

# INDEL B

Sector: Industrials

# OUTPERFORM

Price: Eu23.40 - Target: Eu33.10

## Solid Demand Supports Quarterly and FY Estimates

**Mario Coppola +39-02-77115.322**  
 mario.coppola@intermonte.it  
**Andrea Randone: +39-02-77115.364**  
 andrea.randone@intermonte.it

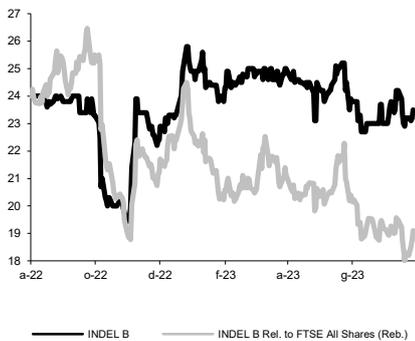
### Stock Rating

<b>Rating:</b>	Unchanged		
<b>Target Price (Eu):</b>	Unchanged		
	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>Chg in Adj EPS</b>	0.0%	0.0%	0.0%

### Next Event

 Results Out September 27<sup>th</sup>

### INDEL B - 12M Performance



### Stock Data

Reuters code:	INDB.MI		
Bloomberg code:	INDB IM		
<b>Performance</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	1.7%	-4.5%	-2.1%
Relative	-0.7%	-8.0%	-25.6%
12M (H/L)	25.80/19.45		
3M Average Volume (th):	0.55		

### Shareholder Data

No. of Ord shares (mn):	6
Total no. of shares (mn):	6
Mkt Cap Ord (Eu mn):	137
Total Mkt Cap (Eu mn):	137
Mkt Float - Ord (Eu mn):	43
Mkt Float (in %):	31.7%
Main Shareholder:	
AMP Fin Srl	68.3%

### Balance Sheet Data

Book Value (Eu mn):	131
BVPS (Eu):	22.53
P/BV:	1.0
Net Financial Position (Eu mn):	-16
Enterprise Value (Eu mn):	152

**■ Strong 2Q expected despite tougher comp base:** we expect 2Q revenues to remain flat YoY at €63.3mn, in deceleration compared to the 7% YoY growth reported in 1Q23. It must be noted, however, that 2Q22 provides a much tougher comparison base, as revenues grew by 25% in that quarter. By division:

- we expect **Automotive** to have grown 5% YoY to €40.3mn (record high), sustained by the solid demand and OEM order backlog. In 1Q23, the segment grew by 20%, but we expect a deceleration given the tougher comp base in 2Q22, when the company reached record sales levels;
- in **Hospitality**, we expect the company to report a similar result to 1Q23, at €4.2mn, 23% lower YoY though again due to a particularly tough comparison base in 2Q22 (+97% YoY that quarter);
- in **Leisure**, we estimate revenues down 7% YoY to €9.7mn, sequentially improving from the -20% YoY registered in 1Q23, with the mismatch between sell-in and sell-out with the subsidiary Webasto Marine still affecting sales, as already signalled in 1Q23;
- **Cooling Appliances** revenues are expected significantly lower (33% YoY) due again to the extraordinary result reported in 2Q22 (revenues up 181% YoY);
- In **Components & Spare Parts** we expect a sequential improvement after a negative 1Q23 (-23%), with revenues up 15% YoY.

**■ Profitability improving:** we expect the company to report adj. EBITDA of €15.4mn, with a margin of 12.7%. This compares to a 1H22 margin of 14.7%, as we expect the company to have still been impacted by higher production costs and also by the damage caused by the exceptionally heavy rains and precipitation during the semester. However, 1H23 should show signs of improvements on 2H22 (12.1%), as the benefits of price increases should have kicked in. Looking at the bottom line, we expect net profit to have come to €7.5mn, down 19% YoY.

**■ Higher visibility on FY estimates:** we currently expect the company to reach €234mn revenues in FY23 (+5% YoY), with 1H23 at €118mn (+3%). We believe an acceleration in 2H is reasonable given that 2H22 provides an easier comparison base and that demand appears to have remained strong in Automotive in particular. Indeed, major OEMs are reporting robust demand, with 2023 almost entirely covered by order books: for example, Traton, Volvo and Paccar recently upgraded their market expectations (details below).

**■ OUTP., TP confirmed:** demand should have remained strong across segments, which should enable the company to improve further in 2023 thanks in part to its ability to manage costs. 1H results should help to give more visibility on 2023 estimates, and the year might play out better than anticipated, with no significant slowdown/recession as it was thought at the beginning of the year. At our target price, we value the company at 6.9x and 11.7x 2023 EV/EBITDA and P/E, with Dometric trading at 9.4x and 15.5x respectively.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	188	227	234	246	259
EBITDA Adj (Eu mn)	26	31	32	34	38
Net Profit Adj (Eu mn)	16	16	17	18	20
EPS New Adj (Eu)	2.705	2.790	2.833	3.083	3.491
EPS Old Adj (Eu)	2.705	2.790	2.833	3.083	3.491
DPS (Eu)	1.000	0.800	0.700	1.000	1.000
EV/EBITDA Adj	6.3	5.5	4.8	4.1	3.4
EV/EBIT Adj	8.1	7.5	6.7	5.7	4.7
P/E Adj	8.7	8.4	8.3	7.6	6.7
Div. Yield	4.3%	3.4%	3.0%	4.3%	4.3%
Net Debt/EBITDA Adj	0.5	0.9	0.5	0.1	-0.2