

Italy - Food

The right appropriate strategy is producing solid results

12th November 2021

Q3/9M-21 RESULTS RELEASE

RIC: ORSO.MI
BBG: ORS IM

A solid set of results in Q3-21 considering the still extremely difficult comparison with Q3-20, a quarter characterised by panic buying driven by the spread of COVID19 and some anticipations of campaign. FY-21 guidance is confirmed. A major M&A deal in Central Europe could materialise in the coming months.

Rating:

Buy

Price Target:

€ 13.50

Upside/(Downside): 37.8%

Last Price: € 9.80

Market Cap.: € 173.3m

1Y High/Low: € 10.35/€ 5.66

Free Float: 60.0%

Major shareholders:

FIF Holding 32.5%
Grupo Fernández 6.3%



Stock price performance

	1M	3M	12M
Absolute	2.9%	2.3%	71.3%
Rel.to FTSE IT STAR	-1.7%	-5.3%	11.5%
Rel.to EU Sector	-0.5%	0.3%	59.2%

Analysts:

Luca Arena
+39 02 30343 395
luca.arena@cfosim.com

Gianluca Mozzali
+39 02 30343 396
gianluca.mozzali@cfosim.com

Estimates, valuation and BUY recommendation confirmed

Once again, Orsero showed a solid set of results in Q3-21 also considering the extremely difficult comparison with Q3-20, a quarter still characterised by some panic buying and anticipations of campaign (namely citrus and kiwi). If we look at 9M-21 figures, this effect looks more than entirely counterbalanced by the good performance reported in Q1-21. Q3-21 performance is consistent with FY-21 company guidance and the strategic choice to avoid a few low-margin banana tenders did not particularly impact top line growth but benefitted profitability. The company confirmed its guidance for FY-21, which now looks rather easy to reach, in particular with regard to Net Profit, also on the back of a lighter tax burden, and to NFP due to tight NWC control. We leave our projections unchanged: our 2021 estimates are positioned at the high-end of the company guidance range. In Orsero's investment case quality and value coexist temptingly: Buy recommendation is reiterated.

Top line up by 3.0% in Q3-21...

Q3-21 sales increased by 3.0% to € 275.9m. The Import & Distribution segment totalled revenues of € 258.1m, up by 1.4% YoY, showing declining volumes but an improved price/mix effect due to the implementation of a strategy aimed at revising the product portfolio by reducing the weight of commodities (e.g. bananas) and increasing higher added-value products, namely avocados, mangos, table grapes, and kiwis. The Shipping segment generated sales to the tune of € 25.3m, up by 24.2% YoY as a result of higher volumes and an increased share of dry transport which more than counterbalanced the US\$ depreciation.

...EBITDA only marginally down, EBITDA margin at record level of 5.5%

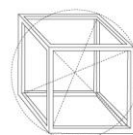
Adj. EBITDA declined by 3.2% to € 15.2m, margin of 5.5% vs. 5.9% in Q3-20 as a result of the 21.6% drop in the Import and Distribution BU not entirely counterbalanced by the 63.4% jump in the Shipping BU. Import & Distribution's adj. EBITDA was € 10.7m, down from € 13.7m in the same period of 2020. Margin declined by 120bps to 4.2%, primarily as a result of a drop in volumes despite the better mix. Shipping's adj. EBITDA was € 6.0m, up 63.4% compared to € 3.7m of Q3-20, with a further improvement in the EBITDA margin from 18.0% to 23.6%, thanks to 1) the strong load factor (above 95%) and 2) additional operational efficiencies stemming from the navigation schedule with 5 ships (4 owned and 1 chartered) implemented since 2019.

Another quarter of strong cash flow generation

Adj. EBIT reached € 8.6m vs. € 9.2m recorded in Q3-20. Adj. Net Profit increased from € 5.8m to € 6.7m as a consequence of a lighter tax rate due to higher profit stemming from the Shipping BU, characterised by a lower-than-average tax burden. Net Profit reached € 7.2m, up € 1.4m compared to € 5.8m in Q3-20. NFP diminished to € 75.1m from € 103.3m at Dec-20 as a net result of: 1) € 13.9m capex, 2) € 3.5m dividend and 3) a remarkable operating cash flow generation of € 41.0m. External growth opportunities might arise from Continental/Northern Europe and figures could be significant, to the tune of € 150-200m sales. Timing seems favourable for geographical expansion, also considering the solid balance sheet and the cash flow generation capability.

