

## Italy – Textile Flooring

## Growing 2023 results, further increase expected in 2024-25

2<sup>nd</sup> April 2024

### FY-23 RESULTS RELEASE

RIC: RADIC.MI  
BBG: RAD IM

Radici Pietro reported FY-23 results characterised by mid-single digit YoY revenues growth thanks to a solid H2 coupled with a more than proportional progression of margins. The latter benefited from operating leverage, a more profitable revenue mix and some cost mitigation actions. The company's 2024-25 business plan envisages double-digit growth with expanding margins, also thanks to 100%TurfRecyclers.

#### Rating:

**Buy**

#### Price Target:

**€ 2.20**

Upside/(Downside): 94.7%

Last Price: € 1.13

Market Cap.: € 10.0m

1Y High/Low: € 1.61 / € 1.03

Avg. Daily Turn. (3M, 6M): € 6k, € 6k

Free Float: 24.9%

#### Major shareholders:

MRFoC	69.2%
Radici Family	6.0%



#### Stock price performance

	1M	3M	12M
<b>Absolute</b>	<b>5.6%</b>	<b>-1.7%</b>	<b>3.2%</b>
<b>Rel.to FTSE IT Growth</b>	<b>6.8%</b>	<b>0.6%</b>	<b>16.8%</b>
<b>Rel.to Peers median</b>	<b>-0.7%</b>	<b>0.2%</b>	<b>28.3%</b>

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#### Estimates, rating and PT confirmed

FY-23 results confirmed the preliminary figures announced by the company in December and reiterated a couple of weeks ago when the 2024-25 business plan was unveiled. Following the FY-23 results release we have updated our model by factoring in the 2023 reported figures and confirming our estimates for the 2024-26 period, which were updated on 15<sup>th</sup> March, following the publication of the company's business plan and the acquisition of 100%TurfRecyclers. We reiterate our positive stance on the stock: Buy.

#### Revenues up by about 5% YoY driven by the Marine and the Automotive segments

Total Revenues grew by 4.8% YoY to € 56.0m (€ 53.5m in FY-22), mostly driven by higher sales volumes. In terms of business lines, the company witnessed a brilliant performance of the Marine segment along with a good recovery of the Automotive, which more than offset the slowdown in Residential & Contract and Sport. In greater details: Marine (21% of the total) more than doubled YoY to € 12.0m (€ 5.6m in 2022), propelled by a gain in the market share in the main markets as well as a solid growth with respect to both the activities of construction and refitting of cruise ships; Residential & Contract (47% of the total) decreased to € 26.5m (€ 28.3m in 2022), mainly as a consequence of a contraction occurred in the European market; Sport (21% of the total) totalled € 11.5m, down by 18.2% YoY, because of a certain slowdown in the disbursement of NRRP-related funds earmarked for sports infrastructures; Automotive (11% of the total) rose by 7.9% YoY to € 6.0m, thanks to a modest broad-based recovery of the sector, following a tough environment in 2021-22.

#### Progressive recovery in margins, which grew more than proportionately to revenues

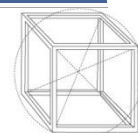
EBITDA jumped by 34.4% YoY, reaching € 4.9m, 8.8% margin (€ 3.7m, 1.9% margin in FY-22), broadly aligned with the company's budget, and increasing more than proportionally compared to revenues in light of a good top line progression in the second semester, coupled with significant cost savings stemming from cost mitigation actions put in place by the group. In particular, at the beginning of the year a 2.4 MWh photovoltaic plant came into operation, capable of covering around 40% of the group's annual energy requirements. EBIT came in at € 1.7m, 3.0% margin, compared to € 0.9m, 1.8% margin, in 2022, although slightly lower than our expectations as a result of higher-than-forecasted D&A expenses. Net Profit came in at € 0.5m, significantly improving YoY, after financial charges of € 1.2m and some negative currency translation effects.

#### NFP slightly declined thanks to a good Op.CF partially absorbed by capex

Net Financial Position slightly improved to € 16.0m compared to € 16.5m at year-end 2022, on the back of a good operating cash-flow of € 2.0m, after a NWC cash absorption of about € 1.8m, mainly because of higher receivables. The operating cash-flow was partially absorbed by capex of € 1.5m (lower than our estimate of € 2.5m) primarily consisting of: 1) € 600k of intangible capex relative to the renewal of the FIFA license agreement and 2) € 900k of tangible investments involving the revamping of the company's production facilities.

