

Italy - Food

Strong performance of the Distribution and solid operating CF

15th March 2024

FY-23 RESULTS RELEASE

RIC: ORSO.MI
BBG: ORS IM

Orsero reported an excellent set of FY-23 results, perfectly within the guidance announced and bang in line with our forecasts. As already declared by the company, in 2024 the projections show single-digit growth with profitability still at high levels concerning the Distribution BU, while the Shipping activity is expected to continue its progressive normalisation, maintaining a good level of revenues and profitability.

Rating:

Buy

Price Target:

€ 24.00 (€ 25.00)

Upside/(Downside): 62.4%

Last Price: € 14.78

Market Cap.: € 262.9m

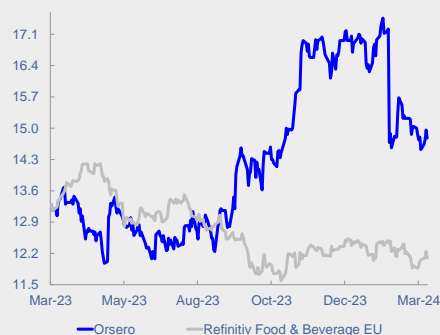
1Y High/Low: € 17.56 / € 11.80

Avg. Daily Turn. (3M, 6M): € 688k, € 755k

Free Float: 55.7%

Major shareholders:

FIF Holding 33.4%
Grupo Fernández 6.7%



Stock price performance

	1M	3M	12M
Absolute	-3.7%	-9.1%	3.5%
Rel.to FTSE IT STAR	-3.4%	-9.0%	6.6%
Rel.to EU Sector	-2.0%	-6.9%	8.3%

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Estimates fine-tuned: new DCF-based PT of € 24.00/s (€ 25.00). Still a Buy

FY-23 was characterised by a strong performance of the Distribution BU sustained by the group's strategic decision to focus on high-added value products coupled with a favourable market context for bananas. The Shipping activity experienced a progressive normalisation following two years of freight rates at very high levels. Following the FY-23 results release and the announcement of the FY-24 guidance, we have fine-tuned our model, basically positioning our estimates closer to the upper end of the guidance. The result is an average increase of 2.1% in revenues and a decrease of 3.9% and 12.2% in adj. EBITDA and adj. Net Profit, respectively, in 2024-25. Furthermore, we introduced 2026 projections. We updated the DCF valuation criteria, bringing the Free Risk Rate up to date and postponing the first valuation year to 2024. The combined result is a new PT of € 24.00/s (€ 25.00), 62.4% upside. Buy confirmed.

Net revenues exceeded € 1.5bn. The Distribution BU grew by 8.5% organically

Net Revenues were € 1,540.8m, up by 28.8% YoY, bang in line with our forecast and the upper end of the company's guidance. The excellent performance was driven by the consolidation of Blampin and Capexo as well as a strong organic growth (+6.3%). The Distribution BU soared by 33.1% to € 1,453.0m, thanks to the companies acquired coupled with an organic growth of 8.5% driven by a higher-added value product portfolio, a favourable market context for bananas, and higher volumes on selected items, such as kiwi, exotic fruits and citrus. The Shipping BU totalled € 132.7m, down by 6.8% YoY as a consequence of a declining "dry cargo" market both in terms of volumes and freight rates on a spot basis, coupled with a slightly lower loading factor of the reefer volumes due to lower production in the countries of origin.

Adj. EBITDA margin of the Distribution above 5%, best in class for the sector

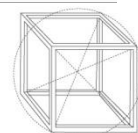
Adj. EBITDA soared by 40.8% to € 107.1m, margin of 7.0% (+59bps YoY), slightly lower than our forecast but perfectly within the company's guidance (€ 105-110m). On a like-for-like basis, EBITDA grew by 13.5% YoY (up by € 10.3m). In terms of business unit: the Distribution's adj. EBITDA was € 73.7m, 5.1% margin (€ 35.0m, 3.2% margin in FY-22), as a result of 1) the consolidation of the companies acquired; 2) a more lucrative product mix; and 3) the favourable market context concerning bananas. The Shipping's adj. EBITDA declined to € 41.6m from the outstanding result of € 48.3m achieved in 2022, on the back of a progressive normalisation of the shipping activity worldwide, both for dry cargo and reefer activity. Adj. EBIT was € 72.8m, up by 59.3% YoY (€ 45.7m in FY-22), while adj. Net Profit reached € 54.0m, compared with € 36.9m in FY-22, closer to the upper end of the company's guidance (€ 55.0m).

NFP increased because of M&As. Significant CF from operating activities

NFP rose to € 127.8m from € 67.4m at year-end 2022, after excellent CF generation of about € 82.0m, absorbed by: 1) € 94.3m for the acquisition of Blampin and Capexo; 2) € 13.2m of capex; 3) € 4.0m of buyback and € 6.0m of dividend payments (€ 0.35/s); 4) € 5.7m of increase in NWC. Orsero will propose to the next AGM a € 0.60/s dividend (yield 4.1%), significantly higher than the last year's (€ 0.35/s), and also greater than our projection (€ 0.40/s).

Orsero, key financials and ratios

€ m	2022	2023	2024e	2025e	2026e
Net Revenues	1,196.3	1,540.8	1,580.4	1,597.2	1,614.4
Adjusted EBITDA	76.1	107.1	83.1	82.0	81.9
Adjusted EBIT	45.7	72.8	47.9	46.1	45.8
Net Profit	32.3	47.3	28.9	28.2	27.9
Adjusted Net Profit	36.9	54.1	31.6	30.9	30.6
Y/E net debt (net cash)	67.4	127.8	109.2	99.2	85.0
EPS adjusted FD	2.09	3.06	1.79	1.75	1.73
EPS adj. FD growth	93.2%	46.7%	-41.6%	-2.3%	-0.9%
DPS ord. €/s	0.35	0.60	0.60	0.60	0.60
Dividend yield	2.4%	4.1%	4.1%	4.1%	4.1%
Free Cash Flow Yield	9.1%	4.6%	16.3%	13.0%	14.6%
PER x	6.5	4.6	8.3	8.5	8.6
EV/Sales x	0.26	0.24	0.24	0.23	0.22
EV/EBITDA x	4.0	3.5	4.5	4.4	4.2
EV/EBIT x	6.7	5.2	7.8	7.9	7.6



The company at a glance

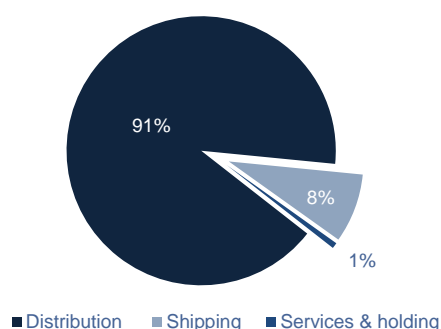
Orsero is an international group headquartered in Milan, operating in the fresh fruit and vegetable import and distribution business in the Mediterranean area of Europe. The group was founded some 80 years ago by the Orsero family. The current business structure includes the distribution of fresh F&Vs as well as the import, production and export of fruit together with chilled maritime transportation. Orsero boasts a significant presence in southern Europe, namely in Italy, France, Spain, Portugal, and Greece, and production facilities in Costa Rica, Colombia and Mexico.

