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EQUITY RESEARCH

PORTOBELLO

ANALYSIS FOCUS

BUY

TP 26.8€ (vs 21.9€)

Up/Downside: 212%

A resilient business model

The results for H1 2023 are more than encouraging, with a significant increase in turnover. This performance is largely attributable to the effectiveness of the advertising barter system and the brand's reputation, which take advantage of the complex economic situation in Italy, directly impacting consumers.

Portobello, the key is to be both the buyer and seller at low prices, which allows for higher margins than its competitors. The company acquires unsold branded products at reduced costs and resells them through its distribution network and in B2B. Inflation in Italy continues to slow down due to the slowdown in the rise of energy and transportation prices but remains the highest in the eurozone, standing at 5.34% in September 2023. This mix of persistently high inflation and falling commodity prices results in a decrease in both volume and value of retail sales.

A resilient business model even during periods of macroeconomic slowdown
Portobello seems to be slipping through the cracks of this deteriorating economic situation by continuing to grow this year, giving us a glimpse of the trends to come for next year, with a turnover reaching 65M€ in the first half of 2023 and a 33% growth compared to the same period in 2022.

Opening new points of sale: the engine of growth
In 2023, Portobello continues its expansion by inaugurating six new maxi stores, bringing the total area to 27,000 square meters (compared to 24,500 in 2022). The continued development of the distribution network remains a fundamental pillar for the group.

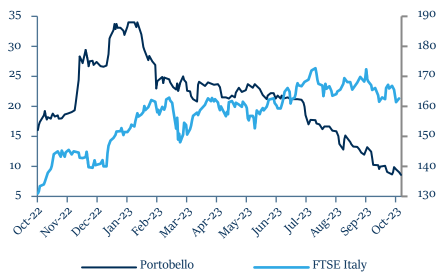
An opportunity for 2024
We have improved our revenue estimates for the upcoming years, which are now expected to record a CAGR of 15% (compared to the previous 11.2%) from 2022 to 2026. This improvement is attributed to the enhanced distribution network, which, in conjunction with the current market trends, is expected to attract a growing number of customers into the stores. Aligned with our business development estimations, we have revised our projections for personnel costs, services, raw materials, and taxation. Consequently, our net profit estimate for 2023 stands at 1.3M€ (compared to the previous -6.6M€), with a 77% increase in EPS for 2024 and a 66% increase for 2025. Based on our analysis, we have set a price target of 26.8€ per share (previously 21.90€), significantly above its current market price. The current share price presents an entry point for investors.

Key data	
Price (€)	8.6
Industry	Retailers
Ticker	POR-IT
Shares Out (m)	3.237
Market Cap (m €)	27.8
Average trading volumes (k shares / day)	6.900

Ownership (%)	
Fondateurs & Management	65.0
Free float	35.0

EPS (€)	12/23e	12/24e	12/25e
Estimates	0.39	2.78	3.19
Change vs previous estimates (%)	na	77.06	65.99

Performance (%)	1D	1M	YTD
Price Perf	-4.2	-31.1	-67.7
Rel FTSE Italy	-3.7	-28.9	-72.1



TP ICAP Midcap Estimates	12/22	12/23e	12/24e	12/25e
Sales (m €)	129.9	156.4	190.0	215.2
Current Op Inc (m €)	13.5	6.7	18.8	20.8
Current op. Margin (%)	10.4	4.3	9.9	9.7
EPS (€)	2.18	0.39	2.78	3.19
DPS (€)	0.00	0.00	0.00	0.00
Yield (%)	0.0	0.0	0.0	0.0
FCF (m €)	-21.7	-1.6	-3.1	-0.6

Valuation Ratio	12/23e	12/24e	12/25e
EV/Sales	0.5	0.4	0.4
EV/EBITDA	5.8	2.9	2.6
EV/EBIT	11.0	4.0	3.6
PE	22.2	3.1	2.7

Consensus FactSet - Analysts:4	12/23e	12/24e	12/25e
Sales	176.7	212.9	230.6
EBIT	23.1	31.1	36.3
Net income	15.9	20.4	24.8

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Description

Founded in 2016, Portobello has a network of shops in Italy offering a wide range of branded products at very competitive prices in four main categories: Consumer electronics, Houseware, Cleaning products, Apparel & Accessories. The group operates under an innovative business model characterised by a strong integration between its different segments. Through its Media business, the company sells advertising space in exchange of unsold branded products (advertising barter). Portobello has advertising space that is either wholly owned or managed (magazines, city walls, kiosks, etc.) or owned by third parties. The products obtained through barter are then sold in Portobello shops. Anything that, due to its size or type, cannot be sold through these channels is finally sold via B2B.