#### Radici Pietro, key financials and ratios

€ m	2022	2023	2024e	2025e	2026e
Total Revenues	53.5	56.0	65.0	69.9	75.2
Value of Production	58.0	57.6	65.8	70.8	76.1
EBITDA	3.7	4.9	6.5	7.6	8.5
EBIT	0.9	1.7	3.3	4.5	5.4
Net profit	0.2	0.5	1.9	2.9	3.0
NFP (cash)/debt	16.5	16.0	18.2	15.4	12.8
EBITDA margin	6.9%	8.8%	10.0%	10.9%	11.3%
EBIT margin	1.8%	3.0%	5.0%	6.4%	7.2%
Net Profit	0.3%	0.8%	2.9%	4.1%	3.9%
EPS €	0.02	0.05	0.21	0.32	0.34
EPS growth	n.m.	n.m.	n.m.	51.9%	3.9%
EV/Sales x	0.50	0.47	0.43	0.36	0.30
EV/EBITDA x	7.2	5.4	4.3	3.3	2.7
EV/EBIT x	28.3	15.6	8.6	5.7	4.2
PER x	53.6	22.6	5.3	3.5	3.4



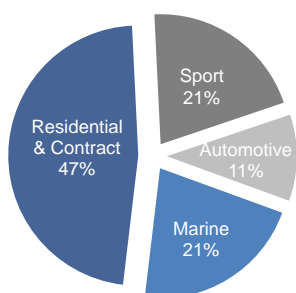
## The Company at a Glance

Founded in 1950 in Cazzano Sant'Andrea, close to Bergamo (Italy), Radici Pietro is a leading international player in the textile flooring market. It designs, manufactures and sells high-end carpets, artificial turfs and non-woven fabrics, all of which are chiefly custom made. The group operates three production plants, two in Italy and one in Hungary, and four commercial branches worldwide, managing the entire value chain, from the processing of raw materials to the production of finished goods, including quality control, testing and distribution. Radici Pietro covers almost 90 countries, serving more than 2,000 customers in four different industries: Residential & Contract, Marine, Sport and Automotive.

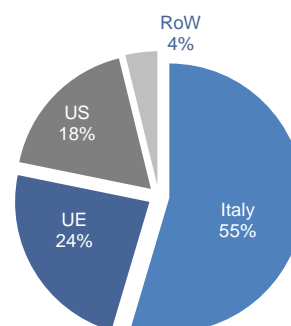
The group's global export sales make up 45% of total revenues. 47% of turnover comes from the Residential & Contract segment, 21% from Sport and Marine and 11% from Automotive.

Radici Pietro has undertaken a good growth path since current management was established in 2012: a 4.4% entirely organic CAGR in the 2012-23 period, and exhibited a robust recovery following the pandemic outbreak (CAGR<sub>21-23</sub> equal to 12.6%). In 2023, revenues were € 56.0m, EBITDA was € 4.9m and Net Profit reached € 0.5m. Net Financial Position stood at € 16.0m.

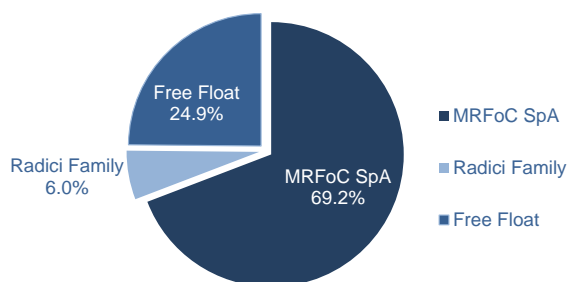
### 2023 breakdown by industry...