During 2012, the group launched the "Flli Orsero" brand for bananas and pineapples, which expresses a large Italian family company's sense of tradition and passion for top-quality fruit and vegetables.

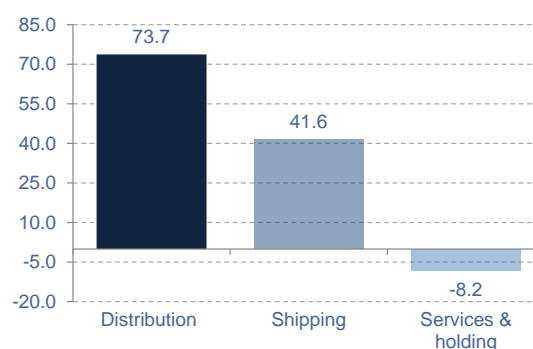
2023 Orsero highlights: revenues of € 1.541m, adj. EBITDA of € 107.1m (7.0% margin), adjusted net profit equal to € 54.1m and net financial position of € 127.8m (1.2x adj. EBITDA).

Orsero was listed on Euronext Growth Milan on 13-Feb-17 as a result of the merger between Glenalta Food and Orsero. The merger was the final step in the business combination between Glenalta Food and GF Group, as regulated by the agreement signed and announced on 28-Oct-16. Orsero has been trading on the Euronext STAR Milan segment since 23-Dec-19.

2023 Gross Turnover...



...and EBITDA by business



Shareholder structure

	%	# m
FIF Holding	33.4%	5.90
Grupo Fernandez	6.7%	1.18
Treasury Shares	4.3%	0.75
Free Float	55.7%	9.85
o/w Praude Asset Management	9.7%	1.71
Global Portfolio Investments	5.5%	0.97
First Capital	5.6%	1.00
Total	100.0%	17.68

Source: company data

Peer group absolute performance

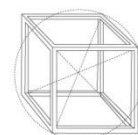
%	1D	1W	1M	3M	6M	YTD
Calavo Growers Inc	(0.9)	(0.7)	1.5	5.4	1.7	(0.6)
Dole PLC	(1.9)	(0.9)	4.8	(2.5)	(2.0)	(5.6)
Fresh Del Monte Produce Inc	(1.8)	(0.9)	0.4	(3.5)	(4.8)	(7.6)
Greenyard NV	(0.6)	(0.4)	(1.5)	(13.5)	(16.1)	(12.8)
Mission Produce Inc	(1.5)	7.7	10.7	27.2	26.0	17.1
Omer Decugis & Cie SA	0.2	1.6	(2.7)	6.3	(8.5)	6.5
Peers Median	(1.2)	(0.6)	1.0	1.4	(3.4)	(3.1)
Orsero SpA	(1.2)	(0.1)	(3.7)	(9.1)	5.9	(12.9)
FTSE Italia STAR	(0.9)	(0.1)	(0.2)	(0.1)	5.8	(3.1)
EU Sector	(1.2)	0.6	(1.6)	(2.2)	(3.2)	(3.4)
Orsero SpA to peers	0.0	0.4	(4.6)	(10.5)	9.3	(9.7)
Orsero SpA to FTSE Italia STAR	(0.3)	0.0	(3.4)	(9.0)	0.0	(9.8)
Orsero SpA to EU Sector	(0.0)	(0.8)	(2.0)	(6.9)	9.1	(9.4)

Source: Refinitiv Eikon

Peer group multiples table

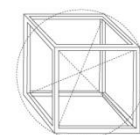
Price & EV multiples x	PER FY1	PER FY2	PER FY3	PCF FY1	PCF FY2	PCF FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Calavo Growers Inc	25.8	18.7	n.a.	15.9	12.3	n.a.	n.a.	n.a.	n.a.
Dole PLC	10.1	8.6	7.3	4.5	4.1	3.6	5.0	4.4	5.0
Fresh Del Monte Produce Inc	10.2	9.1	n.a.	6.0	5.5	n.a.	n.a.	n.a.	n.a.
Greenyard NV	11.5	7.6	5.9	2.1	1.9	1.8	3.7	3.3	3.0
Mission Produce Inc	37.0	33.1	n.a.	12.2	12.5	n.a.	n.a.	n.a.	n.a.
Omer Decugis & Cie SA	8.8	5.0	n.a.	6.0	3.9	n.a.	5.6	3.1	n.a.
Median	10.9	8.9	6.6	6.0	4.8	2.7	5.0	3.3	4.0
Orsero SpA	8.3	8.5	8.6	3.9	3.9	3.9	4.5	4.4	4.2
% (Disc.)/Prem. to peer	(23.5)	(4.2)	30.7	(34.3)	(18.5)	46.5	(10.5)	32.2	6.4

Sources: CFO SIM, Refinitiv Eikon





Income statement (€ m)	2022	2023	2024e	2025e	2026e
Net Revenues	1,196.3	1,540.8	1,580.4	1,597.2	1,614.4
COGS	(1,077.4)	(1,369.3)	(1,426.4)	(1,443.8)	(1,460.2)
Gross Profit	118.8	171.5	154.0	153.4	154.2
SG&A	(78.9)	(106.5)	(109.3)	(110.4)	(111.6)
EBIT	39.9	64.9	44.7	42.9	42.6
Financials	(5.9)	(10.4)	(10.3)	(9.1)	(9.1)
Results from investments	2.0	1.6	1.6	1.6	1.7
Pre-Tax Profit	36.1	56.1	36.1	35.4	35.1
Taxes	(3.7)	(8.0)	(6.3)	(6.4)	(6.3)
Discontinued	0.0	0.0	0.0	0.0	0.0
Minorities	(0.2)	(0.9)	(0.9)	(0.9)	(0.9)
Net Profit	32.3	47.3	28.9	28.2	27.9
D&A and Provisions	(30.4)	(34.3)	(35.2)	(35.9)	(36.1)
Non-recurring items	(5.8)	(7.9)	(3.2)	(3.2)	(3.2)
Adjusted EBITDA	76.1	107.1	83.1	82.0	81.9
Adjusted EBIT	45.7	72.8	47.9	46.1	45.8
Adjusted Net Profit	36.9	54.1	31.6	30.9	30.6
Balance sheet (€ m)	2022	2023	2024e	2025e	2026e
Net Working Capital	31.7	37.4	26.6	27.0	27.2
Net Fixed Assets	222.2	322.7	325.9	326.6	323.0
Equity Investments	19.4	20.6	21.0	21.4	21.8
Other M/L Term A/L	(4.4)	(14.3)	(6.2)	1.2	8.6
Net Invested Capital	268.9	366.3	367.3	376.2	380.7
Net Financial Debt/(cash)	67.4	127.8	109.2	99.2	85.0
Minorities	0.4	1.7	2.6	3.5	4.4
Group's Shareholders Equity	201.1	236.8	255.5	273.6	291.3
Financial Liabilities & Equity	268.9	366.3	367.3	376.2	380.7
Cash Flow statement (€ m)	2022	2023	2024e	2025e	2026e
Total net income	32.5	48.1	29.8	29.1	28.8
Depreciation	28.1	31.5	32.3	32.9	33.1
Other non-cash charges	(4.2)	1.3	(8.1)	(7.4)	(7.4)
Cash Flow from Oper. (CFO)	56.4	80.9	54.0	54.6	54.5
Change in NWC	(1.5)	(5.7)	10.8	(0.5)	(0.2)
FCF from Operations (FCFO)	54.9	75.2	64.8	54.2	54.3
Net Investments (CFI)	(31.1)	(63.1)	(22.0)	(20.0)	(16.0)
Free CF to the Firm (FCFF)	23.8	12.1	42.8	34.2	38.3
CF from financials (CFF)	(10.1)	9.2	(13.2)	(24.2)	(24.2)
Free Cash Flow to Equity (FCFE)	13.8	21.2	29.5	10.0	14.2
Financial ratios	2022	2023	2024e	2025e	2026e
Adjusted EBITDA margin	6.4%	7.0%	5.3%	5.1%	5.1%
EBIT margin	3.3%	4.2%	2.8%	2.7%	2.6%
Net profit margin	2.7%	3.1%	1.8%	1.8%	1.7%
Tax rate	10.2%	14.2%	17.5%	18.0%	18.0%
Op NWC/Sales	2.6%	2.4%	1.7%	1.7%	1.7%
Interest coverage x	0.15	0.16	0.23	0.21	0.21
Net Debt/EBITDA adj. x	0.89	1.19	1.31	1.21	1.04
Debt-to-Equity x	0.34	0.54	0.43	0.36	0.29
ROIC	12.0%	12.9%	7.9%	7.5%	7.3%
ROCE	12.8%	15.3%	9.5%	8.8%	8.4%
ROACE	13.2%	17.5%	9.8%	9.0%	8.6%
ROE	16.0%	20.0%	11.3%	10.3%	9.6%
Payout ratio	18.8%	21.5%	35.2%	36.0%	36.4%
Per share figures	2022	2023	2024e	2025e	2026e
Number of shares # m	17.68	17.68	17.68	17.68	17.68
Number of shares Fully Diluted # m	17.68	17.68	17.68	17.68	17.68
Average Number of shares Fully Diluted # m	17.68	17.68	17.68	17.68	17.68
EPS stated FD €	1.82	2.67	1.63	1.59	1.58
EPS adjusted FD €	2.09	3.06	1.79	1.75	1.73
EBITDA €	4.30	6.06	4.70	4.64	4.63
EBIT €	2.26	3.67	2.53	2.43	2.41
FCFO €	3.11	4.25	3.66	3.06	3.07
FCFF €	1.35	0.68	2.42	1.93	2.17
FCFE €	0.78	1.20	1.67	0.57	0.80
Dividend €	0.35	0.60	0.60	0.60	0.60

