

EL.EN.

Sector: Industrials

OUTPERFORM

Price: Eu14.94 - Target: Eu17.80

Another Outstanding Quarter, Strong 2H Ahead

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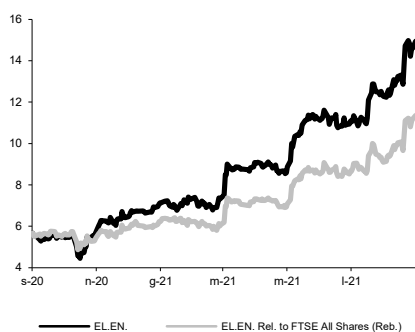
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 12.00 to 17.80		
	2021E	2022E	2023E
Chg in Adj EPS	22.9%	18.0%	11.8%

Next Event

9M21 results out 12 November 2021

EL.EN. - 12M Performance



Stock Data

Reuters code:	ELEN.MI		
Bloomberg code:	ELN IM		
	1M	3M	12M
Performance			
Absolute	21.7%	32.8%	155.4%
Relative	24.0%	31.7%	123.8%
12M (H/L)	14.98/4.46		
3M Average Volume (th):	180.99		

Shareholder Data

No. of Ord shares (mn):	78
Total no. of shares (mn):	78
Mkt Cap Ord (Eu mn):	1,171
Total Mkt Cap (Eu mn):	1,171
Mkt Float - Ord (Eu mn):	605
Mkt Float (in %):	51.7%
Main Shareholder:	
Cangioli Andrea	15.2%

Balance Sheet Data

Book Value (Eu mn):	256
BVPS (Eu):	3.26
P/BV:	4.6
Net Financial Position (Eu mn):	88
Enterprise Value (Eu mn):	1,140

- Record 2Q beats forecasts across the board:** 2Q21 was another outstanding quarter for ELN, which reported record quarterly results, beating our expectations (which already pointed at a historic release), and hitting new highs in both divisions. 2Q21 revenues were €157.5mn (vs. our €146.4mn estimate) up +76% YoY and +51% vs 2Q19, thanks to strong growth in both segments (with medical/industrial sales up +70%/+83% YoY and coming in 5%/10% above our est.) powered by the continued strength of end-market demand. EBITDA was €23.5mn i.e. a margin of 14.9% (beating our est. of 13.3% due to operating leverage) improving 6.7pp YoY/2.9pp vs. 2Q19. EBIT was €17.9mn, an 11.4% margin, although this would have been 13.2% excluding a €2.8mn one-off accrual for warranty expenses (vs. our 11.5% estimate). 1H21 net profit (reported only for HY) was €22.4mn (vs. our €20.7mn estimate), up +250% YoY and +119% vs 2Q19. NFP was positive for €79mn (vs. our €77mn estimate) up from €76mn at 1Q21, showing positive cash flow in 2Q despite the dividend payment (€-8mn), itself offset by cash-ins on stock options (€4mn).
- FY21 guidance raised:** order books were at record highs for both segments at the end of 2Q, powering the guidance upgrade. The top line is now seen at “≥€550mn” (from ≥€500mn previously) and 2H21 EBIT is foreseen above the 1H21 figure, implying at least €62mn EBIT or an 11.3% margin for FY21 (vs “≥10%” previously). Excluding the €2.8mn one-off accrual booked in 1H, the FY21 margin would be closer to 11.8% (on the bottom end of the sales outlook) under the new guidance, but some resumption in travel and marketing activities may partly increase costs in 2H.
- Conference call highlights:** optimum market conditions for both segments are expected to continue in the coming months, with ongoing robust trends in Aesthetics (34% of sales) in the US, Europe and Japan, while laser cutting (39% of sales) in Italy and Europe should grow faster than China, which is returning to a normalised pace of growth. Demand for surgical laser (8% of sales) is still affected by the Covid-19 emergency at hospitals. Travel and marketing expenses should partly resume, but remain below pre-Covid levels. Visibility on next year remains limited, but the strong 2H21 momentum should carry on into early 2022. Production capacity can sustain growing volumes for the time being, but new CapEx, starting next year, is to be invested, mainly in the industrial segment, to meet ever-growing demand, related to some European and Chinese plants in the coming years.
- Change in estimates:** we are adjusting our forecasts to factor in continued strong growth in both segments (2H21E Medical/Industrial sales up +19%/+13% YoY), steady gross margin levels in 2H (vs 1H) and to reflect indications on fixed costs.
- OUTPERFORM reiterated, TP €17.8 (from €12):** We reiterate our positive stance on the stock in light of another outstanding quarter, displaying robust growth across all segments. The company is performing superbly in fast-growing markets, while its Surgical laser activities, ELN’s most accretive division, remains hit by Covid-19, is potentially offering additional medium-term margins upside. We are raising our DCF-based TP to €17.8 from €12 previously to reflect our change in estimates (€2.8), a higher g (2.5% from 2%, €1.3) and a lower WACC (7% from 7.5%, €1.7). Our new target implies an average 2021E/22E P/E multiple of 29.6x.

