater to a range of preferences and needs, ensuring that security and elegance go hand in hand.

Figure 55: Samples of Nusco's shutters



Iron



Aluminium

Source: Company data



Nusco SpA ID Card

Recommendation

BUY

Target Price

1.80 €

Upside

142%

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Company Overview

Nusco S.p.A., based in Nola (NA), is a leading Italian company with over 60 years of experience in producing and marketing interior doors and window frames in wood, PVC, aluminium and iron under the "NUSCO" brand. As the parent company of the Nusco Group, which includes the Romanian subsidiary Pinum Doors & Windows S.r.l., Nusco is a market leader in central and southern Italy. The Company operates through two Business Units: the Doors BU, responsible for producing and marketing doors, including armored options, and the Fixtures BU, focused on windows, shutters and iron grilles. Nusco serves a diverse clientele, including construction companies, franchisees, authorized multi-brand resellers and private customers.

The Company is listed on the Euronext Growth Milan segment of the Italian Stock Exchange and Virtutis Solaris S.r.l., a company related to the Nusco family, holds a 58.3% stake in the shares. Free Float stands at 20.2%.

SWOT Analysis

Strenghts

- Strong market position in Central and Southern Italy
- Geographical diversification with established international production presence through Pinum
- A broad product portfolio (doors, windows, security)
- Proven operational efficiency and cost control across various stages of the business cycle
- Lean and flexible financial structure with low debt

Weaknesses

- Strong dependence on the Italian market (58% of revenue)
- Exposure to raw material cost volatility
- EBITDA margin of the Doors BU still below peer average
- Negative impacts from the cessation of tax incentives
- Limited industrial scale compared to large global players

Opportunities

- Green transition and the EU "Case Green" Directive
- Potential growth in the contract and non-residential segment
- Strengthening of the franchising network in Italy and abroad
- International expansion through Pinum and new showrooms
- Product innovation and development of smart and sustainable technologies
- M&A or strategic partnerships

Threats

- End of tax incentives and resulting contraction of domestic demand
- Growing competition from low-cost producers in Eastern Europe
- Economic weakness in key European markets
- Exchange rate risk on international operations

Main catalysts

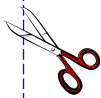


- New public incentives from the EU "Case Green" Directive
- M&A opportunities to enhance vertical integration or pursue international expansion in high-growth markets

Main risks



- Rising price competition from rival companies
- Highly cyclical sector



Nusco SpA ID Card

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Recommendation

BUY

Target Price

1.80 €

Upside

142%

Main financial data				
(€/mln)	FY24	FY25E	FY26E	FY27E
Revenue	56.7	51.3	52.2	54.0
yoy	40.2%	-9.6%	1.8%	3.4%
Value of Production	56.6	51.6	52.3	54.1
yoy	39.5%	-8.7%	1.4%	3.4%
Adj. EBITDA	7.2	6.9	7.0	7.4
Adj. EBITDA margin	12.8%	13.4%	13.4%	13.7%
EBIT	4.3	3.4	4.1	4.3
EBIT margin	7.7%	6.7%	7.9%	7.9%
EBT	3.5	2.5	3.4	3.8
Pretax margin	6.1%	4.8%	6.4%	7.0%
Net Income	2.2	1.1	2.1	2.3
Net Profit margin	3.9%	2.1%	4.0%	4.3%
Adj. Net Debt (Cash)	9.0	9.1	8.9	5.7
Shareholders' equity	25.6	27.0	29.0	31.4
Net Operating Working Capital	16.5	14.5	14.9	15.3
CapEx	0.9	(1.4)	2.8	2.0
Free Cash Flow	2.6	6.9	1.2	2.3

Activity ratios				
	FY24	FY25E	FY26E	FY27E
Days of inventory On Hand (DOH)	80	87	87	87
Days of Sales Outstanding (DSO)	119	100	99	99
Days Payable Outstanding (DPO)	87	84	84	84
Fixed Assets Turnover (FAT)	3.3	3.1	3.3	3.3

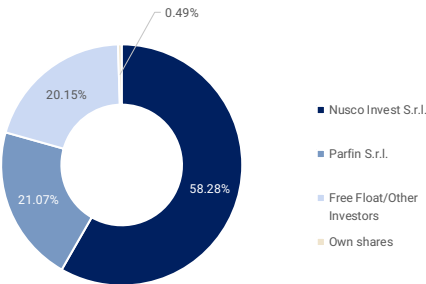
Liquidity ratios				
	FY24	FY25E	FY26E	FY27E
Current ratio	1.8	2.4	2.3	2.3
Cash conversion cycle	111	103	102	102

Solvency ratios				
	FY24	FY25E	FY26E	FY27E
Net Debt (Cash)-to-Equity	0.3x	0.3x	0.2x	0.2x
Net Debt (Cash)-to-EBITDA	1.3x	1.3x	0.8x	0.8x
Interest Coverage ratio	3.6x	5.5x	9.5x	9.5x

Profitability ratios				
	FY24	FY25E	FY26E	FY27E
Return On Invested Capital (ROIC)	4.2%	6.7%	7.1%	7.1%
Return On Capital Employed (ROCE)	4.2%	5.5%	5.7%	6.6%

Company Description	
Company Sector	Building Products
Price (as of April 23, 2025)	€ 0.75
Number of shares (mln)	19.9
Market Cap (mln)	€ 14.9
Reference Index	FTSE Italia Growth Index
Main Shareholders	Nusco Invest S.r.l.
Daily Average Volumes	19,902
Sample of comparables	Inwido AB (SE), Deceuninck NV (BE), JELD-WEN Inc (US), Eurocell Plc (UK), Epwin Group Plc (UK) and Sciuker Frames (IT)

Shareholder Structure



Data of peers				
Median	FY24	FY25E	FY26E	FY27E
Sales growth (yoy)	-3.2%	3.9%	5.3%	4.1%
EBITDA margin	13.9%	13.9%	14.2%	14.2%

Multiples of peers			
Median	FY25E	FY26E	FY27E
EV/EBITDA	3.5x	3.3x	2.9x

Source: Bloomberg, Facset, Banca Profilo estimates and elaborations

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