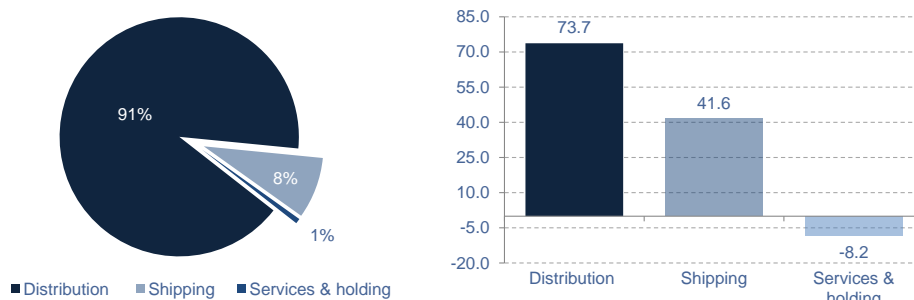


Orsero in a nutshell

Orsero is an international group headquartered in Milan, **operating in the fresh fruit and vegetable import and distribution business** in the Mediterranean area of Europe. The group was founded some 80 years ago by the Orsero family. The current business structure includes the distribution of fresh F&Vs as well as the import, production and export of fruit together with chilled maritime transportation. Orsero boasts a significant presence in southern Europe, namely in Italy, France, Spain, Portugal, and Greece, and production facilities in Costa Rica, Colombia and Mexico.

Every year, Orsero sells more than 800,000 tons of F&Vs by selecting only the best, at the right time, in every corner of the planet, through a network of more than 3,000 around the world. In 2012, the group launched the "F.lli Orsero" brand for bananas and pineapples, which expresses the sense of tradition and the passion of a large Italian family company for fruit and vegetables of the highest quality.

Chart 1 – Orsero, 2023 gross revenues and adjusted EBITDA breakdown by division



Source: company data

Chart 2 – Orsero, the group's structure



Shipping

COSIARMA
Italy

ORSERO CR
Costa Rica



Distribution

FRUTTITAL
Italy

GALANDI
Italy

AGRICOLA AZZURRA *
Italy 50%

I FRUTTI DI GIL
Italy 51%

SIMBA
Italy

SIMBACOL
Colombia

BELLA FRUTTA
Greece

EUROFRUTAS
Portugal

COMM. DE FRUTA
ACAPULCO
Mexico



Holding & Services

ORSERO SPA
Italy

FRESCO
SHIP'S AGENCY & FOWARDING
Italy

ORSERO
SERVIZI
Italy

FRUPOINT *
Spain 49%

AZ FRANCE
France

BLAMPIN **
France

CAPEXO
France

FRUTTICA
France

H.NOS
FERNANDEZ LOPEZ
Spain

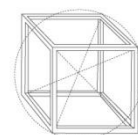
BONAORO *
Spain 50%

CITRUMED***
Tunisia 50%

MOÑO AZUL *
Argentina 19,2%

Line by line consolidation
as from Jan.1, 2023

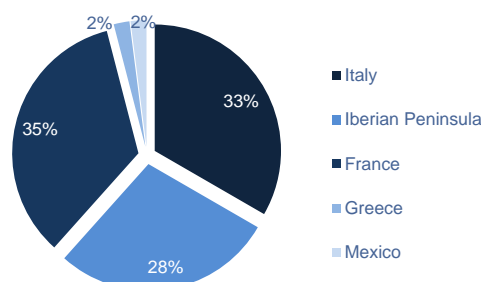
Source: company data



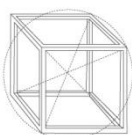
Main milestones from 1940 to date

1940s	Beginning of the fruit distribution business in Italy
1970s	Start of a partnership with Del Monte, in order to develop import and distribution of exotic and counter-seasonal fruits
1980s	Purchase of plantations in Costa Rica and investments in the banana ripening and distribution business in France
1990s	Beginning of the shipping business with the construction of "Cala Bianche", the first reefer fleet. Major investments in the Italian, Portuguese and Greek distribution arenas.
2000-2006	Acquisition of stakes in certain retail sector businesses in order to expand activities in the Spanish and Italian markets.
2007-2013	Diversification into adjacent businesses. Introduction of the "Fratelli Orsero" brand and termination of the commercial partnership with Del Monte. The crisis.
2014-2015	Start of a divestment policy to refocus on the group's core business. In 2015, management reinforcement and organisational review.
2016-2017	Acquisition by Glenalta Food and listing on AIM Italia
2017-2018	Full integration of JVs in Spain and Italy: Hermanos Fernández López, Fruttital Firenze and Galandi.
2018-2019	Acquisition of Sevimpor (Spain), Fruttica (France) and Fruttital Cagliari (Italy), to enlarge the group distribution activity. Strengthening of fresh-cut activity: opening of three new cutting centres in Molfetta (Bari), Verona and Cagliari and widening of the one in Florence.
2019	As of Dec-19 Orsero moved to the STAR segment of Borsa Italiana dedicated to high requirement firms.
2020	Acquisition of the remaining 50% minority stake of Moncada Frutta
2021	Acquisition of 50% of Agricola Azzurra, a local leading distributor of native niche fruit and vegetable
2022	Acquisition of 80% of Blampin (France), a specialised wholesaler, and 100% of Capexo (France), an importer and distributor of exotic fruit and vegetables. Publishing of the first Sustainability Strategy of the group.

