

# FINE FOODS

Sector: Industrials

# OUTPERFORM

Price: Eu10.45 - Target: Eu13.00

## Revising Estimates for Soft Nutra and Volatile Macro Context

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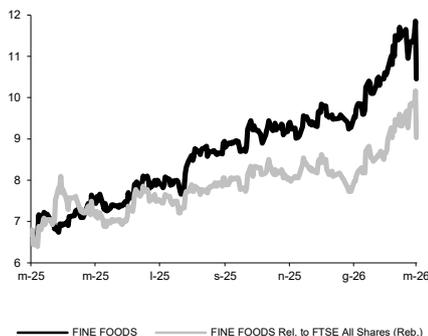
### Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 12.00 to 13.00		
	2026E	2027E	2028E
Chg in Adj EPS	-24.5%	-20.5%	-16.2%

### Next Event

1Q26 Results Out 7 May

### FINE FOODS - 12M Performance



### Stock Data

Reuters code:	FF.MI		
Bloomberg code:	FF IM		
<b>Performance</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	-1.4%	6.2%	56.4%
Relative	3.0%	4.8%	40.9%
12M (H/L)	11.85/6.52		
3M Average Volume (th):	53.02		

### Shareholder Data

No. of Ord shares (mn):	26
Total no. of shares (mn):	26
Mkt Cap Ord (Eu mn):	267
Total Mkt Cap (Eu mn):	267
Mkt Float - Ord (Eu mn):	125
Mkt Float (in %):	46.8%
Main Shareholder:	
Eigenfin Srl + M. Eigenmann	53.2%

### Balance Sheet Data

Book Value (Eu mn):	144
BVPS (Eu):	5.64
P/BV:	1.9
Net Financial Position (Eu mn):	-56
Enterprise Value (Eu mn):	323

**FY25 results were mixed: revenues and EBITDA were broadly in line, while adj. net income was weaker due to higher D&A, but net debt was significantly stronger thanks to lower NWC absorption. Looking ahead to FY26, the Nutra BU is expected to remain under pressure from the ongoing repositioning of selected weight-management customers, while the rest of the segment continues to show solid momentum and strong profitability. In a highly uncertain macro environment, management remains confident in its ability to manage potential cost headwinds (energy largely hedged; packaging and API costs closely monitored through active procurement, with the potential pass-through of increased costs to customers if needed). That said, amid limited visibility and rising D&A, we see downside risk to consensus estimates, potentially leading to a double-digit EPS cut.**

**FY25 results.** Group revenues reached €252mn (our exp. €252mn), up 3% YoY despite a slowdown in the last quarter (4Q: -6%, 3Q: +12%, 2Q: +15%, 1Q: -4%). As anticipated during the 9M call, the Nutra BU (€136mn, 54% of sales) recorded a sharp decline in 4Q (-17%, FY: -4%), only partially offset by continued - albeit slower - growth in Pharma (4Q: +9%, 3Q: +17%, 2Q: +11%, 1Q: +14%) and Cosmetics (4Q: +13%, 3Q: +35%, 2Q: +74%, 1Q: -24%). Industrial added value rose by 10% to €113mn, reflecting improved cost efficiency and supporting a 1.5pp YoY recovery in the adj. EBITDA margin to 15.1% (4Q: 12.2%), despite higher personnel costs (€52.5mn, +€5mn YoY), resulting in adj. EBITDA of €38.1mn (our exp. €38.6mn). Higher D&A (€18mn, +€2mn vs. our exp.) led to a ~€2mn shortfall in both adj. EBIT (€20.1mn vs. €22.6mn exp.) and adj. net profit (€12.8mn vs. €14.9mn exp.), with essentially no profit in 4Q. Net debt came in better than expected at €48mn (our exp. €54mn; 1.3x LTM EBITDA), up €13mn vs. YE24. CFFO was stronger at €31.8mn, mainly due to lower trade WC absorption (€-2.3mn vs. our €-6.6mn), but was fully absorbed by CapEx (€36.4mn, of which €23mn extraordinary), dividends (€3.4mn), and buybacks (€4.6mn).

**2026 outlook.** Nutra: modest growth expected in 2026, with a decline in 1Q26 followed by a gradual recovery over the remainder of the year, in line with underlying market trends. Pharma BU: strong volume growth continues, supported by multiyear contracts; the expanded Brembate plant is now approved and will contribute revenues from 2026. Cosmetics BU: after restructuring and investment, the BU is performing well and is positioned for further innovation and a stronger contribution in 2026.

**Estimates update.** We are cutting our 2026 revenue and EBITDA forecasts by c.7-8% to reflect low single-digit growth in the Nutra segment (now +1.2% vs. +5.7% previously) and a less aggressive trajectory in Pharma (now +14% vs. +34% previously), assuming a more gradual sales ramp-up from the new facility. Together with higher D&A (+€3mn), this results in an estimated c.24% reduction in 2026 EPS. We are also revising debt projections upwards to reflect higher expected NWC absorption, partly offset by a lower starting net debt position at YE25.

**OUTPERFORM confirmed; target €13.0 (from €12).** The change in estimates is more than offset by our DCF model being rolled over by one year, leading us to increase our TP from €12 to €13 (24% upside). Over the medium-to-long-term, we remain positive on the Group's story, supported by expected returns from capacity expansions in both Nutra and Pharma, as well as favourable sector trends (i.e. rise in outsourcing to CDMOs).

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	244	252	269	290	310
EBITDA Adj (Eu mn)	33	38	41	44	48
Net Profit Adj (Eu mn)	10	13	14	17	21
EPS New Adj (Eu)	0.399	0.501	0.545	0.647	0.805
EPS Old Adj (Eu)	0.399	0.582	0.721	0.814	0.961
DPS (Eu)	0.140	0.160	0.136	0.142	0.161
EV/EBITDA Adj	7.6	6.6	7.9	7.2	6.5
EV/EBIT Adj	14.6	12.6	15.6	12.9	10.6
P/E Adj	26.2	20.9	19.2	16.2	13.0
Div. Yield	1.3%	1.5%	1.3%	1.4%	1.5%
Net Debt/EBITDA Adj	1.1	1.3	1.4	1.2	0.9

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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)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

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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As at 13 March 2026 Intermonte's Research Department covered 131 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	31.30%
OUTPERFORM:	38.17%
NEUTRAL:	30.53%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (75 in total) is as follows:

BUY:	52.00%
OUTPERFORM:	29.33%
NEUTRAL:	17.34%
UNDERPERFORM:	01.33%
SELL:	00.00%

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