### ... and by geography



### Shareholder structure



### Peer group absolute performance

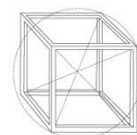
%	1D	1W	1M	3M	6M	YTD
Aquafil SpA	(1.3)	(4.0)	(5.7)	(11.5)	17.6	(11.8)
Belysse Group NV	12.0	19.2	20.5	31.3	17.3	22.2
Interface Inc	(1.3)	(3.5)	9.1	31.5	72.2	31.5
Mohawk Industries Inc	(1.8)	2.7	6.3	24.1	52.1	24.1
Somec SpA	0.3	2.8	(35.6)	(42.8)	(44.2)	(42.8)
Tarkett SA	(0.4)	0.7	(2.4)	(1.9)	(9.5)	(1.9)
Victoria PLC	11.4	7.1	9.3	(15.8)	(49.8)	(12.4)
<b>Median</b>	<b>(0.4)</b>	<b>2.7</b>	<b>6.3</b>	<b>(1.9)</b>	<b>17.3</b>	<b>(1.9)</b>
<b>Radici Pietro SpA</b>	<b>1.8</b>	<b>0.9</b>	<b>5.6</b>	<b>(1.7)</b>	<b>(7.4)</b>	<b>(0.9)</b>

Source: Refinitiv Eikon

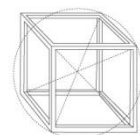
### Peer group multiples table

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Aquafil SpA	0.57	0.50	4.7	3.8	15.7	10.1	72.9	13.4
Belysse Group NV	0.63	0.60	4.6	4.2	8.9	7.4	15.9	7.9
Interface Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	15.8	11.5
Mohawk Industries Inc	0.89	0.81	6.7	5.9	11.7	10.2	13.5	11.8
Somec SpA	0.39	0.31	4.9	3.5	10.7	6.5	14.8	8.8
Tarkett SA	0.27	n.a.	3.1	n.a.	8.4	n.a.	9.8	n.a.
Victoria PLC	0.84	0.78	6.7	6.1	13.4	12.1	11.9	10.5
<b>Median</b>	<b>0.60</b>	<b>0.60</b>	<b>4.8</b>	<b>4.2</b>	<b>11.2</b>	<b>10.1</b>	<b>14.8</b>	<b>11.0</b>
<b>Radici Pietro SpA</b>	<b>0.43</b>	<b>0.36</b>	<b>4.3</b>	<b>3.3</b>	<b>8.6</b>	<b>5.7</b>	<b>5.3</b>	<b>3.5</b>