Chart 3 – Orsero, FY-23 Distribution division's sales by country



Source: company data

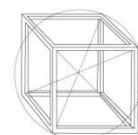


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Table 1 – Orsero, shareholder structure

Shareholders	#m shares	%
FIF Holding	5.90	33.4%
Grupo Fernandez	1.18	6.7%
Treasury Shares	0.75	4.3%
Free Float	9.85	55.7%
o/w Praude Asset Management	1.71	9.7%
Global Portfolio Investments	0.97	5.5%
First Capital	1.00	5.6%
Total	17.68	100.0%

Source: company data



Business activities: 1) Distribution

The group distributes every day **more than 300 product families (a few thousand items)**, mainly bananas, pineapples, kiwis and citrus fruits, in the five most important markets in Southern Europe via eight local distributors: Italy, France, Spain, Portugal and Greece.

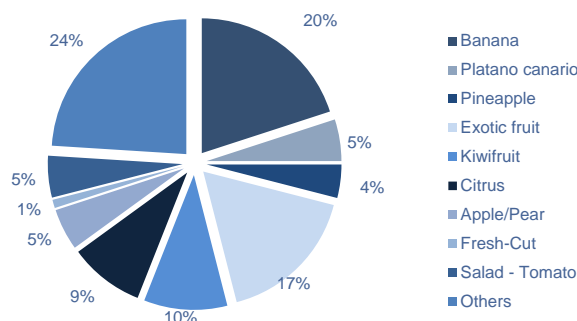
Table 2 – Orsero, the Distribution division

€ m	2023	2022	% YoY
Revenues	1,453.0	1,091.7	33.1
COGS	(1,379.3)	(1,056.7)	
Adjusted EBITDA	73.7	35.0	n.m.
% margin	5.1	3.2	

Source: company data

Orsero boasts a consolidated network of wholesalers and large-scale retail chains whereby it distributes more than 800,000 tons per year taking advantage of its platforms specialised in fresh product storage and handling. The group has 26 warehouses for storage, re-packing and handling of F&V, with a total storage capacity of over 35,000 pallets, 22 ripening centres in Europe, 37 stalls in the main European fruit and vegetable markets and 4 fresh-cut processing centres. In addition to its own brands, F.lli Orsero and Simba, Orsero is one of the largest distributors in Europe of key fruit and vegetable brands. The Distribution business has been the main and oldest activity of the group since 1940. This business unit is truly strategic for Orsero thanks to its size (91% of total sales in 2023) and stable return generation, at above 3% in terms of EBITDA on average over the last few years.

Chart 4 – Orsero, 2023 Distributions BU's revenues by product



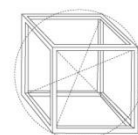
Source: company data

The division serves all market channels: in 2023, ca. 50% of revenues were generated through large retail chains and the remainder through wholesale and other minor channels. From a geographical viewpoint, in Italy large retail chains accounted for 57%, 50% in the Iberian Peninsula, 46% in France, and 57% in Greece.

Chart 5 – Orsero, 2023 distribution channel sales mix by country and main large clients



Source: company data



A few of the key drivers of food consumption are **organic, ready-to-eat and healthy fruits and vegetables**. In this context, out-of-home consumption and the demand for products with a service content are strategic, with significant growth potential. In 2014, Orsero launched its fresh-cut fruit project, further strengthening operations in 2019. Today, the four group's processing rooms are in Italy, inside or adjacent to the group's warehouses, and have a total of 4,000sqm dedicated to the production of sliced fruit. In 2023, the group's sales of fresh-cut products totalled approximately € 18m, some 1.2% of total Distribution division sales.

Business activities: 2) Shipping

The division is responsible for the transportation of bananas and pineapples from five different countries of Central America to Europe. The Distribution division buys the products from local producers who can supply a constant amount of fruit all year long, then bananas and pineapples begin a one-week trip to Europe on the **four fully-owned reefer vessels and one leased ship**. In the eastbound/front haul trip, vessels transport refrigerated loads of bananas and pineapples from Costa Rica and Colombia to Southern Europe. Some **50% of the available load volumes belong to the group's products**. In the westbound/back haul trip, dry cargo containers are transported from Spain and Italy and unloaded in the Dominican Republic and Costa Rica.

Table 3 – Orsero, the Shipping division

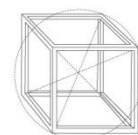
€ m	2023	2022	% YoY
Revenues	132.7	142.4	(6.8)
COGS	(91.1)	(94.1)	
Adjusted EBITDA	41.6	48.3	(13.9)
% margin	31.3	33.9	

Source: company data

The round trip faster than that of the group's competitors coupled with quick debarking maintaining products' quality and freshness, are key competitive advantages for Orsero. Furthermore, other major international importers entrust Orsero's vessels with the transportation of their products.

These features make **the fleet a strategic asset for the group**, which ensures the high profitability of the business unit. The ownership of the reefer vessels makes Orsero a cost and service leader and enables it to 'control' its competitors to a certain extent.

In 2019, the group introduced a rented vessel in addition to the four owned ships, in order to **improve the fuel consumption of the fleet**. The fifth vessel allowed it to reduce the speed of all the ships, whilst maintaining a weekly arrival schedule in Southern European ports and increasing the loading factor. The fuel economy more than covered the cost for the rental of the additional vessel. Furthermore, Orsero reintroduced the **freight rate adjustments clauses on fluctuation of fuel costs (BAF clause)**.



All of the 4 owned vessels have 28-30 years useful life and are ultimately free of debt and generating an adequate amount of cash. Orsero decided to **extend the residual lifespan to 2029** (previously, the depreciation would have ended in 2024). At that point, Orsero will have a few options:

- 1) **entirely replace the fleet** on its own with new vessels, for a total consideration of approximately € 150m;
- 2) **share the building process of new ships** through JVs by talking and joining up with Del Monte, Chiquita or other players sharing investments and ship capacity;
- 3) **rent new vessels** from Hapag Lloyd or Merks, limiting its bargaining power to a certain extent since the market is likely to shift to a sort of monopoly as smaller players are being squeezed out and others are merging;

All these three options have something in common: the projected cash-in of the four ships' scrap value to the tune of € 11m.

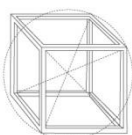
Business activities: 3) Services

This division includes activities related to the parent Orsero SpA as well as those related to customs services and the IT sector carried out by some minor companies. The sector at adjusted EBITDA level typically shows a negative figure given the nature of Orsero SpA's holding company, whilst the bottom line is linked to the dividend flows received by the group subsidiaries.