Key Figures & Ratios	2019A	2020A	2021E	2022E	2023E
Sales (Eu mn)	401	408	558	603	643
EBITDA Adj (Eu mn)	46	43	79	84	89
Net Profit Adj (Eu mn)	26	19	45	48	52
EPS New Adj (Eu)	0.335	0.244	0.569	0.618	0.668
EPS Old Adj (Eu)	0.335	0.244	0.463	0.524	0.597
DPS (Eu)	0.000	0.100	0.100	0.125	0.125
EV/EBITDA Adj	8.5	10.2	14.4	13.2	11.9
EV/EBIT Adj	10.3	13.6	17.7	15.7	14.0
P/E Adj	44.6	61.1	26.3	24.2	22.4
Div. Yield	0.0%	0.7%	0.7%	0.8%	0.8%
Net Debt/EBITDA Adj	-1.3	-1.6	-1.1	-1.5	-1.9

EL.EN. – Key Figures						
Profit & Loss (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Sales	346	401	408	558	603	643
EBITDA	36	46	41	79	84	89
EBIT	30	38	30	64	70	76
Financial Income (charges)	1	0	-2	1	1	1
Associates & Others	-1	-0	-0	0	0	0
Pre-tax Profit	30	39	28	65	71	77
Taxes	-8	-10	-5	-17	-18	-20
Tax rate	-26.1%	-25.5%	-19.3%	-26.0%	-26.0%	-26.0%
Minorities & Discontinued Operations	-5	-3	-2	-4	-4	-4
Net Profit	17	26	20	45	48	52
EBITDA Adj	36	46	43	79	84	89
EBIT Adj	30	38	32	64	70	76
Net Profit Adj	17	26	19	45	48	52
Per Share Data (Eu)	2018A	2019A	2020A	2021E	2022E	2023E
Total Shares Outstanding (mn) - Average	19	78	78	78	78	78
Total Shares Outstanding (mn) - Year End	19	78	78	78	78	78
EPS f.d	0.870	0.335	0.259	0.569	0.618	0.668
EPS Adj f.d	0.870	0.335	0.244	0.569	0.618	0.668
BVPS f.d	10.398	2.848	2.813	3.262	3.773	4.307
Dividend per Share ORD	0.100	0.000	0.100	0.100	0.125	0.125
Dividend per Share SAV						
Dividend Payout Ratio (%)	11.5%	0.0%	40.9%	17.6%	20.2%	18.7%
Cash Flow (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Gross Cash Flow	27	37	33	63	66	70
Change in NWC	-17	1	7	-18	-7	-5
Capital Expenditure	-26	-23	-13	-16	-14	-14
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-16	14	27	29	45	51
Acquisitions, Divestments & Other Items	3	-6	-21	0	0	0
Dividends	-8	-9	0	-9	-8	-10
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	-22	-1	8	19	37	41
Balance Sheet (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Total Fixed Assets	68	89	92	93	94	94
Net Working Capital	80	80	73	91	98	103
Long term Liabilities	9	11	7	7	7	7
Net Capital Employed	157	179	171	191	199	204
Net Cash (Debt)	63	61	69	88	125	166
Group Equity	219	241	241	280	324	370
Minorities	19	18	20	24	28	32
Net Equity	201	222	221	256	296	338
Enterprise Value (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Average Mkt Cap	123	400	452	1,171	1,171	1,171
Adjustments (Associate & Minorities)	-57	-57	-57	-57	-57	-57
Net Cash (Debt)	63	61	69	88	125	166
Enterprise Value	118	395	440	1,140	1,103	1,062
Ratios (%)	2018A	2019A	2020A	2021E	2022E	2023E
EBITDA Adj Margin	10.3%	11.6%	10.5%	14.2%	13.9%	13.9%
EBIT Adj Margin	8.7%	9.5%	7.9%	11.5%	11.6%	11.8%
Gearing - Debt/Equity	-28.5%	-25.5%	-28.7%	-31.6%	-38.6%	-44.9%
Interest Cover on EBIT	nm	nm	17.1	nm	nm	nm
Net Debt/EBITDA Adj	-1.8	-1.3	-1.6	-1.1	-1.5	-1.9
ROACE*	21.7%	22.7%	17.2%	35.5%	35.9%	37.6%
ROE*	8.6%	12.3%	8.6%	18.7%	17.6%	16.5%
EV/CE	0.9	2.4	2.5	6.3	5.7	5.3
EV/Sales	0.3	1.0	1.1	2.0	1.8	1.7
EV/EBITDA Adj	3.3	8.5	10.2	14.4	13.2	11.9
EV/EBIT Adj	3.9	10.3	13.6	17.7	15.7	14.0
Free Cash Flow Yield	-1.3%	1.1%	2.2%	2.3%	3.7%	4.2%
Growth Rates (%)	2018A	2019A	2020A	2021E	2022E	2023E
Sales	12.9%	15.8%	1.8%	36.8%	8.0%	6.7%
EBITDA Adj	-1.4%	30.0%	-7.1%	84.0%	5.5%	6.7%
EBIT Adj	1.8%	27.4%	-15.4%	99.1%	8.9%	8.0%
Net Profit Adj	7.4%	54.9%	-22.1%	120.0%	8.8%	8.0%
EPS Adj	7.4%	-61.5%	-27.1%	132.6%	8.8%	8.0%
DPS	0.0%	nm	nm	0.0%	25.0%	0.0%

