

EQUITY RESEARCH

OMER S.P.A.
RESULTS REVIEW

BUY

TP 5.2€

Up/Downside: 46%

2024 Will Be a Year of Growth!

Following Q1 2024's results, which exceeded expectations in terms of revenue, we have adjusted the model to take into account the effect that we believe the ramp-up of customer production could have on the company's data.

Last Wednesday, Omer released its key KPIs for Q1 2024, which show significant revenue growth, amounting to €19.2m (+23% YoY), EBITDA of €3.8m (+23% YoY) and cash net of debt of €21m (vs €19.7m at end December 2023).

Q1 revenue rose by 23% to €19.2m, surpassing our expectations. This entirely organic growth was mainly due to an increase in production volumes, in line with the ramp-up of customer production, and to a lesser extent to some price revisions in line with inflation. We have revised our revenue growth estimate for the year to 8% (from 6.5% previously). Q2 and Q4 historically have a greater impact on the year-end result, so we are awaiting Q2 2024's results and any updates on the Dolce Vita project, before making a more significant revision.

Regarding costs, last year was marked by increases in personnel costs, both to meet rising production needs and to adjust salaries in line with inflation. This increase has been partly offset by operational efficiencies and a slight fall in input costs (which have not yet returned to pre-Russian-Ukrainian conflict levels), so we have reduced our EBITDA margin estimate by 90bps to 22.7% (from 23.6% previously), leaving our 2024 estimate of €16.6m unchanged in absolute terms.

Finally, we would point out that our estimates to date do not yet take into account the Dolce Vita project, which we expect the company to be able to contract by the end of Q2 2024 and which could have an impact on both FY 2024 figures and those for FY 2025. The Arsenale Group began the first pre-sales last week, with prices starting from €3,500 per night per person.

We consider Omer to be a great value that is currently undervalued (2024 EV/EBITDA of 4.6x and 2024 EV/EBIT of 5.9x), despite its good growth prospects and strong cash generation capacity. We reiterate our TP of €5.2.

Key data

Price (€)	3.6
Industry	Transportation Equipment
Ticker	OMER-IT
Shares Out (m)	28.750
Market Cap (m €)	102.4
Average trading volumes (k shares / day)	0.267

Source: FactSet

Ownership (%)

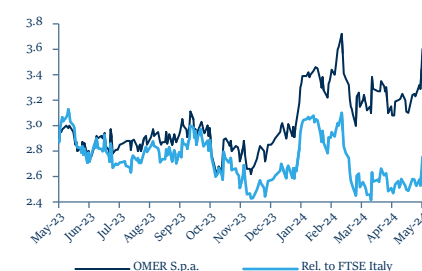
Halfa Srl	73.6
Mediolanum Gestione Fondi SGRp ^f	4.3
Fideuram Asset Management SGR ^g	1.9
Free float	26.0

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	0.32	0.33	0.37
Change vs previous estimates (%)	0.57	-2.59	-0.57

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-1.7	11.6	17.9
Rel FTSE Italy	-0.1	8.9	1.9



Source: FactSet

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	67.8	73.2	75.4	79.3	EV/Sales	1.0	0.9	0.7
Current Op Inc (m €)	12.2	13.1	13.7	15.0	EV/EBITDA	4.6	3.7	2.9
Current op. Margin (%)	18.0	17.9	18.1	18.9	EV/EBIT	5.8	4.8	3.7
EPS (€)	0.50	0.32	0.33	0.37	PE	11.3	10.7	9.7
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	11.6	6.8	9.8	10.6				

Source: TPICAP Midcap

Consensus FactSet - Analysts:na	12/24e	12/25e	12/26e
Sales	72.6	76.2	79.7
EBIT	13.0	14.1	15.1
Net income	9.4	10.2	10.9