Orsero, key financials and ratios

€ m	2019	2020	2021e	2022e	2023e
Sales	1,005.7	1,041.5	1,070.0	1,097.2	1,123.9
EBITDA adj	38.7	48.4	50.5	51.8	53.0
EBIT adj	13.0	22.4	24.6	26.3	27.8
Net profit	2.0	12.2	15.0	16.2	17.3
Net profit adj	5.3	15.1	15.9	17.0	18.1
NFP (cash)/debt	126.9	103.5	76.0	53.4	29.0
EPS adjusted FD	0.30	0.85	0.90	0.96	1.02
EPS adj. FD growth	-58.4%	185.0%	5.0%	7.4%	6.5%
DPS ord. €/s	0.08	0.20	0.25	0.27	0.29
Dividend yield	0.8%	2.0%	2.6%	2.8%	3.0%
Free Cash Flow Yield	-9.4%	15.1%	17.9%	15.5%	16.8%
PER x	23.9	6.9	10.9	10.2	9.6
EV/Sales x	0.25	0.20	0.23	0.21	0.18
EV/EBITDA x	6.6	4.3	4.9	4.4	3.8
EV/EBIT x	19.6	9.3	10.1	8.6	7.3



The company in a nutshell

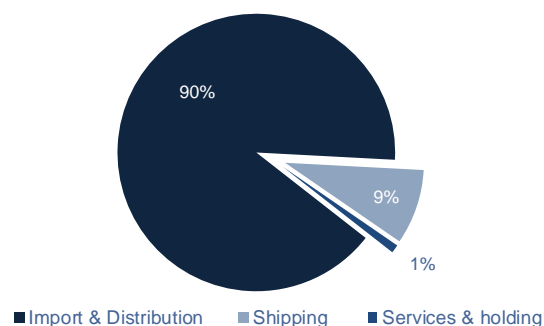
Orsero is an international group headquartered in Milan, operating in the fresh fruit and vegetable import and distribution business in the Mediterranean area of Europe. The group was founded over 50 years ago by the Orsero family. The current business includes the import and distribution of fresh fruit and vegetables as well as the production and export of fruit together with chilled maritime transportation. Orsero boasts a presence mainly in Italy, France, Spain, Portugal, Greece, Costa Rica and Colombia.

During 2012, the group launched the "F.lli 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.

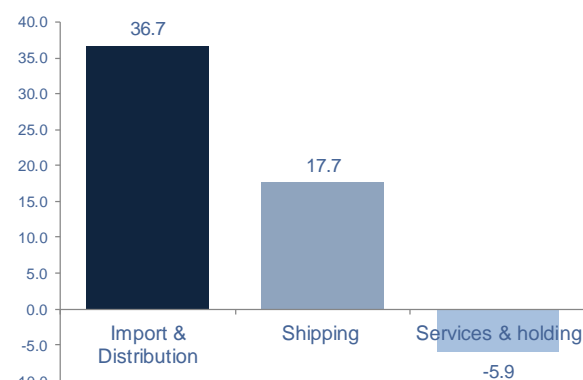
2020 Orsero highlights: revenues of € 1.042m, adj. EBITDA. of € 48.4m (4.6% margin), adjusted net profit equal to € 15.1m and net financial position of € 103.5m (2.1x adj. EBITDA)

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 28th October 2016. Orsero has been trading on the Euronext Star Milan segment of Borsa Italiana since 23-Dec-19.

2020 Gross Turnover...



...and EBITDA by business



Shareholder structure

	%	# m
FIF Holding	32.5%	5.75
Grupo Fernandez	6.3%	1.12
Treasury Shares	1.1%	0.20
Free Float	60.0%	10.62
o/w Praude Asset Management	9.5%	1.69
Global Portfolio Investments	5.7%	1.01
First Capital	5.2%	0.92
Total	100.0%	17.68