SWOT Analysis

Strengths

- Very competitive price positioning on branded and quality products
- An asset-light business model with high profitability
- Strong integration between its business units
- Business model resilient to crisis and scalable

Weaknesses

- Negative FCFs due to high Capex and WC requirements
- Opportunistic nature of barter activity
- Business model difficult to replicate abroad

Opportunities

- Development of the advertising barter activity
- Continued expansion of the physical store network
- Development of a franchising project with attractive conditions
- Strengthen Brand awareness to obtain better deals with vendors

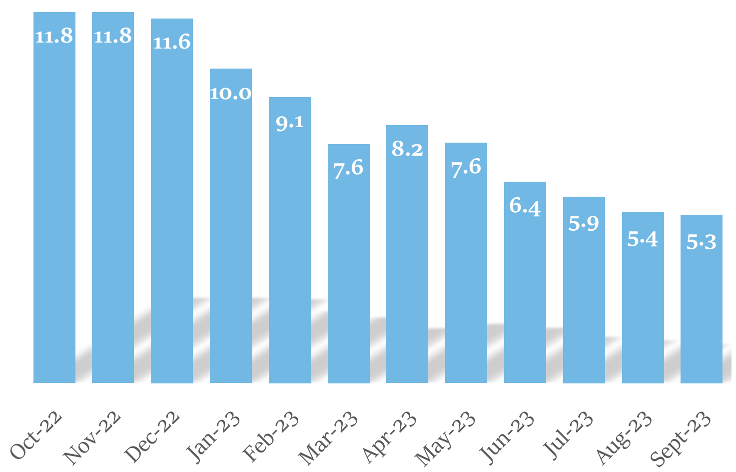
Threats

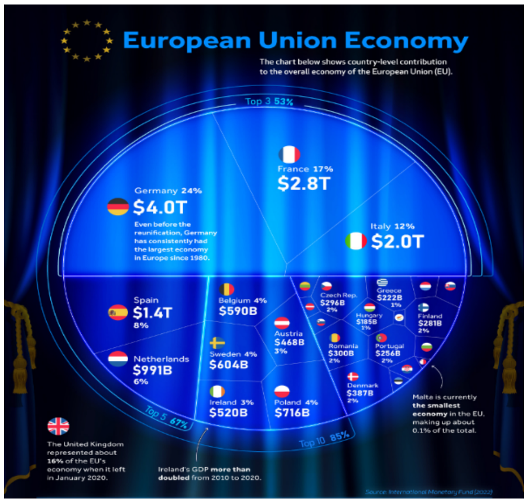
- Risks related to the execution of the strategic plan and the rapid business expansion
- Risks related to the complexity of the business model, integrating 3 complementary but different segments

Macro Point in Italy

With a Gross Domestic Product (GDP) of $2 trillion in 2022, Italy is the tenth-largest economy in the world (having dropped two places in the rankings since 2021) and the third-largest in Europe (contributing 12% to the overall economy of the European Union). Having endured severe impacts related to the COVID-19 pandemic, resulting in a -8.9% contraction of the GDP in 2020, the Italian economy regained its momentum, recording a growth of 7.5% in 2021, followed by an expansion of 3.9% in 2022. However, the outlook for the year 2023 appears less optimistic, with a projected growth of +0.8% (compared to the previously anticipated 1%) (Source: European Commission). This downturn raises concerns about Italy's future economic performance, particularly in 2023 and 2024.