*Excluding extraordinary items

Source: Intermonte SIM estimates

2Q/1H21 results snapshot

El.En. – 2Q/1H21 results snapshot

(Eu mn)	2Q19A	1Q20A	2Q20A	1H20A	2H20	2020A	1Q21A	2Q21A	1H21A	2Q21E	AvE 2Q
Medical	62.3	53.5	46.8	100.3	128.8	229.1	67.2	79.5	146.7	75.7	5%
growth YoY (%)	19.9%	7.4%	-24.9%	-10.5%	-1.0%	-5.4%	25.6%	69.8%	46.2%	61.8%	
% of total sales	59.6%	73.4%	52.2%	61.7%	52.4%	56.1%	57.8%	50.4%	53.6%	51.7%	
Industrial	42.2	19.4	42.8	62.2	116.8	179.0	49.1	78.1	127.2	70.8	10%
growth YoY (%)	7.8%	-42.9%	1.3%	-18.5%	42.0%	12.9%	152.9%	82.5%	104.5%	65.4%	
% of total sales	40.4%	26.6%	47.8%	38.3%	47.6%	43.9%	42.2%	49.6%	46.4%	48.3%	
Sales	104.6	72.9	89.6	162.5	245.6	408.1	116.4	157.5	273.9	146.4	8%
YoY growth %	14.8%	-13.0%	-14.4%	-13.8%	15.7%	1.8%	59.5%	75.9%	68.5%	63.5%	
Gross profit	41.2	31.5	28.4	59.9	81.8	141.6	43.6	56.3	99.9	51.8	9%
Gross margin %	39.4%	43.2%	31.7%	36.8%	33.3%	34.7%	37.5%	35.7%	36.5%	35.3%	
YoY growth %	17.5%	-5.2%	-31.1%	-19.5%	0.2%	-9.2%	38.5%	98.4%	66.9%	82.5%	
EBITDA	12.9	7.1	7.4	14.5	26.3	40.8	15.6	23.5	39.1	19.5	20%
Ebitda margin %	12.4%	9.7%	8.3%	8.9%	10.7%	10.0%	13.4%	14.9%	14.3%	13.3%	
YoY growth %	44.9%	-7.8%	-42.7%	-29.7%	2.4%	-11.9%	119.9%	217.8%	169.9%	163.8%	
EBIT	11.0	4.5	4.8	9.3	20.8	30.1	12.9	17.9	30.8	16.9	6%
Ebit margin %	10.5%	6.2%	5.3%	5.7%	8.5%	7.4%	11.1%	11.3%	11.2%	11.5%	
YoY growth %	48.8%	-21.4%	-56.4%	-44.4%	-3.1%	-21.2%	187.6%	273.0%	231.6%	252.1%	
Pretax Profit	10.5	4.7	4.2	8.9	19.0	27.9	14.1	17.7	31.8	16.2	9%
Pretax margin %	10.0%	6.5%	4.7%	5.5%	7.7%	6.8%	12.1%	11.3%	11.6%	11.1%	
YoY growth %	23.6%	-26.8%	-59.5%	-47.1%	-12.7%	-27.7%	199.4%	318.9%	256.0%	282.7%	
Net Income				6.4	13.9	20.3			22.4		
Net margin %				3.9%	5.6%	5.0%			8.2%		
YoY growth %				-37.4%	-12.3%	-22.1%			249.9%		
Net financial position	54.0	27.5	27.9	27.9	69.2	69.2	75.8	78.9	78.9	77.4	2%