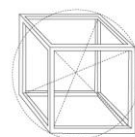
Peer group absolute performance

	1D	1W	1M	3M	6M	YTD
Dole PLC	(0.6)	1.4	(7.0)	(8.8)	-	-
Fresh Del Monte Produce Inc	(0.2)	1.5	(13.3)	(7.7)	(17.3)	21.6
Greenyard NV	0.7	3.9	4.4	(4.6)	0.2	45.3
Peers Median	(0.2)	1.5	(7.0)	(7.7)	(8.5)	33.5
Orsero Spa	(0.6)	(0.2)	2.9	2.3	12.9	56.5
FTSE Italia STAR	(1.1)	(1.4)	4.7	7.6	28.8	45.0
EU Sector	(0.4)	(0.6)	3.5	2.0	3.3	9.0
Orsero Spa to peers	(0.4)	(1.7)	10.0	10.0	21.4	23.1
Orsero Spa to FTSE Italia STAR	0.5	1.2	(1.7)	(5.3)	(15.9)	11.5
Orsero Spa to EU Sector	(0.2)	0.4	(0.5)	0.3	9.6	47.5

Peer group multiples table

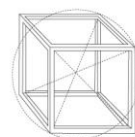
Price & EV multiples x	PER FY1	PER FY2	PER FY3	PCF FY1	PCF FY2	PCF FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Dole PLC	10.5	9.0	8.2	5.2	4.8	4.4	6.7	6.2	5.7
Fresh Del Monte Produce Inc	14.4	13.3	n.a.	7.2	6.9	n.a.	n.a.	n.a.	n.a.
Greenyard NV	19.9	14.6	12.3	4.5	4.1	3.3	5.5	4.9	4.3
Median	14.4	13.3	10.2	5.2	4.8	3.8	6.1	5.6	5.0
Orsero Spa	10.9	10.2	9.6	4.2	4.1	4.0	4.9	4.4	3.8
% (Discount)/Premium to peer median	-24.2%	-23.6%	-6.7%	-20.0%	-14.3%	4.3%	-19.1%	-21.4%	-23.8%