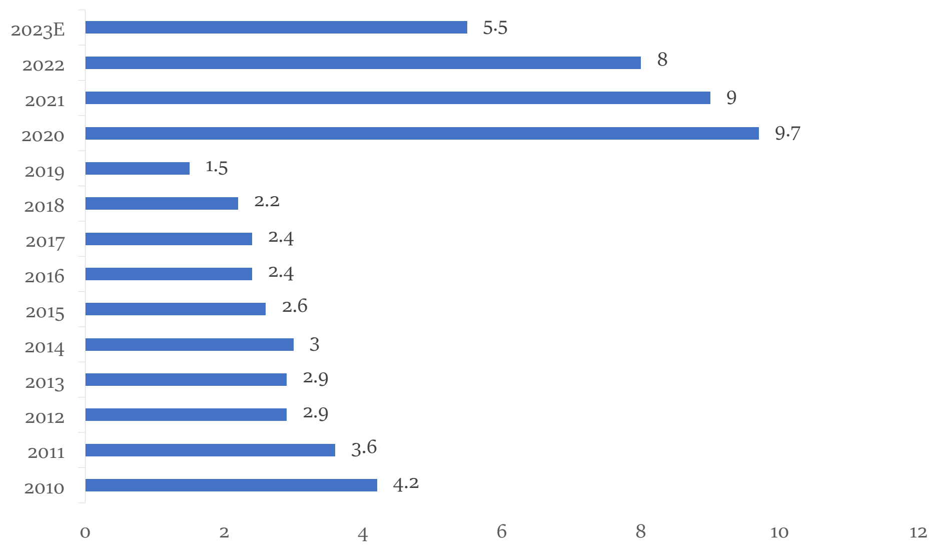
Figure 1 & 2 : Italy's year-on-year inflation, Italy's position in the European Union by GDP





Source : Istat, IMF

Figure 3 : Evolution of the Italian public deficit as a percentage of Italian GDP (2023E)

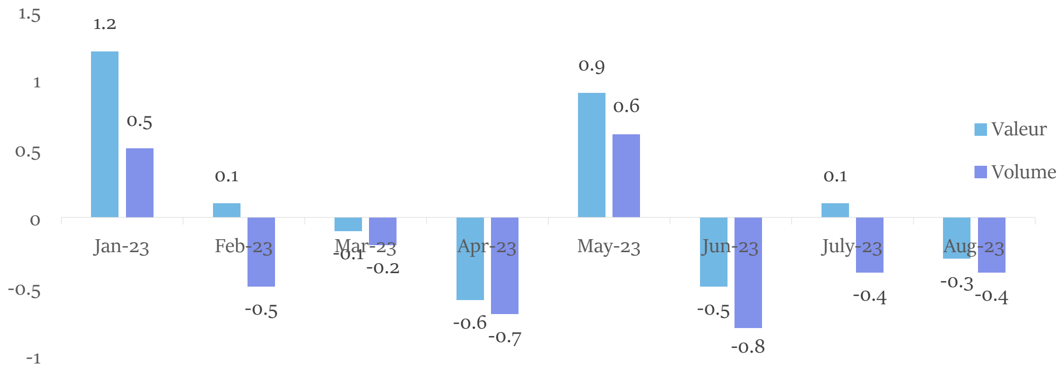


Source : Countryeconomy

A resilient business model even in periods of economic slowdown

Inflation in Italy continues to decelerate due to the slowdown in the rise of prices for energy products and transportation, but remains the highest in the Eurozone, standing at 5.34% in September 2023. This mix of persistently high inflation and declining prices of raw materials is exerting an influence on the distribution sector in Italy, resulting in a decrease in volumes since the beginning of the year (-0.4% in August compared to July) and a decline in the value of retail sales (-0.3% compared to July 2023).

Figure 4 : Variation in volumes and values of retail sale in Italy



Source : Istat

According to the information company Nielsen, the initial results of the Italian advertising market for the period from January to July show an increase of 0.9% compared to the same period in 2022, reaching a total turnover of 3Bn. Forecasts for the end of the year remain positive, anticipating stability despite a slowdown.

A resilient business model even in periods of economic slowdown

Portobello seems to be weathering the downturn by continuing to grow this year, providing us with a glimpse of the upcoming trends for next year. With a turnover reaching 65M€ in the first half of 2023 and a 33% growth compared to the same period in 2022, Portobello is leveraging the current economic climate. As inflation affects the purchasing power and consumption basket of Italians, Portobello's economic model as a hard discounter proves to be effective, benefiting from both the advertising sector (by obtaining products through advertising barter) and distribution. Portobello offers a range of household products, kitchen products, small appliances, as well as personal care and hygiene products at unbeatable prices. Some of its products are even cheaper than those available on Amazon, providing it with a significant competitive advantage.