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FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	54.3	58.4	67.8	73.2	75.4	79.3
Changes (%)	46.1	7.7	16.0	8.0	3.0	5.2
Gross profit	33.5	33.0	44.1	45.5	47.9	50.5
% of Sales	61.7	56.4	65.1	62.2	63.6	63.7
EBITDA	15.6	13.8	15.1	16.6	17.6	19.2
% of Sales	28.8	23.6	22.3	22.7	23.3	24.2
Current operating profit	13.8	11.4	12.2	13.1	13.7	15.0
% of Sales	25.5	19.4	18.0	17.9	18.1	18.9
Non-recurring items	-0.0	-0.1	-0.1	0.0	0.0	0.0
EBIT	13.8	11.3	12.1	13.1	13.7	15.0
Net financial result	0.0	-0.2	-0.7	-0.5	-0.4	-0.4
Income Tax	-3.6	-2.8	3.0	-3.5	-3.7	-4.1
Tax rate (%)	-25.9	-24.8	26.6	-27.9	-27.9	-27.9
Net profit, group share	10.2	8.3	14.5	9.1	9.6	10.6
EPS	0.36	0.29	0.50	0.32	0.33	0.37
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	12.6	14.3	16.2	16.7	16.0	14.9
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.0	0.1	0.1	0.1	0.1	0.1
Working capital	9.5	25.3	19.8	21.6	22.1	23.2
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	22.2	39.7	36.1	38.4	38.2	38.2
Shareholders equity group	40.2	48.6	55.3	64.4	74.0	84.5
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	0.3	0.4	0.4	0.4	0.4	0.4
Net debt	-18.7	-9.6	-19.8	-26.6	-36.4	-46.9
Other liabilities	0.4	0.4	0.2	0.2	0.2	0.2
Liabilities	22.2	39.7	36.1	38.4	38.2	38.2
Net debt excl. IFRS 16	-18.7	-9.6	-19.8	-26.6	-36.4	-46.9
Gearing net	-0.5	-0.2	-0.4	-0.4	-0.5	-0.6
Leverage	-1.2	-0.7	-1.3	-1.6	-2.1	-2.4
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	14.9	10.5	12.0	12.6	13.5	14.8
Δ WCR	2.4	-15.6	4.5	-1.8	-0.4	-1.1
Operating cash flow	17.3	-5.2	16.5	10.8	13.1	13.7
Net capex	-3.5	-4.1	-4.9	-4.0	-3.3	-3.1
FCF	13.8	-9.3	11.6	6.8	9.8	10.6
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.3	0.0	-5.0	0.0	0.0	0.0
Change in borrowings	-1.7	-2.1	-1.3	0.0	0.0	0.0
Dividends paid	-5.0	0.0	-1.4	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	12.8	-0.2	-0.1	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	20.2	-11.5	3.7	6.8	9.8	10.6
ROA (%)	46.1%	21.0%	40.1%	23.7%	25.0%	27.7%
ROE (%)	25.4%	17.2%	26.2%	14.1%	12.9%	12.5%

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Methodology

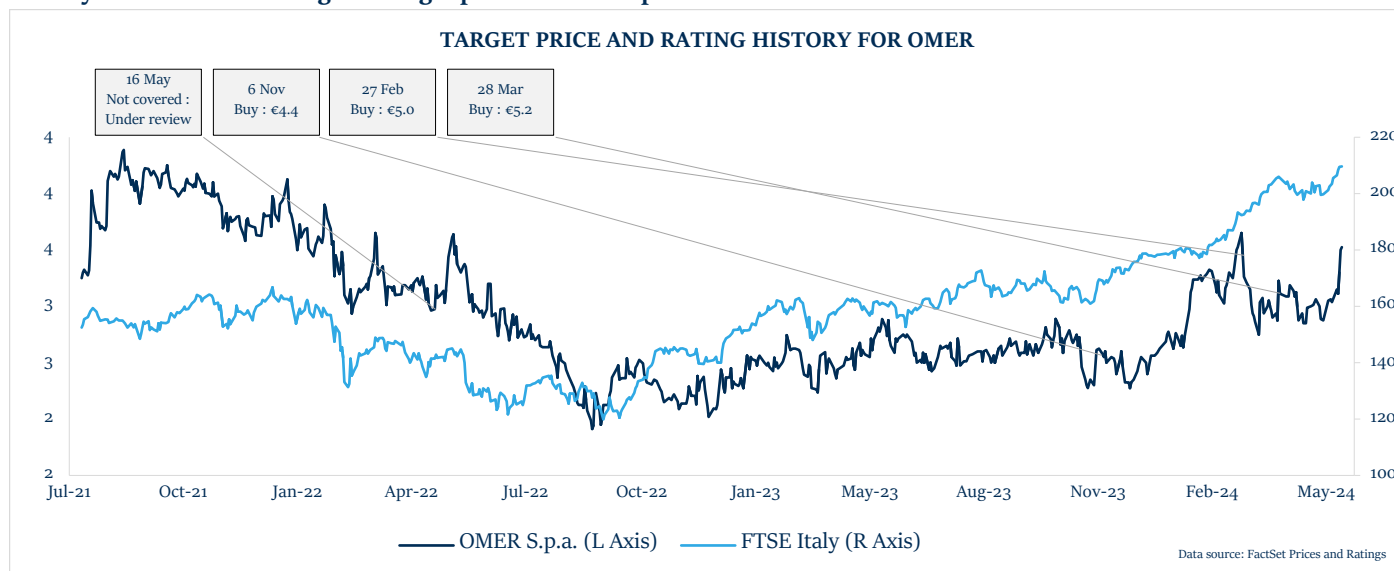
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1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

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G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: OMER S.p.a.

History of investment rating and target price – OMER S.p.a.



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Rating	Recommendation Universe*	Portion of these provided with investment banking services**
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Hold	15%	54%
Sell	2%	33%
Under review	1%	100%

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