Table 4 – Orsero, the Services division

€ m	2023	2022	% YoY
Revenues	11.0	11.6	(5.1)
COGS	(19.2)	(18.8)	
Adjusted EBITDA	(8.2)	(7.3)	(13.1)
<i>% margin</i>	<i>(74.5)</i>	<i>(62.6)</i>	

Source: company data



SWOT Analysis

The SWOT analysis, also known as SWOT Matrix, is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. A SWOT analysis can be carried out for a product, a place, an industry or a person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieving that objective.

- **Strengths:** characteristics of the business or project that give it an advantage over others.
- **Weaknesses:** characteristics that place the business or project at a disadvantage relative to others.
- **Opportunities:** elements that the project could exploit to its advantage.
- **Threats:** elements in the environment that could cause trouble or be detrimental for the business or project.

The technique is credited to Albert Humphrey, who led a research project at Stanford University between the 60s/70s using Fortune 500 data.

S.W.O.T. ANALYSIS

STRENGTHS

- ❑ Well-established business model **vertically integrated** from production to distribution-logistic. **Strong trade brand**
- ❑ Substantial **cash flow generation** and **sound balance** sheet allow for external growth opportunities
- ❑ **Vessel ownership** is to a certain extent a competitive advantage with significant residual life

WEAKNESSES

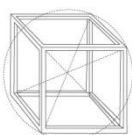
- ❑ Currently still **limited F.lli Orsero brand awareness** among end consumers
- ❑ **Exposure to USD/EUR**, in particular for the maritime transport segment
- ❑ **Market share expansion** may be more complicated than expected

OPPORTUNITIES

- ❑ **Penetration and aggregation prospects** in the domestic market
- ❑ 360-degree **developments of F.lli Orsero brand** in new adjacent segments (fresh-cut, dried fruits) with substantial growth/return profile
- ❑ Further expansion into **foreign markets**
- ❑ Increase in **fruit consumption frequency, times, occasions, places**

THREATS

- ❑ Expansion via external growth might erode **profitability** to a certain extent
- ❑ Maritime transportation is **highly related to freights** and ancillary business lines



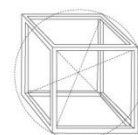
ESG Profile

Orsero pays **considerable attention to Environmental, Social and Governance factors**, and, since 2019, has been publishing the NFS (non-financial statements) in compliance with Legislative Decree no. 254/2016. The products are certified with internationally recognised standards and pass strict quality and safety controls before being marketed. Furthermore, Orsero boasts **two ESG ratings**, issued by Gaia Rating and Standard Ethics. Moreover, it has announced a **Strategic Sustainability Plan** comprising several goals about carbon footprint reduction as well as welfare programmes for the employee wellbeing.

Chart 6 – Orsero, ESG Profile

<p>E Environmental</p>	<ul style="list-style-type: none"> ❑ In 2022, compared to 2021, Orsero reduced its energy consumption index by another 3% (9% since 2018) ❑ Warehouses possess the IFS, BRC, ISO 22000 certifications ❑ 98% of the packaging purchased is made of renewables materials ❑ <u>A Strategic Sustainability Plan for the medium-long term:</u> <ul style="list-style-type: none"> ✓ 100% involvement of suppliers on ESG issues by 2025 ✓ 20% decrease in energy consumption in warehouses by 2028 ✓ 100% of storage and processing warehouses certified for food safety by 2025 (55% in 2022) ✓ packaging 100% recycled, recyclable, reusable or compostable by 2025 ❑ <u>ESG Rating of 58/100</u> (based on 2021 data) assigned by Gaia Rating ❑ <u>Rating E+</u> assigned by Standard Ethics (SE Food & Beverage Italian Sustainability Benchmark 2022, based on 2021 data)
<p>S Social</p>	<ul style="list-style-type: none"> ❑ Orsero provides information about the composition of workforce, of which more than 30% are women ❑ Whistleblowing Procedure rolled out in 2021 ❑ 62% of Orsero suppliers are Global Gap certified, 12% of which are also GRASP (Global Risk Assessment on Social Practices) certified ❑ Warehouses certified ISO 9001 and FAIRTRADE ❑ <u>The Welfare Programme</u> provides employees with a benefit package such as supplementary pension and health insurance funds, promotions, repayment of interest expense on mortgages ❑ Orsero adheres to the UN's Global Compact, an international network aimed at promoting the achievement of the SDGs
<p>G Governance</p>	<ul style="list-style-type: none"> ❑ Publication of the NFS in compliance with Legislative Decree no. 254/2016 ❑ Organisational Model pursuant to Legislative Decree no. 231/2001 ❑ Orsero adopts a specific anticorruption policy ❑ Code of Ethics ❑ List voting: 2.5% ❑ 9 Members in the BoD, 5 Independent Directors, 3 women ❑ Minority shareholders have the opportunity to appoint 2 members of the BoD

Source: CFO SIM analysis on company data



FY-23 results

Orsero reported an excellent set of FY-23 results, perfectly within the guidance provided to the market and bang in line with our forecasts. FY-23 was characterised by a strong performance of the Distribution BU sustained by the group's strategic decision to focus on high added-value products coupled with a favourable market context with respect to bananas. The Shipping activity experienced a progressive normalisation following two years of freight rates at very high levels.

Orsero will propose to the next AGM a € 0.60/s dividend (yield 4.1%), significantly higher than the last year (€ 0.35/s), and also greater than our projection (€ 0.40/s). Furthermore, the group confirmed the FY-24 guidance recently announced to the market.

Table 5 – Orsero, FY-23 results summary

€ m	2023	2022	% YoY	2023e	% Diff.
Revenues	1,540.8	1,196.3	28.8	1,544.0	(0.2)
COGS	(1,369.3)	(1,077.4)		(1,373.6)	
Gross Profit	171.5	118.8	44.3	170.4	0.6
% margin	11.1	9.9		11.0	
SG&A	(100.3)	(75.8)		(96.9)	
Other	(6.3)	(3.1)		(2.5)	
EBIT	64.9	39.9	62.6	71.0	(8.6)
% margin	4.2	3.3		4.6	
Financials	(10.4)	(5.9)		(11.1)	
Results from investments	1.6	2.0		2.3	
Pre-Tax Profit	56.1	36.1	55.3	62.3	(9.9)
% margin	3.6	3.0		4.0	
Taxes	(8.0)	(3.7)		(9.3)	
Tax Rate	14.2%	10.2%		15.0%	
Discontinued	0.0	0.0		0.0	
Minorities	(0.9)	(0.2)		(0.3)	
Net Profit	47.3	32.3	46.5	52.7	(10.3)
% margin	3.1	2.7		3.4	
D&A	(31.5)	(28.1)		(32.0)	
Provisions	(2.8)	(2.2)		(2.9)	
Top Management incentives	(3.2)	(3.0)		(1.5)	
Non-recurring (expenses)/income	(4.7)	(2.7)		(2.6)	
Adj. EBITDA	107.1	76.1	40.8	110.0	(2.6)
% margin	7.0	6.4		7.1	
Adj. EBIT	72.8	45.7	59.3	75.1	(3.1)
% margin	4.7	3.8		4.9	
Adj. Net Profit	54.1	36.9	46.7	56.3	(3.8)
% margin	3.5	3.1		3.6	

Sources: company data, CFO SIM estimates

Net Revenues totalled € 1,540.8m, up by 28.8% YoY, bang in line with our forecast and the upper end of the company's guidance. In particular, the excellent performance was driven by the consolidation of the acquired companies Blampin and Capexo as well as a strong organic growth (+6.3%).

