



FINANCE FOR FOOD

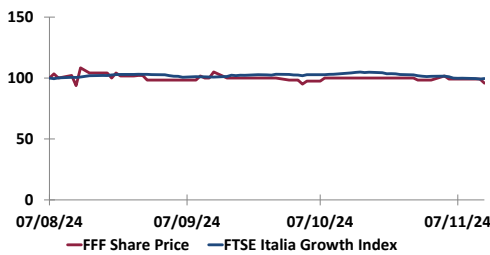
FLASH NOTE

OUTPERFORM

Current Share Price (€): 2.30

Target Price (€): 3.94

FFF - Performance since IPO



Source: S&P Capital IQ - Note: 07/08/2024 (IPO offer price)=100

Company data

ISIN number	IT0005605636
Bloomberg code	FFF IM
Reuters code	FFF.MI
Industry	Consulting
Stock market	Euronext Growth Milan
Share Price (€)	2.30
Date of Price	13/11/2024
Ordinary Shares Outstanding (m)	5.4
All Shares Outstanding (m)	5.9
Market Cap (€m)	12.3
Market Float (%)	14.6%
Daily Volume	600
Avg Daily Volume since IPO	4,620
Target Price (€)	3.94
Upside (%)	71%
Recommendation	OUTPERFORM

Share price performance

	IPO	
FFF - Absolute (%)	-4%	
FTSE Italia Growth Index (%)	0%	
IPO Range H/L (€)	2.60	2.25
IPO Change (€) / %	-0.10	-4%

Source: S&P Capital IQ

Analysts

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First acquisition after IPO

Acquisition of D&P, energy transition consulting firm

Finance for Food has announced an agreement to acquire 51% of D&P, a consulting firm focused on energy industry and green transition, for a consideration of €0.5m cash at closing. The deal includes options to acquire additional shares, subject to certain conditions, up to full ownership of D&P. Total consideration for 100% of D&P foresees: €1m cash and €3m through FFF shares valued at €3.94 per share in exchange for D&P shares contribution, according to a transaction scheme envisaging several steps and adjustments based on D&P FY24 revenues and EBITDA.

Reportedly, in 9M 2024 target company revenues and EBITDA were respectively €800k and €160k.

Deal rationale: energy industry opportunities

The rationale behind the transaction with D&P dwells in gathering experience in sectors such as sustainability, energy market and infrastructure, circular economy, areas in which FFF aims to expand its service offering. D&P, incorporated in July 2023, was founded by a team of experienced energy and other tech industries specialists, focused on energy infrastructure and green transition, circular economy and management turnaround.

Confirmed OUTPERFORM rating and Target Price €3.94 per share

Given our assessment of this acquisition as investment in a target industry of competence, we assume a balance between market opportunities and resources to be invested, and we confirm the OUTPERFORM rating and the €3.94 target price per share, +64% on €2.40 IPO offer price and +71% on current stock price.

KEY FINANCIALS AND ESTIMATES (€k)

	2022A	2023A	2024E	2025E	2026E
Revenues	1,005.4	1,106.3	1,630.6	2,632.0	4,120.5
EBITDA	57.2	103.4	328.3	830.3	1,615.9
Margin	5.7%	9.3%	20.1%	31.5%	39.2%
EBIT	24.8	71.3	189.0	687.9	1,477.1
Margin	2.5%	6.4%	11.6%	26.1%	35.8%
Net Income (Loss)	7.0	35.4	136.3	496.0	1,065.0
Net (Debt) Cash	49.3	66.4	1,732.8	2,313.7	3,306.8
Equity	229.0	264.5	2,443.8	2,939.7	4,004.7

Source: Company data FY2022-23, EnVent Research FY2024-26E

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STOCK RATINGS

The “OUTPERFORM”, “NEUTRAL”, AND “UNDERPERFORM” recommendations are based on the expectations within a 12-month period from the date of rating indicated in the front page of this publication.

Equity ratings and valuations are issued in absolute terms, not relative to market performance.

Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks expected to have a downside within the reference market or industry, with a target price more than 10% below the current market price;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

NOT RATED: no rating or target price assigned.

Some flexibility on the limits of the total return rating ranges is permitted, especially during high market volatility cycles.

The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 13/11/2024 h. 7.00pm

Date and time of Distribution: 14/11/2024 h. 6.15pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
09/09/2024	OUTPERFORM	3.94	2.36
30/10/2024	OUTPERFORM	3.94	2.36
14/11/2024	OUTPERFORM	3.94	2.30

ENVENT RECOMMENDATION DISTRIBUTION (September 30th, 2024)

Number of companies covered:	26	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
Total Equity Research Coverage %		88%	12%	0%	0%	0%	0%
of which EnVent clients % *		73%	33%	na	na	na	na

* Note: Companies to which corporate and capital markets services were supplied in the last 12 months.

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