Sources: CFO Sim, Thomson Reuters Eikon





Income statement (€ m)	2019	2020	2021e	2022e	2023e
Revenues	1,005.7	1,041.5	1,070.0	1,097.2	1,123.9
COGS	(927.9)	(953.7)	(976.5)	(1,001.3)	(1,025.7)
Gross Profit	77.8	87.8	93.5	95.9	98.2
SG&A	(69.4)	(69.0)	(69.9)	(70.7)	(71.4)
EBIT	8.4	18.8	23.5	25.2	26.7
Financials	(3.9)	(2.9)	(2.8)	(2.8)	(2.8)
Results from investments	1.0	0.8	0.8	0.8	0.8
Pre Tax Profit	5.5	16.7	21.5	23.2	24.8
Taxes	(3.2)	(4.4)	(6.5)	(7.0)	(7.4)
Discontinued	0.0	0.0	0.0	0.0	0.0
Minorities	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Net Profit	2.0	12.2	15.0	16.2	17.3
D&A and Provisions	(25.8)	(26.0)	(25.9)	(25.5)	(25.2)
Non recurring items	(4.6)	(3.7)	(1.1)	(1.1)	(1.1)
EBITDA adj.	38.7	48.4	50.5	51.8	53.0
EBIT adj.	13.0	22.4	24.6	26.3	27.8
Net Profit adj.	5.3	15.1	15.9	17.0	18.1
Balance sheet (€ m)	2019	2020	2021e	2022e	2023e
Net Working Capital	30.6	37.9	35.4	37.8	38.7
Net Fixed Assets	233.7	222.3	208.1	194.4	181.1
Equity Investments	8.1	6.2	6.3	6.4	6.6
Other M/L Term A/L	5.5	(2.7)	(2.2)	(1.8)	(1.4)
Net Invested Capital	277.8	263.7	247.6	236.9	224.9
Net Financial Debt/(cash)	126.9	103.5	76.0	53.4	29.0
Minorities	0.7	0.5	0.5	0.6	0.7
Group's Shareholders Equity	150.2	159.6	171.1	182.8	195.3
Financial Liabilities & Equity	277.8	263.7	247.6	236.9	224.9
Cash Flow statement (€ m)	2019	2020	2021e	2022e	2023e
Total net income	2.0	12.2	15.0	16.2	17.3
Depreciation	23.7	24.2	24.0	23.6	23.2
Other non-cash charges	(1.8)	8.2	(0.4)	(0.4)	(0.4)
Cash Flow from Oper. (CFO)	24.0	44.6	38.6	39.3	40.1
Change in NWC	1.9	(7.3)	2.5	(2.4)	(0.9)
FCF from Operations (FCFO)	25.9	37.2	41.1	36.9	39.2
Net Investments (CFI)	(42.1)	(11.0)	(10.0)	(10.0)	(10.0)
Free CF to the Firm (FCFF)	(16.3)	26.2	31.1	26.9	29.2
CF from financials (CFF)	(3.5)	(42.3)	(3.5)	(4.4)	(4.7)
Free Cash Flow to Equity (FCFE)	(19.7)	(16.1)	27.6	22.6	24.5
Financial ratios	2019	2020	2021e	2022e	2023e
EBITDA adj. margin	3.8%	4.6%	4.7%	4.7%	4.7%
EBIT margin	0.8%	1.8%	2.2%	2.3%	2.4%
Net profit margin	0.2%	1.2%	1.4%	1.5%	1.5%
Tax rate	58.6%	26.4%	30.0%	30.0%	30.0%
Op NWC/Sales	3.0%	3.6%	3.3%	3.4%	3.4%
Interest coverage x	0.46	0.15	0.12	0.11	0.11
Net Debt/EBITDA adj. x	3.28	2.14	1.50	1.03	0.55
Debt-to-Equity x	0.84	0.65	0.44	0.29	0.15
ROIC	0.7%	4.6%	6.1%	6.8%	7.7%
ROCE	3.7%	6.9%	7.4%	7.6%	7.8%
ROACE	4.1%	6.6%	7.5%	7.7%	7.9%
ROE	1.3%	7.7%	8.8%	8.8%	8.8%
Payout ratio	63.2%	28.7%	29.2%	29.3%	29.4%
Per share figures	2019	2020	2021e	2022e	2023e
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	17.68	17.68	17.68	17.68	17.68
EPS stated FD €	0.11	0.69	0.85	0.91	0.98
EPS adjusted FD €	0.30	0.85	0.90	0.96	1.02
EBITDA €	2.19	2.74	2.86	2.93	3.00
EBIT €	0.47	1.06	1.33	1.42	1.51
FCFO €	1.46	2.10	2.32	2.09	2.22
FCFF €	(0.92)	1.48	1.76	1.52	1.65
FCFE €	(1.12)	(0.91)	1.56	1.28	1.38
Dividend €	0.08	0.20	0.25	0.27	0.29



Q3/9M-21 solid results

As expected, Orsero reported a more than satisfactory set of results in Q3-21 considering the still extremely difficult comparison with Q3-20, a quarter still characterised by strong panic buying driven by the spread of COVID19 and the related lockdowns and by some anticipation of campaign (citrus and kiwi). The robust Cash Flow generation and the operating performance prompted the company to confirm FY-21 guidance.

Table 1 – Orsero, Q3/9M-21 result summary

€ m	Q3-21	Q3-20	% YoY	9M-21	9M-20	% YoY
Revenues	275.9	268.0	3.0	789.0	788.7	0.0
COGS	(251.4)	(243.1)		(716.8)	(720.5)	
Gross Profit	24.4	24.8	(1.6)	72.2	68.2	5.8
% margin	8.9	9.3		9.1	8.6	
SG&A	(16.5)	(16.3)		(52.0)	(49.6)	
Other	1.4	(0.6)		1.2	(1.5)	
EBIT	9.3	8.0	17.4	21.4	17.1	25.5
% margin	3.4	3.0		2.7	2.2	
Financials	(1.0)	(0.2)		(2.8)	(1.5)	
Results from investments	0.3	0.1		0.6	0.6	
Pre Tax Profit	8.6	7.9	9.4	19.3	16.2	18.9
% margin	3.1	2.9		2.4	2.1	
Taxes	(1.5)	(2.2)		(3.9)	(4.3)	
Tax Rate	16.9%	27.7%		20.3%	26.5%	
Discontinued	0.0	0.0		0.0	0.0	
Minorities	0.0	0.1		(0.2)	(0.1)	
Net Profit	7.2	5.8	24.0	15.2	11.8	28.6
% margin	2.6	2.2		1.9	1.5	
D&A	(6.4)	(6.2)		(18.8)	(18.0)	
Provisions	(0.2)	(0.3)		(1.9)	(1.1)	
Top Management incentives	(0.0)	0.0		(0.1)	0.0	
Non recurring (expenses)/income	0.8	(1.3)		0.4	(3.1)	
EBITDA adj.	15.2	15.7	(3.2)	41.8	39.2	6.6
% margin	5.5	5.9		5.3	5.0	
EBIT adj.	8.6	9.2	(7.1)	21.2	20.1	5.0
% margin	3.1	3.4		2.7	2.6	
Net Profit adj.	6.7	5.8	14.8	15.3	13.3	15.0
% margin	2.4	2.2		1.9	1.7	