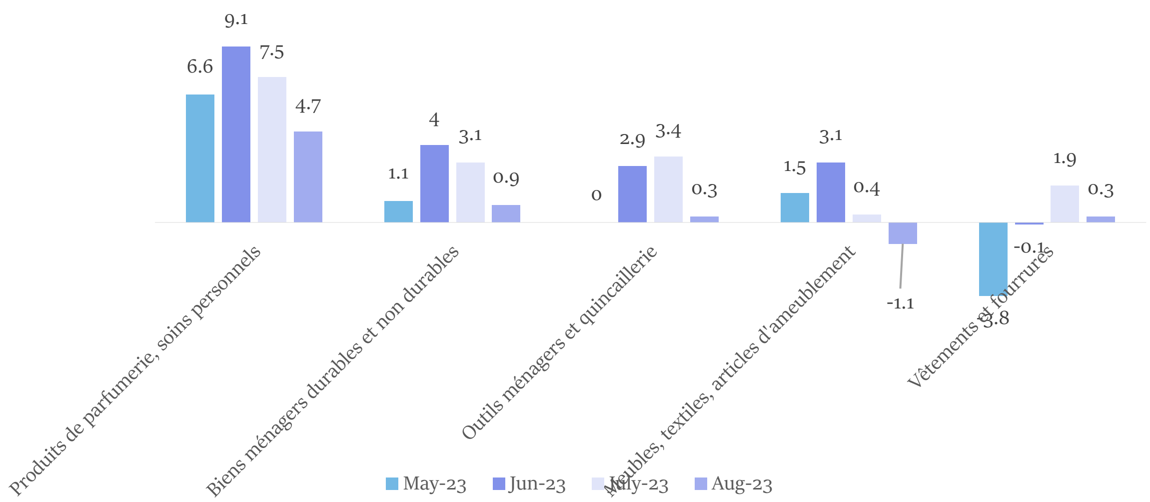
Figure 5 : Portobello's prices Vs those of its competitors

Source : The company presentation

Portobello vs Italian retail's sector

Below is Graph 6 demonstrating the variation between June and July 2023 in non-food retail trade by product group. We observe that the product groups that Portobello is likely to sell (durable household goods, furniture, furnishing articles) are the ones that are performing the best. Despite inflation adding pressure to the budgets of Italians, consumers can find competitive prices at Portobello.

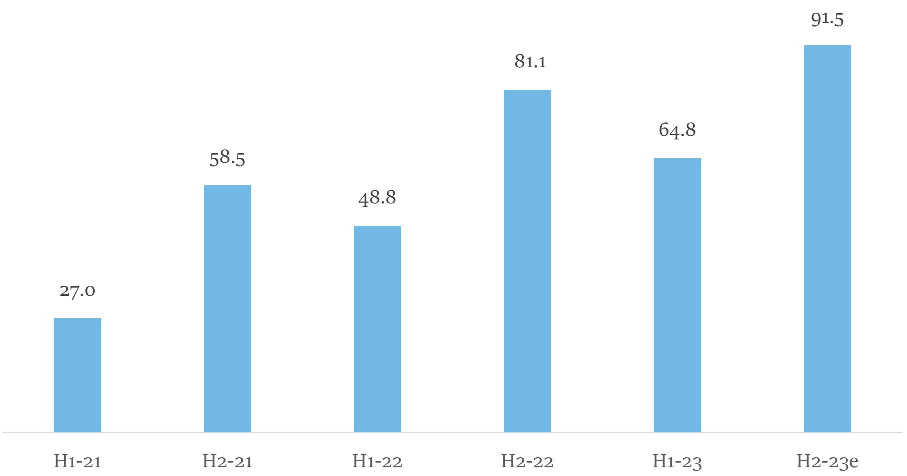
Figure 6 : Retail trade by non-food product group



Source : Istat

It is clear that Portobello is capitalizing on the demand for only those retail products that are still experiencing growth, despite a slowdown. Each product has its own seasonality, and the products sold by Portobello should benefit from the positive momentum of back-to-school periods, promotions such as Black Friday in November, as well as the year-end period during which consumers increase their spending. Therefore, we anticipate a 13% increase in turnover in the second half, in line with historical observations, to 91 M€ (compared to 81 M€ in H1-22).

