



Analysar

12 November 2020

Accumulate

Recommendation unchanged

Share price: EUR 4.20

closing price as of 11/11/2020

Target price: EUR 6.00

Target Price unchanged

Upside/Downside Potential 42.9%

Reuters/Bloomberg CELL.MI/CELL IM

Market capitalisation (EURm) 91

Current N° of shares (m) 22

Free float 79%

Daily avg. no. trad. sh. 12 mth (k) 32

Daily avg. trad. vol. 12 mth (k) 221.88

Price high/low 12 months 7.10 / 3.96

Abs Perfs 1/3/12 mths (%) -8.89/-18.60/-38.42

Key financials (EUR) 12/19 12/20e 12/21e

Sales (m) 140 118 139

EBITDA (m) 33 21 30

EBITDA margin 23.5% 18.0% 21.4%

EBIT (m) 20 8 19

EBIT margin 14.5% 6.6% 13.6%

Net Profit (adj.)(m) 23 11 18

ROCE 7.5% 2.3% 5.6%

Net debt/(cash) (m) 25 43 33

Net Debt/Equity 0.1 0.2 0.2

Debt/EBITDA 0.7 2.0 1.1

Int. cover(EBITDA/Fin. int) 21.3 14.2 19.8

EV/Sales 1.2 1.1 0.9

EV/EBITDA 5.2 6.0 4.0

EV/EBITDA (adj.) 5.2 6.0 4.0

EV/EBIT 8.3 16.5 6.3

P/E (adj.) 6.0 7.7 4.7

P/BV 0.7 0.5 0.4

OpFCF yield 11.0% 13.3% 18.3%

Dividend yield 7.9% 7.9% 7.9%

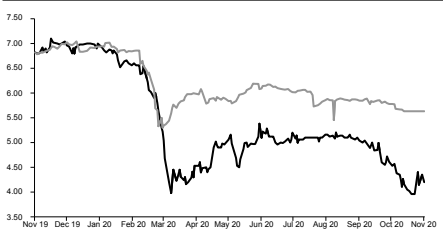
EPS (adj.) 1.16 0.55 0.90

BVPS 9.34 9.28 9.59

DPS 0.33 0.33 0.33

Shareholders

S.L.M.K. Funds 9%; Christian Aleotti 7%; Treasury 6%;



Source: FactSet

— CELLULARLINE — FTSE AIM Italia (Rebased)

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Q3/9M20 in line. October deterioration included in latest forecasts

The facts: Company reported Q3/9M figures yesterday.

EURm	Q319a	Q320a	% Ch.	Q320e	% Ch.	9M19a	9M20a	% Ch.	9M20e	% Ch.
Acq.	2.8	0.4	1%	0.0	0%	6.3	3.1	3%	2.7	3%
Org.	0.6	-4.2	-11%	-4.6	-12%	3.7	-25.6	-27%	-26.0	-28%
Sales	37.9	34.1	-10%	33.3	-12%	93.2	70.7	-24%	69.9	-25%
EBITDA adj	9.8	6.6	-33%	6.8	-31%	19.0	7.8	-59%	8.0	-58%
% Sales	25.8%	19.3%		20.3%		20.4%	11.0%		11.4%	
D&A	-2.4	-2.8	17%	-2.6	7%	-6.8	-7.7	13%	-7.5	10%
Prov./Non-Rec.	-0.7	-0.4	-43%	-0.6	-8%	-2.2	-2.8	26%	-3.0	36%
EBIT	6.8	3.4	-50%	3.6	-47%	10.0	-2.7	-127%	-2.5	-125%
% Sales	17.8%	10.0%		10.8%		10.7%	-3.8%		-3.6%	
Fin. Charges	0.3	-0.5		-0.4	nm	-0.5	0.1		0.2	nm
Pretax	7.0	2.9	-59%	3.2	-55%	9.4	-2.6	-127%	-2.3	-124%
Taxes	-0.4	-0.9		-1.2		-0.2	0.7		0.4	
Tax Rate	6%	29%		38%		2%	27%		15%	
Net Profit	6.6	2.1	-69%	2.0	-70%	9.2	-1.9	-120%	-2.0	-121%
NFP	39.0	56.6		57.0		39.0	56.6		57.0	

Source: Company Data, Banca Akros forecasts

Our analysis: Results are in line with expectations with the fall in sales derived by the lower traffic in retail shops. These was definitely the case in Italy which despite accounting for about 50% of total sales accounted for app. three quarter of the sales decline while foreign sales accounted for the difference. Main reason being, on average, the stricter lockdown of the past in Italy which resulted in retail clients adopting lower stocks and lower traffic in general in retail shops. The net financial position includes EUR 24m for the acquisition of the Swiss Worldconnect/Skross. The company already informed that October performance in the light of the current generalized lockdowns across Europe is deteriorating. We believe, we have incorporated this trend in our latest forecasts revision in which we assume a -20% organic decline. More after tomorrow's cc. at 12 CET.

Conclusion & Action: Accumulate rating and PT of EUR 6 confirmed.