Source: Orsero

Q3-21 revenues increased by 3.0% to € 275.9m: the Import & Distribution BU grew by 1.4% and the Shipping BU soared by 24.2%.

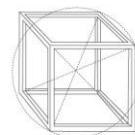
Table 2 – Orsero, Q3/9M-21 revenues breakdown

€ m	Q3-21	Q3-20	% YoY	9M-21	9M-20	% YoY
Revenues	275.9	268.0	3.0	789.0	788.7	0.0
Import & Distribution	258.1	254.7	1.4	739.9	742.6	(0.4)
Shipping	25.3	20.4	24.2	75.0	73.1	2.6
Services	2.6	2.6	(1.4)	7.5	8.2	(9.0)
Intercompany	(10.1)	(9.7)	4.3	(33.5)	(35.3)	(5.1)

Source: Orsero

The Import & Distribution segment totalled revenues of € 258.1m, up by 1.4% YoY, showing declining volumes but an improving price/mix effect due to the implementation of a strategy aimed at revising the product portfolio by reducing the weight of commodities (e.g. bananas) and increasing higher added value products, namely avocados, mangos, table grapes, and kiwis.

The Shipping segment generated sales to the tune of € 25.3m, up 24.2% YoY as a result of higher volumes and an increased share of dry transport which more than counterbalanced the US\$ depreciation.



Adj. EBITDA declined by 3.2% to € 15.2m, margin of 5.5% vs. 5.9% in Q3-20 as a result of a 21.6% drop in the Import and Distribution BU not entirely counterbalanced by a 63.4% jump in the Shipping BU.

Table 3 – Orsero, Q3/9M-21 EBITDA adj. breakdown

€ m	Q3-21	Q3-20	% YoY	9M-21	9M-20	% YoY
EBITDA adj	15.2	15.7	(3.2)	41.8	39.2	6.6
Import & Distribution	10.7	13.7	(21.6)	29.4	30.0	(2.1)
Shipping	6.0	3.7	63.4	17.7	13.8	28.0
Services	(1.5)	(1.6)	(8.5)	(5.2)	(4.6)	14.0
EBITDA adj %	5.5	5.9		5.3	5.0	
Import & Distribution %	4.2	5.4		4.0	4.0	
Shipping %	23.6	18.0		23.6	18.9	
Services %	(58.1)	(62.6)		(70.0)	(55.8)	

Source: Orsero

Import & Distribution's adj. EBITDA was € 10.7m, down from € 13.7m in the same period of 2020. Margin declined by 120bps to 4.2%, primarily as a result of drop in volumes despite the better mix.

Shipping's adj. EBITDA was € 6.0m, up 63.4% compared to € 3.7m of Q3-20, with a further improvement in EBITDA margin from 18.0% to 23.6%, thanks to 1) a strong load factor (above 95%) and 2) additional operational efficiencies stemming from the navigation schedule with 5 ships (4 owned and 1 chartered) implemented since 2019.

Adj. EBIT reached € 8.6m vs. € 9.2m recorded in Q3-20. Adj. Net Profit increased from € 5.8m to € 6.7m as a consequence of a lighter tax rate due to higher profit stemming from the Shipping BU, characterised by a lower-than-average tax burden. Net Profit reached € 7.2m, up € 1.4m compared to € 5.8m in Q3-20.

NFP diminished to € 75.1m from € 103.3m at Dec-20 as a net result of: 1) € 13.9m capex (of which € 4.3m related to higher rights of use linked to the application of IFRS 16), 2) € 3.5m dividend paid to shareholders and 3) the remarkable operating cash flow generation of € 41.0m, linked to the positive contribution of operating activities and enduring WC containment measures (chiefly receivables).