Figure 7 : Revenue evolution for each semester (in M€)



Source : TP ICAP Midcap estimates

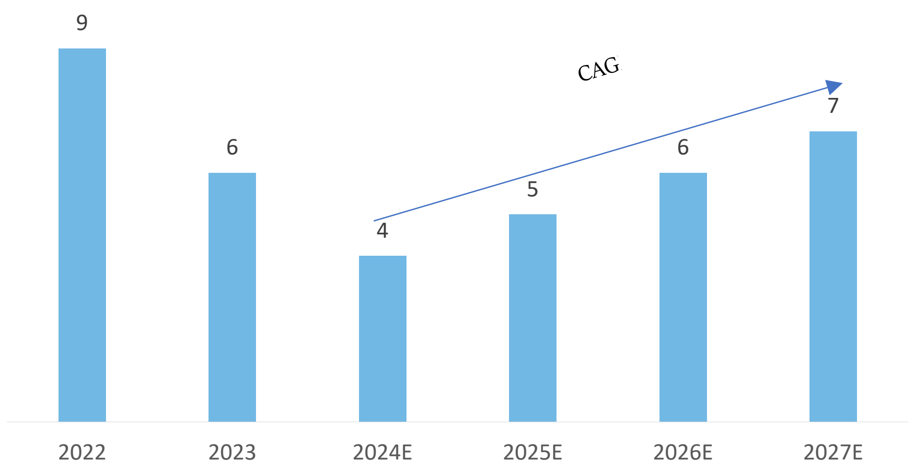
Opening new points of sale : the engine of growth

In 2023, Portobello continues its expansion by inaugurating six new maxi stores, bringing the total area to 27,000 square meters (compared to 24,500 in 2022). The next maxi store will be located within the Merlata Bloom shopping center, the largest in Milan with its 80,000 square meters, recording a daily footfall of over 100,000 visitors.

This strategic expansion within a high-traffic shopping center demonstrates Portobello's bold vision to capture a significant share of the market. These new maxi stores can significantly diversify their offerings, covering a wide range of products and services to meet the varied expectations of customers.

In 2022, Portobello opened nine new points of sale. This was followed by an even more pronounced expansion in 2023, with the inauguration of several additional stores. For the next four years, we estimate that the company should maintain its growth pace with the opening of 22 new points of sale, taking advantage of declining rents in Italy, starting from next year.

Figure 8 : Projected new store openings for 2024E-2026E2026e

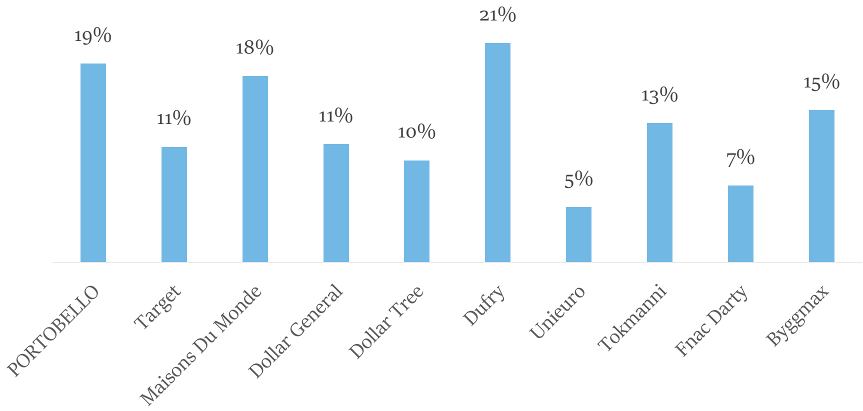


Sources : TP ICAP MIDCAP Estimates

The continuous development of the distribution network remains a fundamental pillar for the group. This strategy has yielded two major results. Firstly, it has led to a significant increase in the company's sales volumes (revenue up 52% in 2022 compared to 2021). As a result, adjusted EBITDA has shown remarkable growth, reaching a rate of 19% in 2022. However, this growth will lead to an increase in Capex and BFR (see details in our previous note from May 2022).

This performance confirms profitability significantly higher than that of its sector competitors.

Figure 9 : Comparison between Portobello's EBITDA margin and that of most industry players in 2022



Source : TP ICAP Mid cap estimates, Factset

Evolution of the sales and EBITDA

We anticipate a 8% CAGR growth from 2022 to 2026 for the Media business, which will benefit from Portobello's brand awareness and therefore experience increasing demand in advertising barter from companies looking to offload their unsold stock. For the B2B activity, we estimate a 12.8% CAGR growth from 2022 to 2026, with the division's revenue as a percentage of the total revenue averaging at 26%.
Regarding the Retail business, we project a CAGR for its revenue from 2022 to 2026 at 32%, reaching 75 M€ in 2026E. This growth is largely attributable to the continued expansion of the store network, as mentioned earlier. This expansion will enable the company to increase its sales volumes and access a broader range of products that can be offered in its stores.