Sources: CFO SIM, Refinitiv Eikon



<b>Income statement (€ m)</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Total Revenues	53.5	56.0	65.0	69.9	75.2
Value of Production	58.0	57.6	65.8	70.8	76.1
Raw material and processing	(29.7)	(27.1)	(32.6)	(34.8)	(37.4)
Services	(15.3)	(15.7)	(16.6)	(17.7)	(19.0)
Personnel expenses	(8.5)	(9.0)	(9.1)	(9.5)	(9.9)
Other opex	(0.8)	(0.8)	(1.1)	(1.1)	(1.2)
EBITDA	3.7	4.9	6.5	7.6	8.5
D&A	(2.7)	(3.2)	(3.2)	(3.2)	(3.1)
EBIT	0.9	1.7	3.3	4.5	5.4
Financials	(0.7)	(1.2)	(1.1)	(1.0)	(1.0)
Re/(Devaluation) of financial assets	0.0	0.0	0.0	0.0	0.0
Extraordinary	0.0	0.0	0.0	0.0	0.0
Pre-Tax profit	0.3	0.5	2.2	3.5	4.4
Income taxes	(0.1)	(0.0)	(0.1)	(0.2)	(0.9)
Minorities	0.0	0.0	(0.2)	(0.5)	(0.6)
Net Profit	0.2	0.5	1.9	2.9	3.0
Adjusted Net Profit	0.2	0.5	1.9	2.9	3.0
<b>Balance sheet (€ m)</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Net Working Capital	21.3	23.1	26.6	28.6	30.7
Net Fixed Assets	34.1	32.3	33.8	32.9	32.3
Equity Investments	0.0	0.0	0.0	0.0	0.0
Other M/L Term A/L	(6.4)	(6.6)	(7.2)	(7.2)	(7.2)
Net Invested Capital	49.0	48.8	53.2	54.3	55.7
Net Financial Position	16.5	16.0	18.2	15.4	12.8
Minorities	0.0	0.0	0.2	0.6	1.2
Group's Shareholders Equity	32.5	32.8	34.9	38.2	41.7
Financial Liabilities & Equity	49.0	48.8	53.2	54.3	55.7
<b>Cash Flow statement (€ m)</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Total net income	0.2	0.5	2.1	3.3	3.5
Depreciation	2.7	3.2	3.2	3.2	3.1
Other non-cash charges	0.0	0.1	0.8	0.5	0.6
Cash Flow from Oper. (CFO)	2.9	3.8	6.1	7.0	7.2
Change in NWC	(2.2)	(1.8)	(3.5)	(2.0)	(2.1)
FCF from Operations (FCFO)	0.8	2.0	2.6	4.9	5.1
Net Investments (CFI)	0.0	(1.5)	(4.8)	(2.2)	(2.5)
Free CF to the Firm (FCFF)	0.8	0.5	(2.2)	2.7	2.6
CF from financials (CFF)	(0.4)	(0.7)	1.5	(0.0)	0.0
Free Cash Flow to Equity (FCFE)	0.4	(0.2)	(0.7)	2.7	2.6
<b>Financial ratios</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
EBITDA margin	6.9%	8.8%	10.0%	10.9%	11.3%
EBIT margin	1.8%	3.0%	5.0%	6.4%	7.2%
Net profit margin	0.3%	0.8%	2.9%	4.1%	3.9%
Tax rate	31.5%	1.5%	4.5%	4.5%	20.0%
Op NWC/Sales	0.4%	0.4%	0.4%	0.4%	0.4%
Interest coverage x	0.73	0.72	0.34	0.23	0.19
Net Debt/EBITDA x	4.49	3.24	2.79	2.02	1.51
Debt-to-Equity x	0.51	0.49	0.52	0.40	0.31
ROIC	0.4%	1.0%	3.5%	5.3%	5.3%
ROCE	1.7%	3.1%	5.5%	7.1%	8.0%
ROACE	1.7%	3.1%	5.7%	7.3%	8.3%
ROE	0.6%	1.4%	5.4%	7.5%	7.1%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Per share figures</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Number of shares # m	8.81	8.81	8.81	8.81	8.81
Number of shares Fully Diluted # m	8.81	8.81	8.81	8.81	8.81
Average Number of shares Fully Diluted # m	9.31	8.81	8.81	8.81	8.81
EPS stated €	0.02	0.05	0.21	0.32	0.34
EPS adjusted €	0.02	0.05	0.21	0.32	0.34
EBITDA €	0.42	0.56	0.74	0.87	0.97
EBIT €	0.11	0.19	0.37	0.51	0.62
BV €	3.69	3.73	3.98	4.41	4.87
FCFO €	0.09	0.23	0.30	0.56	0.58
FCFF €	0.09	0.06	(0.24)	0.31	0.29
FCFE €	0.05	(0.02)	(0.07)	0.31	0.29
Dividend €	0.00	0.00	0.00	0.00	0.00



## FY-23 Results

After disclosing certain preliminary figures on 18<sup>th</sup> December (i.e. Total Revenues and EBITDA) and the approval of the 2024-25 Business Plan on 6<sup>th</sup> March, Radici Pietro posted complete FY-23 results, exhibiting mid-single-digit top-line growth, mainly thanks to the solid second semester.

Profitability increased more than proportionally compared to the top line, benefitting from the operating leverage coupled with a more profitable revenue mix and several cost mitigation actions which improved operating efficiency.

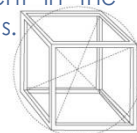
**Table 1 – Radici Pietro, FY-23 results**