Source: Company data (A), Intermonte SIM Estimates (E)

Changes to estimates

El.En. – Changes to estimates

	New Estimates			Old Estimates			Delta %		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Revenue	558	603	643	516	566	609	8%	6%	6%
%YoY	36.8%	8.0%	6.7%	26.5%	9.7%	7.5%			
EBITDA	79	84	89	65	72	80	22%	15%	11%
%YoY	93.9%	5.5%	6.7%	58.4%	12.0%	10.9%			
%margin	14.2%	13.9%	13.9%	12.5%	12.8%	13.2%			
EBIT	64	70	76	54	61	69	19%	15%	10%
%YoY	113.7%	8.9%	8.0%	79.7%	12.5%	13.4%			
%margin	11.5%	11.6%	11.8%	10.5%	10.8%	11.3%			
EPS	0.57	0.62	0.67	0.46	0.52	0.60	23%	18%	12%
%YoY	132.6%	8.8%	8.0%	89.2%	13.2%	13.9%			
NFP	88	125	166	85	113	147	5%	11%	13%

Source: Intermonte SIM Estimates

Intermonte estimates

El.En. – Top-line breakdown by segment

Breakdown	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Aesthetic	100.0	110.4	134.3	136.5	188.4	203.4	213.6
growth YoY (%)	19.1%	10.4%	21.6%	1.6%	38.0%	8.0%	5.0%
% of total sales	32.6%	31.9%	33.5%	33.4%	33.8%	33.7%	33.2%
Surgical	34.5	42.1	50.3	38.3	46.9	52.5	56.8
growth YoY (%)	-7.3%	21.9%	19.5%	-23.9%	22.5%	12.0%	8.0%
% of total sales	11.3%	12.2%	12.6%	9.4%	8.4%	8.7%	8.8%
Physiotherapy	9.4	10.8	10.6	7.6	12.6	13.2	14.2
growth YoY (%)	11.1%	14.5%	-1.9%	-28.3%	66.0%	5.0%	7.5%
% of total sales	3.1%	3.1%	2.6%	1.9%	2.3%	2.2%	2.2%
Total Medical Systems	144.6	164.0	196.3	183.0	248.2	269.2	284.6
growth YoY (%)	10.9%	13.4%	19.7%	-6.8%	35.6%	8.5%	5.7%
% of total sales	47.2%	47.4%	49.0%	44.8%	44.5%	44.7%	44.3%
Medical service	29.9	33.9	45.9	46.1	51.2	53.7	56.4
growth YoY (%)	-16.4%	13.5%	35.4%	0.4%	11.0%	5.0%	5.0%
% of total sales	9.7%	9.8%	11.5%	11.3%	9.2%	8.9%	8.8%
Total Medical Revenues	174.4	197.9	242.2	229.1	299.4	323.0	341.0
growth YoY (%)	5.0%	13.4%	22.4%	-5.4%	30.7%	7.9%	5.6%
% of total sales	56.9%	57.2%	60.4%	56.1%	53.6%	53.6%	53.0%
Cutting	102.9	115.5	119.7	147.4	215.2	232.4	251.0
growth YoY (%)	66.8%	12.2%	3.6%	23.1%	46.0%	8.0%	8.0%
% of total sales	33.6%	33.4%	29.9%	36.1%	38.6%	38.5%	39.0%
Marking	17.3	17.9	20.3	17.3	20.6	22.6	24.0
growth YoY (%)	27.7%	3.5%	13.4%	-14.8%	19.0%	10.0%	6.0%
% of total sales	5.6%	5.2%	5.1%	4.2%	3.7%	3.8%	3.7%
Laser sources	3.4	4.9	4.4	2.3	6.3	6.6	7.0
growth YoY (%)	24.0%	45.7%	-10.2%	-47.7%	175.0%	5.0%	5.0%
% of total sales	1.1%	1.4%	1.1%	0.6%	1.1%	1.1%	1.1%
Total Industrial Systems	123.7	138.6	144.7	167.3	242.4	262.0	282.3
growth YoY (%)	58.0%	12.0%	4.4%	15.7%	44.9%	8.1%	7.7%
% of total sales	40.4%	40.0%	36.1%	41.0%	43.4%	43.5%	43.9%
Industrial service	8.3	9.6	13.9	11.7	16.3	18.0	19.7
growth YoY (%)	0.5%	5.0%	44.8%	-15.8%	39.5%	10.0%	10.0%
% of total sales	2.7%	2.8%	3.5%	2.9%	2.9%	3.0%	3.1%
Total Industrial Revenues	132.0	148.2	158.6	179.0	258.8	280.0	302.1
growth YoY (%)	52.5%	12.2%	7.0%	12.9%	44.5%	8.2%	7.9%
% of total sales	43.1%	42.8%	39.6%	43.9%	46.4%	46.4%	47.0%
Total Revenues	306.5	346.0	400.8	408.1	558.1	603.0	643.1
growth YoY (%)	21.3%	12.9%	15.8%	1.8%	36.8%	8.0%	6.7%