The Distribution BU soared by 33.1% to € 1,453.0m, thanks to the acquisition of Blampin and Capexo coupled with an **organic growth of 8.5%** driven by a higher-value added product portfolio, a favourable market context with regard to bananas, and higher volumes on selected items, such as kiwi, exotic fruits and citrus.

The Shipping BU totalled € 132.7m, down by 6.8% YoY as a consequence of a declining "dry cargo" market both in terms of volumes and average freight rates on a spot basis, coupled with a slightly lower loading factor of the reefer volumes due to lower production in the countries of origin. Furthermore, the weaker bunker prices negatively affected the reefer revenues (BAF clause).

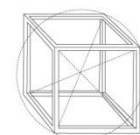


Table 6 – Orsero, FY-23 revenues breakdown

€ m	2023	2022	% YoY	2023e	% Diff.
Distribution	1,453.0	1,091.7	33.1	1,459.6	(0.5)
Shipping	132.7	142.4	(6.8)	126.2	5.2
Service/holding	11.0	11.6	(5.1)	11.6	(5.1)
Inter segment	(55.9)	(49.4)	(13.1)	(53.4)	4.7
Total revenues	1,540.8	1,196.3	28.8	1,544.0	(0.2)

Sources: company data, CFO SIM estimates

Adj. EBITDA soared by 40.8% to € 107.1m, margin of 7.0% (+59bps YoY), slightly lower than our forecast but perfectly within the company's guidance (€ 105-110m). **On a like-for-like basis, EBITDA grew by 13.5% YoY (up by € 10.3m)**. In terms of business units:

The Distribution BU's adjusted EBITDA was € 73.7m, 5.1% margin (€ 35.0m, 3.2% margin in FY-22), as a result of: 1) the consolidation of the companies acquired, which performed ca. 15% above expectations; 2) a more lucrative product mix (in particular, pineapples, kiwi fruits, apples, pears and melons); 3) the favourable market context with regard to bananas, with more balanced supply and demand resulting in higher prices; and 4) the increased operational efficiency coupled with reduction of energy costs (down by € 3.9m YoY).

The Shipping BU's adjusted EBITDA declined to € 41.6m from the outstanding result of € 48.3m achieved in 2022, on the back of a progressive normalisation of the shipping activity worldwide, both for dry cargo and reefer activity, partially offset by a still-strong Q1-23.

Table 7 – Orsero, FY-23 adjusted EBITDA breakdown

€ m	2023	2022	% YoY	2023e	% Diff.
Distribution	73.7	35.0	n.m.	80.4	(8.3)
Shipping	41.6	48.3	(13.9)	38.6	7.7
Services	(8.2)	(7.3)	(13.1)	(9.0)	(8.8)
Adj. EBITDA	107.1	76.1	40.8	110.0	(2.7)
% Distribution margin	5.1	3.2	186bps	5.5	-44bps
% Shipping margin	31.3	33.9	-256bps	30.6	74bps
% Services margin	(74.5)	(62.6)	n.m.	(77.6)	n.m.
% Adj. EBITDA	7.0	6.4	59bps	7.1	-17bps

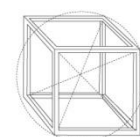
Sources: company data, CFO SIM estimates

Adjusted EBIT was € 72.8m, up by 59.3% YoY (€ 45.7m in FY-22), while adjusted Net Profit reached € 54.0m, compared with € 36.9m in FY-22. **Adjusted Net profit came in closer to the upper end of the company's guidance (€ 55.0m)**.

Table 8 – Orsero, FY-23 KPIs balance sheet

€ m	2023	2022	% YoY
Net Invested Capital	366.4	268.9	36.3
Shareholders' Equity	238.5	201.5	18.4
Net Financial Position	127.8	67.4	89.6
NFP/Shareholders' Equity	0.54	0.33	
NFP/Adjusted EBITDA	1.19	0.89	
Net Financial Position ex. IFRS16	67.0	25.8	n.m.
NFP/Shareholders' Equity excl. IFRS-16	0.28	0.13	
NFP/Adjusted EBITDA excl. IFRS-16	0.74	0.41	

Sources: company data



NFP rose to € 127.8m from € 67.4m at the year-end 2022, after an excellent cash-flow generation of about € 82.0m, absorbed by:

- ✓ **€ 94.3m for the acquisition of Blampin and Capexo**, € 70.7m of which as a cash outlay (including the first instalment of the Capexo earn-out) and € 23.6m as the net present value of the deferred considerations (including a revaluation of the Put&Call option on Blampin);
- ✓ **€ 13.2m of capex** related to the core business activities;
- ✓ **€ 5.7m of increase in NWC**;
- ✓ **€ 4.0m of buyback and € 6.0m of dividend payments** (€ 0.35/s).

FY-24 guidance

On 6-Feb, Orsero announced its FY-24 guidance, which envisages the **consolidation of the group's dimensions and the progressive normalisation of the profitability of the shipping activity** following more than two years of buoyant performance, in line with market trends.

Table 9 – Orsero, FY-24 guidance

€ m	FY-23	FY-24e Low	% YoY	FY-24e High	% YoY
Net Revenues	1,540.8	1,530.0	(0.7)	1,590.0	3.2
Adj. EBITDA	107.1	77.0	(28.1)	84.0	(21.6)
% margin	7.0	5.0	-192bps	5.3	-167bps
Adj. Net Profit	54.0	28.0	(48.1)	32.0	(40.7)
CAPEX	13.2	21.0	58.9	23.0	74.0
NFP debt/(cash)	127.8	110.0	(13.9)	105.0	(17.8)
NFP debt/(cash) excl. IFRS-16	67.1	52.0	(22.4)	47.0	(29.9)

Sources: company data

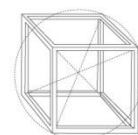
The FY-24 guidance includes:

- **Net Revenues of € 1,530-1,590m**, implying YoY growth of -0.7% and 3.2% vs FY-23;
- **adj. EBITDA of € 77-84m**, implying a YoY decline of 21.6% and 28.1% vs FY-23, thus reflecting the progressive normalisation to the pre-pandemic levels of the Shipping BU's profitability; **adj. EBITDA margin between 5.0-5.3%**;
- **adj. Net Profit of € 28-32m**;
- **capex of € 21-23m**, € 7.8m of which is for the expansion of the Verona site and € 4.0m for the periodic dry-docking of two vessels;
- **NFP of € 110-105m**, including € 10m dividends but not considering the execution of the buyback program.

The Distribution BU is expected to grow organically at single-digit with profitability at high levels (sustained by higher-added value products, namely avocado, mango, table grapes, and kiwis), although it will be impacted by lower expected margins for bananas, after the record levels reached in 2023.

The Shipping BU is anticipated to continue the progressive normalisation of the activity started in 2023, following two years of freight rates at very high levels. Nevertheless, **the BU is expected to maintain a good level of revenues and profitability**, despite the latter being affected by the reduction in freight rates due to the increased availability of shipping capacities in the market, in line with the pre-pandemic levels.

Furthermore, Orsero disclosed the **annual ESG targets** aligned with its multi-year Sustainability Plan: 1) energy consumption index per refrigerated cubic meter decreasing to 80.35 Kwh/m³; 2) % of market stands involved in activities fighting food waste increasing to 80% of the total; 3) % of employees engaged in sustainability training increasing to 80% of the total; 4) % of warehouses certified for food safety increasing to 86% of the total.