€ m	2023	2022	% YoY	2023e	% Diff.
Marine	12.0	5.6	<i>n.m.</i>	11.9	0.2
Residential & Contract	26.5	28.3	(6.1)	26.5	0.1
Sport	11.5	14.1	(18.2)	11.5	0.4
Automotive	6.0	5.6	7.9	6.0	(0.4)
<b>Total Revenues</b>	<b>56.0</b>	<b>53.5</b>	<b>4.8</b>	<b>56.0</b>	<b>0.1</b>
Other	1.5	4.5		0.7	
<b>Value of Production</b>	<b>57.6</b>	<b>58.0</b>	<b>(0.8)</b>	<b>56.7</b>	<b>1.6</b>
Raw material and processing	(27.9)	(29.7)		(28.0)	
Services	(15.9)	(15.3)		(14.3)	
Personnel expenses	(9.0)	(8.5)		(8.6)	
Other opex	0.2	(0.8)		(0.9)	
<b>EBITDA</b>	<b>4.9</b>	<b>3.7</b>	<b>34.4</b>	<b>4.9</b>	<b>1.8</b>
% margin	8.8	6.9		8.7	
D&A	(3.2)	(2.7)		(3.0)	
<b>EBIT</b>	<b>1.7</b>	<b>0.9</b>	<b>81.3</b>	<b>1.9</b>	<b>(8.4)</b>
% margin	3.0	1.8		3.3	
Financials	(1.2)	(0.7)		(1.2)	
Re/(Devaluation) of financial assets	-	0.0		-	
Extraordinary	-	-		-	
<b>Pre-Tax profit</b>	<b>0.5</b>	<b>0.3</b>	<b>72.9</b>	<b>0.7</b>	<b>(28.4)</b>
% margin	0.8	0.5		1.2	
Income taxes	(0.0)	(0.1)		(0.0)	
Tax rate	1.5%	31.5%		4.5%	
Minorities	-	-		-	
<b>Net Profit</b>	<b>0.5</b>	<b>0.2</b>	<i>n.m.</i>	<b>0.6</b>	<b>(26.2)</b>
% margin	0.8	0.3		1.1	
<b>Net Equity</b>	<b>32.8</b>	<b>32.5</b>	<b>1.2</b>	<b>33.1</b>	<b>(0.8)</b>
<b>NFP Debt/(Cash)</b>	<b>16.0</b>	<b>16.5</b>	<b>(3.1)</b>	<b>16.0</b>	<b>(0.3)</b>

Source: Company data, CFO SIM estimates

**Total Revenues grew by 4.8% YoY to € 56.0m** (€ 53.5m in FY-22), mostly driven by higher sales volumes. In terms of business lines, the company witnessed a brilliant performance of the Marine segment along with a good recovery of the Automotive, which more than offset the slowdown in Residential & Contract and Sport. In greater details:

- **Marine (21% of the total) more than doubled YoY to € 12.0m** (€ 5.6m in 2022), propelled by a gain in the market share in the main markets as well as a solid growth with respect to both the activities of construction and refitting of cruise ships;
- **Residential & Contract (47% of the total) decreased to € 26.5m**, compared to € 28.3m in 2022, mainly as a consequence of a contraction occurred in the European market;
- **Sport (21% of the total) was € 11.5m, down by 18.2% YoY**, because of a certain slowdown in the disbursement of NRRP-related funds earmarked for sports infrastructures;
- **Automotive (11% of the total) was € 6.0m, up by 7.9% YoY** thanks to a modest broad-based recovery of the sector, following a tough environment in the biennium 2021-22 characterised by heavy disruption in the supply chains.



**Table 2 – Radici Pietro, FY-23 revenues by geography and industry**

€ m	2023	2022	% YoY	% on FY-23	% on FY-22
Italy	30.6	27.5	11.4	55%	51%
UE	13.2	14.8	(10.7)	24%	28%
US	10.1	8.7	15.2	18%	16%
RoW	2.1	2.5	(13.0)	4%	5%
<b>Total Revenues</b>	<b>56.0</b>	<b>53.5</b>	<b>4.8</b>	<b>100%</b>	<b>100%</b>
Marine	12.0	5.6	n.m.	21%	10%
Residential & Contract	26.5	28.3	(6.1)	47%	53%
Sport	11.5	14.1	(18.2)	21%	26%
Automotive	6.0	5.6	7.9	11%	10%
<b>Total Revenues</b>	<b>56.0</b>	<b>53.5</b>	<b>4.8</b>	<b>100%</b>	<b>100%</b>

Source: Company data

**EBITDA jumped by 34.4% YoY, reaching € 4.9m, 8.8% margin** (€ 3.7m, 1.9% margin in FY-22), broadly aligned with the company's budget, and increasing more than proportionally compared to revenues in light of a good top line progression in the second semester, coupled with significant cost savings stemming from cost mitigation actions put in place by the group. In particular, at the beginning of the year a 2.4 MWh photovoltaic plant came into operation, capable of covering around 40% of the group's annual energy requirements.

**EBIT came in at € 1.7m, 3.0% margin**, compared to € 0.9m, 1.8% margin, in 2022, although slightly lower than our expectations as a result of higher-than-forecasted D&A expenses.

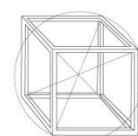
**Net Profit came in at € 0.5m, significantly improving YoY**, after financial charges of € 1.2m and some negative currency translation effects.