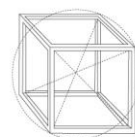
Table 4 – Orsero, 9M-21 Balance Sheet highlights

€ m	9M-21	FY-20	% YoY
Capital Invested	248.7	263.4	(5.6)
Sharholders' Equity	173.7	160.1	
Net Financial Position	75.1	103.3	(27.3)
NFP/Sharholders' Equity	0.43	0.65	
NFP/EBITDA adj.	1.47	2.13	
Net Financial Position ex. IFRS16	47.6	74.4	(36.0)
NFP/Sharholders' Equity	0.27	0.46	
NFP/EBITDA adj.	1.10	1.84	

Source: Orsero

Last 4 October, **Orsero purchased 50% of Agricola Azzurra**, specialised in the distribution of fruit and vegetables of domestic origin. The aim is to achieve a leading position in the distribution of products from an Italian agricultural chain. The price of the acquisition is € 7.3m cash. Azzurra will be consolidated according to the equity methodology.

After the end of Q3-21, Orsero signed a **two-year (2022-23) lease contract with the aim of stabilisation of the use of the fifth non-owned ship** employed in fruit transportation. According to IFRS 16 accounting standards, this will entail the recognition of the 'right of use' value of the asset, basically equal to the two-year charter costs, and the corresponding financial debt, for a value of approximately € 9.6m. This increase in NFP will be counterbalanced by a significant increase in adj. EBITDA by some € 4.8m per annum. As a result, the cost of ship chartering will be replaced by higher depreciation and financial charges, without generating any significant effect on bottom line.



Our view, action

As expected, Orsero showed a more than satisfactory set of results in Q3-21 considering the extremely difficult comparison with Q3-20, a quarter still characterised by panic buying driven by the spread of COVID19 and the related lockdowns and by some anticipation of campaign (citrus and kiwi). If we look at the 9M-21 figures at a profitability level, this effect is more than entirely counterbalanced by the good performance reported in Q1-21. The company confirmed its guidance for FY-21. In greater details:

- Net Sales: € 1,040m - € 1,060m, CFO SIM € 1,070m
- Adj. EBITDA: € 49m - € 51m, CFO SIM € 50.5m
- Net Profit: € 14m - € 16m, CFO SIM € 15.0m
- Net Financial Position: € 75m - € 78m, CFO SIM € 76.0m

On the back of 9M-21 results, FY-21 company targets are rather easy to reach, in particular with regard to Net Profit, on the back of a lighter tax burden, and to NFP, due to tight NWC control. **We leave our projections unchanged: our 2021 estimates are positioned at the high-end of the company guidance range.**

Stock performance

Glenalta Food was listed on Euronext Growth Milan on 10th Nov 2015 at € 10.0/share, corresponding to a market capitalization 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 € 10.35/s on 14th Sep 21 and a 1Y minimum price of € 5.66 on 12th Nov 2020. The stock overperformed the FTSE Italia STAR index, the EU Sector and its peers YTD and in the last year.

Table 5 - Orsero, peers group and indexes absolute performance

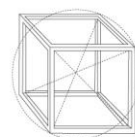
%	1D	1W	1M	3M	6M	YTD	1Y
Dole PLC	(0.6)	1.4	(7.0)	(8.8)	-	-	-
Fresh Del Monte Produce Inc	(0.2)	1.5	(13.3)	(7.7)	(17.3)	21.6	27.2
Greenyard NV	0.7	3.9	4.4	(4.6)	0.2	45.3	58.0
Peers Median	(0.2)	1.5	(7.0)	(7.7)	(8.5)	33.5	42.6
Orsero Spa	(0.6)	(0.2)	2.9	2.3	12.9	56.5	71.3
FTSE Italia STAR	(1.1)	(1.4)	4.7	7.6	28.8	45.0	59.8
Thomson Reuters Food & Beverage EU	(0.4)	(0.6)	3.5	2.0	3.3	9.0	12.1

Source: Thomson Reuters Eikon

Table 6 - Orsero, relative performances

%	1D	1W	1M	3M	6M	YTD	1Y
Orsero Spa to peers	(0.4)	(1.7)	10.0	10.0	21.4	23.1	28.7
Orsero Spa to FTSE Italia STAR	0.5	1.2	(1.7)	(5.3)	(15.9)	11.5	11.5
Orsero Spa to EU Sector	(0.2)	0.4	(0.5)	0.3	9.6	47.5	59.2