Source: Company data (A), Intermonte SIM Estimates (E)

El.En. – P&L forecasts

(Eu mn)	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Sales	306.5	346.0	400.8	408.1	558.1	603.0	643.1
YoY growth %	21.3%	12.9%	15.8%	1.8%	36.8%	8.0%	6.7%
Gross profit	127.3	137.5	156.0	141.6	202.9	220.0	234.9
Gross margin %	41.5%	39.7%	38.9%	34.7%	36.4%	36.5%	36.5%
YoY growth %	15.2%	8.0%	13.5%	-9.2%	43.3%	8.4%	6.8%
EBITDA	36.1	35.6	46.3	40.8	79.1	83.5	89.1
Ebitda margin %	11.8%	10.3%	11.6%	10.0%	14.2%	13.9%	13.9%
YoY growth %	11.5%	-1.4%	30.0%	-11.9%	93.9%	5.5%	6.7%
EBIT	30.4	30.0	38.2	30.1	64.3	70.1	75.7
Ebit margin %	9.9%	8.7%	9.5%	7.4%	11.5%	11.6%	11.8%
YoY growth %	10.4%	-1.5%	27.4%	-21.2%	113.7%	8.9%	8.0%
Pretax Profit	27.2	29.5	38.6	27.9	65.3	71.1	76.7
Pretax margin %	8.9%	8.5%	9.6%	6.8%	11.7%	11.8%	11.9%
YoY growth %	-48.4%	8.5%	30.8%	-27.7%	134.0%	8.8%	7.9%
Net Income	15.6	16.8	26.0	20.3	44.6	48.5	52.3
Net margin %	5.1%	4.9%	6.5%	5.0%	8.0%	8.0%	8.1%
YoY growth %	-61.3%	7.4%	54.9%	-22.1%	120.0%	8.8%	8.0%

Source: Company data (A), Intermonte SIM Estimates (E)