**Table 3 – Radici Pietro, FY-23 Op. NWC**

€ m	2023	2022	% YoY	2023e	% Diff.
Inventories	22.1	21.5	2.7	21.2	4.4
Receivables	14.7	12.4	18.7	13.8	6.4
Payable	(13.7)	(12.6)	(8.9)	(13.1)	4.4
<b>Op. NWC</b>	<b>23.1</b>	<b>21.3</b>	<b>8.4</b>	<b>21.9</b>	<b>5.6</b>
Op. NWC/Sales %	41.2%	39.9%		39.1%	

Source: Company data, CFO SIM estimates

**Net Financial Position slightly improved to € 16.0m** compared to € 16.5m at year-end 2022, on the back of a good operating cash-flow of € 2.0m, after a NWC cash absorption of about € 1.8m, mainly because of higher receivables. The operating cash-flow was partially absorbed by capex of € 1.5m (lower than our estimate of € 2.5m) primarily consisting of: 1) € 600k of intangible capex relative to the renewal of the FIFA license agreement and 2) € 900k of tangible investments involving the revamping of the company's production facilities.



## Recent developments

On 6<sup>th</sup> March, Radici Pietro announced the **purchase of a 26% stake in 100%TurfRecyclers Srl** for a total consideration of € 510k. Moreover, a **shareholders' agreement** signed with the selling counterparty, which still holds 25% of 100%TurfRecyclers, **attributes the effective control of the target to Radici Pietro**.

100%TurfRecyclers engages in the **design, development and marketing of specialised machinery able to dispose of artificial sport turfs** by separating all of its components, which can be reused as raw materials for production. In 2023, the company recorded revenues of ca. € 2.0m, with EBITDA of € 200k (11.4% margin). The transaction envisages an **EV/EBITDA<sub>23</sub> of 9.7x, which shrinks to 2.4x if we consider the FY-24 EBITDA target of € 800k**, which is rather achievable given the high visibility on the current backlog of € 3.0m.

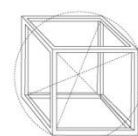
The acquisition is synergistic for Radici Pietro as it will complete the selling proposition for the Sport segment and improve the overall profitability as well as net debt in the medium term thanks to a generous cash flow generation.

Moreover, Radici Pietro has recently approved the **2024-25 Business Plan, which envisages double-digit growth of the top line** thanks to the consolidation of 100%TurfRecyclers coupled with solid organic growth. Furthermore, the 2024-25 capex plan of a total of € 5.5m will allow the group to improve both the energy and the operating efficiency. Moreover, Radici Pietro plans to strengthen the commercial structure in order to gain market share in the most promising segments.

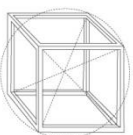
**Table 4 – Radici Pietro, 2024-25 Business Plan**

€ m	2022	2023	2024e	2025e	% CAGR <sub>22-25</sub>	% CAGR <sub>23-25</sub>
Marine	5.6	12.0	11.6	12.6	50.7%	2.7%
Residential & Contract	28.3	26.5	30.1	30.7	4.2%	7.6%
Sport	14.1	11.5	18.4	21.5	23.5%	36.5%
Automotive	5.6	6.0	5.8	5.8	2.0%	-1.8%
<b>Total Revenues</b>	<b>53.5</b>	<b>56.0</b>	<b>65.9</b>	<b>70.6</b>	<b>14.9%</b>	<b>12.2%</b>
<b>EBITDA</b>	<b>3.7</b>	<b>4.9</b>	<b>6.6</b>	<b>7.9</b>	46.5%	26.4%
% margin	6.9%	8.8%	10.0%	11.2%	~ +430bps	~ +240bps
<b>Net Debt / (cash)</b>	<b>16.5</b>	<b>16.0</b>	<b>17.9</b>	<b>15.2</b>	<b>-4.1%</b>	<b>-2.5%</b>
Net Debt/EBITDA (x)	4.5	3.3	2.7	1.9		

Source: Company data



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DATE	TARGET PRICE	RATING
02/04/2024	€2.20	BUY
15/03/2024	€2.20	BUY
20/12/2023	€1.80	BUY
19/10/2023	€1.80	BUY
18/04/2023	€1.80	BUY

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- 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.