Figure 9 : % of revenue by division (2019A-2022A)

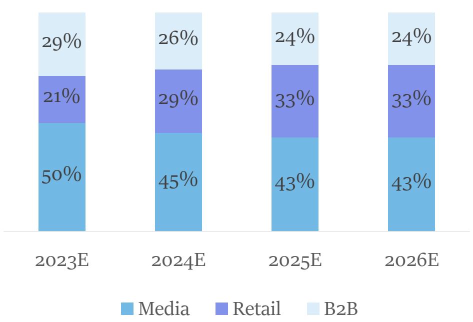
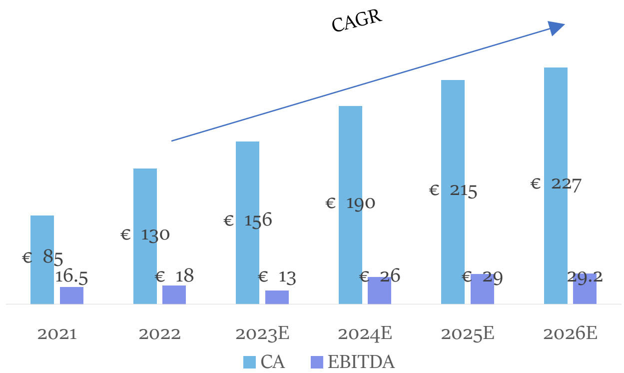
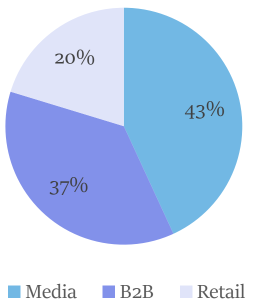


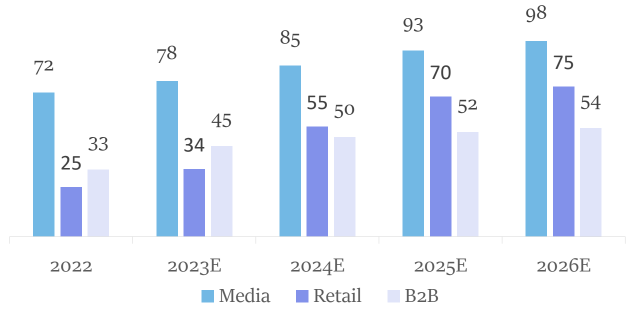
Figure 10 : Evolution of Sales and EBITDA (2021A– 2026e)



Source : TP ICAP Estimate

Figure 11 & 12 : % of revenue by division (H1-23), evolution of Turnover by division (2022A – 2023E)





Source : TP ICAP MIDCAP Estimates

Portobello vs its Peers

Figure 13 : Portobello vs industry peers

Company	Ticker	Market Cap.	EV/SALES			EV/EBITDA			EV/EBIT			P/E		
			23E	24E	25E	23E	24E	25E	23E	24E	25E	23E	24E	25E
PORTOBELLO	POR-IT	33	0.59x	0.49x	0.40x	4.2x	6.0x	2.9x	5.7x	11.3x	4x	4.3x	24.5x	3.4x
BYGGMAX GROUP AB	BMAX-SE	143	0.66x	0.63x	0.60x	5.0x	4.4x	4.1x	19.0x	13.4x	11.8x	12x	7.9x	6.6x
FNAC DARTY SA	FNAC-FR	664	0.30x	0.30x	0.29x	5.2x	4.8x	4.5x	12.6x	10.6x	9.5x	7.7x	6.0x	5.1x
MAISONS DU MONDE SA	MDM-FR	223	0.83x	0.8x	0.7x	4.9x	4.5x	4.0x	21.7x	17.0x	15.0x	16.0x	9.7x	7.8x
TOKMANNI GROUP OYJ	TOKMAN-FI	749	0.86x	0.7x	0.6x	6.3x	5.2x	4.8x	12.2x	9.9x	8.7x	11.7x	9.8x	8.3x
DOLLAR TREE, INC	DLTR-US	22400	1.09x	1.0x	1.0x	12.6x	11.0x	9.6x	18.3x	15.8x	13.4x	18.0x	15.2x	12.7x
DOLLAR GENERAL CORPORATION	DG-US	21173	1.04x	1.0x	1.0x	12.1x	11.6x	10.5x	16.0x	15.7x	14.2x	13.4x	12.9x	11.6x
TARGET CORPORATION	TGT-US	48454	0.64x	0.64x	0.62x	9.0x	8.0x	7.5x	13.8x	11.8x	10.9x	14.7x	12.4x	11.1x
DUFRY AG	DUFN-CH	4906	0.85x	0.78x	0.75x	NA	8.8x	7.9x	30.3x	13.3x	11.9x	14.8x	11.1	10.0x
	Moyenne		**0.72x**	**0.72x**	**0.73x**	**7.9x**	**7.3x**	**6.6**	**18.0x**	**13.4x**	**12.0x**	**13.6x**	**10.6x**	**9.1x**