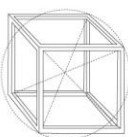
Source: Thomson Reuters Eikon



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,
- long-term effects of the spread of COVID-19,
- profit margin dilution stemming from the acquisition campaign,
- impact of sharp US\$ and bunker price fluctuations



ANALYST CERTIFICATION

This publication was prepared by Corporate Family Office SIM S.p.A. ("CFO SIM"), namely by **LUCA ARENA**, Head of the Equity Research Department, and **GIANLUCA MOZZALI**, Equity Analyst. This is to certify that the views expressed on the companies mentioned in this document reflect the analysts' personal opinions and no direct or indirect remuneration has been, or will be, received by the analysts further to the views expressed herein.

DISCLAIMER

This document has been drafted by CFO SIM, authorised by the Bank of Italy to provide investment services.

CFO SIM does not have a specific interest in either the issuer, the financial instruments or the transactions covered by the analysis.

The news and data used in this document come from information supplied to the public by the company concerned and/or from other documentation of public domain. CFO SIM is not liable for the accuracy, completeness, exactitude and impartiality of such news and data. This document has been drafted autonomously and independently and without the collaboration of the company analysed or of any company linked to the latter by shareholdings or control. This document has been prepared by the financial analysts of the Equity Research Department of CFO SIM, whose names are indicated therein. The analysts are ordinary members of the Italian Association of Financial Analysts (AIAF). In no case can the company and the analysts, as authors of this document, be held liable (culpably or otherwise) for any damage resulting from use of the information or opinions set out therein. This document is for information purposes only. It cannot be reproduced directly or indirectly or redistributed to third parties, nor can it be published, either totally or in part, for any reason whatsoever. This document is not an invitation to purchase, nor is it intended to solicit the purchase or sale of the securities in question. The recipients of this document are formally bound to comply with the obligations indicated above.

CFO SIM wishes to provide ongoing coverage of the stocks mentioned in this document, as often as circumstances considered to be important dictate (corporate events, changes in recommendations, etc.). CFO SIM acts as Corporate Broker for Orsero stock, listed on Euronext Star Milan. The next table shows the ratings issued on the stock in the last 12 months.



DATE	TARGET PRICE	RATING
12/11/2021	€13.50	BUY
15/09/2021	€13.50	BUY
15/05/2021	€12.80	BUY
19/03/2021	€11.50	BUY
26/02/2021	€8.50	BUY
02/02/2021	€8.50	BUY
16/11/2020	€8.50	BUY

This document is distributed via electronic mail and fax as from the date indicated in the document itself and addressed to some 300 Italian and non-Italian professional investors. The document is available in electronic format on CFO SIM's Internet site, to Italian and non-Italian institutional investors, and/or on Borsa Italiana's Internet site.

RATING SYSTEM

- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- 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.

CORPORATE FAMILY OFFICE SIM S.p.A.
Società di Intermediazione Mobiliare
Capitale Sociale Euro 2.500.000,00 i.v.
www.cfosim.com
info@cfosim.com
cfosim@legalmail.it

Aderente al Fondo Nazionale di Garanzia
Iscrizione all'Albo delle Società
di Intermediazione Mobiliare n. 197
Delibera Consob n. 16216 del 13/11/2007
Iscrizione al Registro Unico Intermediari
assicurativi n. D000627190

N. Iscrizione al Registro delle imprese di Milano,
Codice Fiscale e Partita IVA 13256570154
REA 1633817
Codice LEI 815600A451B54F577118
Codice univoco: M5UXCR1

Via dell'Annunciata, 23/4 - 20121 Milano
Viale della Libertà, 67 - 33170 Pordenone
Via Angelo Moro, 83 - 20097 San Donato Milanese
Viale G. Ribotta, 11 - 00144 Roma
Via della Chimica, 5 - 30175 Venezia P.to Marghera
Via Cefalonia, 70 - 25124 Brescia

Tel. +39 02 303431
Tel. +39 0434 546711
Tel. +39 02 25547300
Tel. +39 06 45474500
Tel. +39 041 2515200
Tel. +39 030.8377311