Estimates, valuation & risks

After brilliant 2023 results, FY-24 expectations confirm Orsero to be a **leading player in F&V distribution in southern Europe**, leveraging on an extremely wide product range, with a strong focus on the most lucrative products which sustain a best-in-class profitability level. In the last years, Orsero was able to create a group with a very diversified distribution activity, nowadays characterised by an extensive product range sourced from different parts of the world, a strong presence in the main European markets (Italy, France and Spain), and vertically integrated logistics with regard to bananas and pineapples.

Following the FY-23 results release and the announcement of the FY-24 guidance, we have fine-tuned our model, basically positioning our estimates closer to the upper end of the guidance released. In addition, we updated our forecasts concerning the dividend per share, now anticipated at € 0.60/s in the 2024-26 period (previously € 0.40/s). The result is **an average increase of 2.1% in revenues and a decrease of 3.9% and 12.2% in adjusted EBITDA and adjusted Net Profit, respectively, in 2024-25**. Furthermore, we introduced 2026 projections.

As with the company's guidance, our estimates do not include the potential cash-out resulting from the buy-back program (max. € 10m).

Table 10 – Orsero, 2024e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Net Revenues	1,580.4	1,547.8	2.1	32.6
Adjusted EBITDA	83.1	86.1	(3.5)	(3.0)
% margin	5.3	5.6		
Adjusted EBIT	47.9	49.6	(3.5)	(1.7)
% margin	3.0	3.2		
Adjusted Net Profit	31.6	36.5	(13.4)	(4.9)
% margin	2.0	2.4		
Y/E net debt (net cash)	109.2	108.9	0.3	0.3

Source: CFO SIM

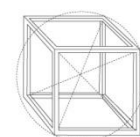
Table 11 – Orsero, 2025e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Net Revenues	1,597.2	1,564.3	2.1	32.9
Adjusted EBITDA	82.0	85.7	(4.3)	(3.7)
% margin	5.1	5.5		
Adjusted EBIT	46.1	46.8	(1.6)	(0.7)
% margin	2.9	3.0		
Adjusted Net Profit	30.9	34.7	(11.0)	(3.8)
% margin	1.9	2.2		
Y/E net debt (net cash)	99.2	89.0	11.5	10.2

Source: CFO SIM

Moreover, we updated the DCF valuation criteria, bringing the Free Risk Rate up to date and postponing the first valuation year to 2024. As a consequence of the estimate revision and the updated valuation criteria, the **new PT stands at € 24.00/s (€ 25.00), 62.4% upside. Buy recommendation reiterated.**

Additionally, the strong cash flow generation coupled with the excellent financial discipline and a sound balance sheet allows Orsero to focus both on scouting M&A opportunities, in order to further enrich its offer, as well as on shareholders' remuneration actions. We remind that the BoD will propose to the next AGM the distribution of dividends of € 10.2m, i.e. € 0.60/share (4.1% yield).



DCF

In the valuation via the DCF method explicit estimates until 2028 and a long-term growth of 1.0% were used. Cash flows were discounted back at a weighted average cost of capital calculated in accordance with the following parameters:

Table 12 - Orsero, WACC derived from:

Interest costs, pre-tax	4.5%
Tax rate	18.0%
Int. costs, after taxes	3.7%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200d moving average)	4.18%
Beta levered (x)	0.66
Required ROE	10.1%

Source: CFO SIM

Risk premium at 9.0% factors in the minute size of the company and basically all small capitalisation-related concerns that an investor might have. **Beta at 0.66x** corresponds to Orsero's 5Y levered beta (source: Refinitiv Eikon). The **risk-free rate at 4.18%** (previously 4.30%) corresponds to the 200-day moving average of the 10Y Italian Government Bond yield. The WACC is computed using the current 30/70% debt/equity balance-sheet structure.

Table 13 - Orsero, DCF model

€ m	2024e	2025e	2026e	2027e	2028e	TV
EBIT	44.7	42.9	42.6	43.3	43.9	
Tax rate	17.5%	18.0%	18.0%	18.0%	18.0%	
Operating profit (NOPAT)	36.9	35.2	34.9	35.5	36.0	
Change working capital	10.8	(0.5)	(0.2)	(0.1)	(0.1)	
Depreciation	32.3	32.9	33.1	24.6	16.0	
Investments	(22.0)	(20.0)	(16.0)	(16.0)	(16.0)	
Free Cash Flows	58.0	47.7	51.9	43.9	35.9	506.5
Present value	54.5	41.4	41.7	32.6	24.7	347.6
WACC	8.2%	8.2%	8.2%	8.2%	8.2%	
Long-term growth rate	1.0%					

Source: CFO SIM

Table 14 – Orsero, DCF equity value derived from:

€ m	
Total EV present value	542.4
	<i>thereof terminal value</i>
NFP last reported	64.1%
Pension provision last reported	(127.8)
	(9.0)
Equity value	405.7
#m shares (ex. treasury shares)	16.93
Equity value €/s	24.00
<i>% upside/(downside)</i>	62.4%

Source: CFO SIM

The application of the model produces an equity value of € 405.7m, corresponding to € 24.00/share (€ 25.00), 62.4% upside.

The following tables illustrate that **sensitivity 1)** compared to changes in the **terminal growth rate**, produces an equity value of **€ 21.27-27.53/s** (perpetuity range of between 0.00% and 2.00%), while, 2) if compared to changes in the **free risk rate**, it produces an equity value of **€ 19.22-30.97/s** (free risk range of between 6.18% and 2.18%) and 3) if compared to changes in the **risk premium**, including small size premiums, it results in an equity value of **€ 20.67-28.21/s** (risk premium range of between 11.00% and 7.00%).

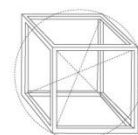


Table 15 – Orsero, equity value sensitivity to changes in terminal growth rate

€ m	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%
Present value of CF	194.8	194.8	194.8	194.8	194.8	194.8	194.8	194.8	194.8
PV of terminal value	302.0	312.3	323.3	335.0	347.6	361.1	375.5	391.1	408.0
Total value	496.8	507.1	518.1	529.9	542.4	555.9	570.3	585.9	602.8
NFP last reported	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)
Pension provision last reported	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)
Equity value	360.1	370.4	381.4	393.1	405.7	419.1	433.6	449.2	466.0
Equity value/share €	21.27	21.88	22.53	23.22	24.00	24.76	25.61	26.53	27.53

Source: CFO SIM

Table 16 – Orsero, equity value sensitivity to changes in free risk rate

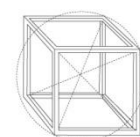
€ m	2.18%	2.68%	3.18%	3.68%	4.18%	4.68%	5.18%	5.68%	6.18%
Present value of CF	201.2	199.5	197.9	196.4	194.8	193.3	191.8	190.3	188.8
PV of terminal value	459.8	426.8	397.4	371.2	347.6	326.3	307.0	289.4	273.4
Total value	661.0	626.3	595.4	567.5	542.4	519.6	498.8	479.7	462.2
NFP last reported	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)
Pension provision last reported	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)
Equity value	524.2	489.6	458.6	430.8	405.7	382.8	362.0	343.0	325.5
Equity value/share €	30.97	28.92	27.09	25.45	24.00	22.61	21.39	20.26	19.22