El.En. – Cash flow forecasts

Cash Flow Statement (Eu mn)	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Net income	15.6	16.8	26.0	20.3	44.6	48.5	52.3
Minorities	4.8	5.0	2.8	2.3	3.8	4.1	4.4
Amortization & Depr.	5.7	5.6	8.1	10.7	14.8	13.4	13.4
Change in working capital	(8.6)	(17.4)	0.6	6.9	(18.4)	(7.0)	(4.7)
Operating cash flow	17.5	10.1	37.5	40.1	44.7	59.0	65.4
Capex (Tangible+Intangible)	(7.9)	(26.3)	(23.4)	(13.0)	(16.0)	(14.0)	(14.0)
FCF	9.6	(16.2)	14.1	27.1	28.7	45.0	51.4
Acquisition / JV	0.0	0.0	0.0	(25.6)	0.0	0.0	0.0
Divestments (Tangible+Intangible)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	(7.7)	(8.4)	(8.7)	0.0	(9.4)	(8.4)	(10.4)
Other	(0.2)	2.6	(6.5)	4.7	0.0	0.0	0.0
Change in net (cash)/debt	1.7	(22.0)	(1.1)	7.8	19.3	36.6	41.0
Net Financial Position	84.5	62.5	61.4	69.2	88.5	125.1	166.1
Net debt/EBITDA	-2.3x	-1.8x	-1.3x	-1.7x	-1.1x	-1.5x	-1.9x

Source: Company data (A), Intermonte SIM Estimates (E)

El.En. – Simplified balance sheet forecasts

Balance Sheet (Eu mn)	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Commercial working capital	83.8	102.2	110.7	110.7	136.2	143.2	147.9
Net working capital	62.9	80.3	79.6	72.7	91.2	98.2	102.9
Net Fixed Asset	47.0	68.0	89.1	92.1	93.3	93.8	94.4
Other non current assets	9.9	8.5	10.5	6.7	6.7	6.7	6.7
Net capital employed	119.8	156.7	179.2	171.5	191.1	198.7	204.0
Net (debt) / cash	84.5	62.5	61.4	69.2	88.5	125.1	166.1
Net Equity	204.3	219.2	240.6	240.7	279.6	323.8	370.1
Shareholders Funds	190.3	200.7	222.4	220.5	255.7	295.7	337.6
Minorities	14.0	18.6	18.2	20.1	23.9	28.1	32.5
Net capital employed	119.8	156.7	179.2	171.5	191.1	198.7	204.0

Source: Company data (A), Intermonte SIM Estimates (E)

Valuation snapshot

El.En. – DCF Valuation

(Eu mn)	2021E	2022E	2023E	2024E	2025E	2026E	2027E
EBITDA	79.1	83.5	89.1	99.0	110.9	118.5	120.1
Tax on EBIT	-16.7	-18.2	-19.7	-22.4	-25.1	-26.8	-26.8
WC Change	-18.4	-7.0	-4.7	-6.7	-11.0	-6.0	-2.8
Capex	-16.0	-14.0	-14.0	-14.1	-16.0	-17.0	-17.0
FCFF	28.0	44.3	50.7	55.7	58.8	68.7	73.5
PV (FCFF)	28.0	41.4	44.3	45.5	44.9	49.0	49.0
PV FCFF 21-27	302	22%					
PV TV	1088	78%					
EV	1390						
Financial Assets	24						
Net Cash	65						
Participations @BV	2						
Minorities (@22x PE)	-83						
Equity Value	1398						
NOSH	78.4						
Fair Value per share	17.8						

We	100%
Rf	2.00%
Rm-Rf	5.00%
β	1.0
WACC	7.0%
g	2.5%

		WACC				
		6.50%	6.75%	7.00%	7.25%	7.50%
Terminal growth rate	1.5%	16.9	16.1	15.3	14.6	14.0
	2.0%	18.3	17.3	16.4	15.7	14.9
	2.5%	20.1	18.9	17.8	16.9	16.0
	3.0%	22.4	20.9	19.6	18.4	17.4
	3.5%	25.4	23.5	21.8	20.4	19.1

Source: Company data (A), Intermonte SIM Estimates (E)

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	EL.EN.		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	17.80	Previous Target (Eu):	12.00
Current Price (Eu):	14.94	Previous Price (Eu):	40.20
Date of report:	14/09/2021	Date of last report:	21/05/2021

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/earnings (P/E), EV/EBITDA, EV/EBIT, price/sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

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- NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;
- UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
- SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	16,94 %
OUTPERFORM:	52,42 %
NEUTRAL:	26,61 %
UNDERPERFORM	04,03 %
SELL:	00,00 %

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UNDERPERFORM	00,00 %
SELL:	00,00 %

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COGEME SET SPA	1,6	SHORT
IKF	0,57	SHORT
OLIDATA	0,74	SHORT

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