Source: CFO SIM

Table 17 – Orsero, equity value sensitivity to changes in risk premium

€ m	7.00%	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%	11.00%
Present value of CF	198.9	197.9	196.9	195.8	194.8	193.8	192.8	191.8	190.9
PV of terminal value	415.3	396.5	379.1	362.8	347.6	333.4	320.1	307.6	295.9
Total value	614.3	594.4	575.9	558.6	542.4	527.2	512.9	499.4	486.7
NFP last reported	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)	(127.8)
Pension provision last reported	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)	(9.0)
Equity value	477.5	457.7	439.2	421.9	405.7	390.5	376.2	362.7	350.0
Equity value/share €	28.21	27.03	25.94	24.92	24.00	23.06	22.22	21.42	20.67

Source: CFO SIM



Market multiples

We have included 6 peers in the sample, operating in global fresh fruit and vegetable production and distribution. Our sample comprises **Calavo Growers, Dole, Fresh Del Monte Produce, Greenyard, Mission Produce and Omer Decugis & Cie.**

Orsero trades at a double-digit discount vs. peers considering PCF and PER multiples in 2024. We believe this gap can be explained only in part by the size difference, but it needs to be bridged somehow considering 1) Orsero's higher profitability than its peer group's median and 2) the active role it can play in the medium and long term in this unavoidably consolidating disciplined oligopoly.

Table 18 – Orsero, peer group summary table

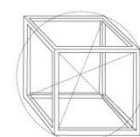
€ m	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA % CAGR ₂₃₋₂₆	Sales CAGR ₂₃₋₂₆	EBITDA CAGR ₂₃₋₂₆	EBIT CAGR ₂₃₋₂₆	EPS CAGR ₂₄₋₂₆	NFP FY1	NFP /EBITDA
Calavo Growers Inc	478	537	35	6.5%	-14.5%	n.a.	n.a.	n.a.	n.a.	n.a.
Dole PLC	1,012	7,875	355	4.5%	5.1%	9.4%	6.5%	17.9%	764	2.2
Fresh Del Monte Produce Inc	1,062	4,117	229	5.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Greenyard NV	269	5,067	182	3.6%	5.3%	6.5%	14.8%	40.4%	401	2.2
Mission Produce Inc	770	887	68	7.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Omer Decugis & Cie SA	38	239	8	3.3%	n.a.	n.a.	n.a.	n.a.	7	0.8
Median	624	2,502	125	5.0%	5.1%	8.0%	10.7%	29.2%	401	2.2
Orsero SpA	263	1,580	83	5.3%	1.6%	-8.6%	-14.3%	-1.6%	109	1.3

Sources: Refinitiv Eikon, CFO SIM

Table 19 – Orsero, peer group multiples table

EV & Price multiples x	EBITDA FY1	EBITDA FY2	EBITDA FY3	PER FY1	PER FY2	PER FY3	PCF FY1	PCF FY2	PCF FY3
Calavo Growers Inc	n.a.	n.a.	n.a.	25.8	18.7	n.a.	15.9	12.3	n.a.
Dole PLC	5.0	4.4	5.0	10.1	8.6	7.3	4.5	4.1	3.6
Fresh Del Monte Produce Inc	n.a.	n.a.	n.a.	10.2	9.1	n.a.	6.0	5.5	n.a.
Greenyard NV	3.7	3.3	3.0	11.5	7.6	5.9	2.1	1.9	1.8
Mission Produce Inc	n.a.	n.a.	n.a.	37.0	33.1	n.a.	12.2	12.5	n.a.
Omer Decugis & Cie SA	5.6	3.1	n.a.	8.8	5.0	n.a.	6.0	3.9	n.a.
Median	5.0	3.3	4.0	10.9	8.9	6.6	6.0	4.8	2.7
Orsero SpA	4.5	4.4	4.2	8.3	8.5	8.6	3.9	3.9	3.9
% (Discount)/Premium to peer median	(10.5)	32.2	6.4	(23.5)	(4.2)	30.7	(34.3)	(18.5)	46.5

Sources: Refinitiv Eikon, CFO SIM



Stock performance

Glenalta Food was listed on Euronext Growth Milan on 10th Nov 2015 at € 10.0/share, corresponding to a market capitalisation of € 80.0m. Its target, Orsero, was listed on **Euronext Growth Milan on 13-Feb-17** as a result of the merger between Glenalta Food and Orsero. **As of Dec-19 Orsero moved to the Euronext Star Milan**, the STAR segment of Borsa Italiana dedicated to high requirement stocks. Orsero stock reached an intraday 1Y maximum level of € 17.56/s on 1st February 24 and a 1Y minimum price of € 11.80 on 15th May 2023.

Table 20 - Orsero, peers' group and indexes absolute performance

%	1D	1W	1M	3M	6M	YTD	1Y
Calavo Growers Inc	(0.9)	(0.7)	1.5	5.4	1.7	(0.6)	23.6
Dole PLC	(1.9)	(0.9)	4.8	(2.5)	(2.0)	(5.6)	(1.6)
Fresh Del Monte Produce Inc	(1.8)	(0.9)	0.4	(3.5)	(4.8)	(7.6)	(19.8)
Greenyard NV	(0.6)	(0.4)	(1.5)	(13.5)	(16.1)	(12.8)	(18.2)
Mission Produce Inc	(1.5)	7.7	10.7	27.2	26.0	17.1	13.0
Omer Decugis & Cie SA	0.2	1.6	(2.7)	6.3	(8.5)	6.5	7.6
Peers Median	(1.2)	(0.6)	1.0	1.4	(3.4)	(3.1)	3.0
Orsero SpA	(1.2)	(0.1)	(3.7)	(9.1)	5.9	(12.9)	3.5
FTSE Italia STAR	(0.9)	(0.1)	(0.2)	(0.1)	5.8	(3.1)	(3.1)
Refinitiv Food & Beverage EU	(1.2)	0.6	(1.6)	(2.2)	(3.2)	(3.4)	(4.8)

Source: Refinitiv Eikon

Table 21 - Orsero, relative performances

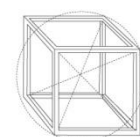
%	1D	1W	1M	3M	6M	YTD	1Y
Orsero SpA to peers	0.0	0.4	(4.6)	(10.5)	9.3	(9.7)	0.5
Orsero SpA to FTSE Italia STAR	(0.3)	0.0	(3.4)	(9.0)	0.0	(9.8)	6.6
Orsero SpA to EU Sector	(0.0)	(0.8)	(2.0)	(6.9)	9.1	(9.4)	8.3

Source: Refinitiv Eikon

Risks

The principal investment **risks** associated with Orsero include:

- impacts on the P&L account and balance sheet profiles triggered by a sharp decline in local and global economic growth,
- profit margin dilution stemming from the acquisition campaign,
- impact of sharp US\$ and bunker price fluctuations.



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DATE	TARGET PRICE	RATING
15/03/2024	€24.00	BUY
07/02/2024	€25.00	BUY
17/11/2023	€25.00	BUY
18/09/2023	€22.50	BUY
16/05/2023	€19.00	BUY
20/03/2023	€19.00	BUY

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- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/- 15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.