Source : TP ICAP Midcap Estimates. Factset

In the table above, we compare the ratios of Enterprise Value to Sales (EV/SALES), Enterprise Value to EBITDA (EV/EBITDA), Enterprise Value to EBIT (EV/EBIT), and Price-to-Earnings (P/E) for the estimated period 2023 to 2026, between Portobello and some industry players. It is important to note that Portobello does not have direct comparables, as none of these players engage in advertising barter, but all operate in the home goods retail sector.

Indeed, a comprehensive analysis of the ratios reveals that for the estimated year 2023, Portobello is currently undervalued compared to its sector peers. The EV/SALES ratio is estimated at 0.59x compared to 0.72x for the year 2023, the EV/EBITDA ratio at 4.2x compared to 7.9x. Furthermore, the EV/EBIT ratio stands at 5.7x compared to 18x, while its Price-to-Earnings ratio is 4.3x compared to 13.6x for its peers.

These data clearly highlight that Portobello's stock is undervalued compared to its sector, despite differences in market capitalization and revenue. However, in terms of EBITDA margins, Portobello demonstrates superior profitability, which can be attributed to the robustness of its business model. This relative undervaluation suggests an appreciation potential for investors looking to capitalize on the current valuation of the company compared to its market peers.

Summary of the settlement with public finances

Portobello settled its dispute with the Italian tax authorities in August 2023 by paying a total amount of 10.4 M€ (5.5 Me paid in August, 2.45 M€ before December 31, 2023, and the remainder before March 2024). With the resolution of this dispute, this chapter is now closed and cannot be reopened. This is an extraordinary event for the company.

It should be noted that, without this settlement, we estimated that Portobello would have had to report an EBITDA of 23 M€ instead of what we estimate to be 13 M€ in 2023. It is worth recalling that the public agency penalized Portobello for not conducting even more thorough checks on its buyers, who had not paid VAT. Since these companies no longer exist, Portobello, being the last link in the chain (and solvent), had to settle the amount owed (by the buyers) with the public agency.

Similar to Portobello, Esprinet chose to settle this amount immediately rather than engage in a legal process that could have lasted 3 to 5 years, with 240 M€ frozen. We note that both Portobello and Esprinet were penalized for not conducting additional checks, but we wonder: The closure of this chapter, which has affected the group's reputation and, by extension, its share price, is a relief. The group, as well as the management, can now refocus on their core business, which, unlike the share price, has never ceased to demonstrate strong performance.

Figure 14 – 17 : Valuation

To determine the intrinsic value of Portobello, we used the discounted cash flow (DCF) method. We arrived at a target price of €26.8, compared to the previous €22, influenced by our new estimates for revenue and EBITDA over the period 2023E-2026E, for revenue (156.4 M€; €190m; 215.2 M€; €226.9 M€) compared to (174.2 M€; 187.9 M€; 198.6 M€) and for EBITDA (12.7 M€; 26.1 M€; 29 M€; 29.2 M€) compared to (7.4 M€; 20.5 M€; 22.4 M€; 24.2 M€).

FY ending in Dec (€-M)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Sales	**129,9**	**156,4**	**190,0**	**215,2**	**226,9**	**239,1**	**251,8**	**265,0**	**278,6**	**292,7**	**307,4**
% var	*51,9%*	*20,4%*	*21,5%*	*13,2%*	*5,5%*	*5,4%*	*5,3%*	*5,2%*	*5,1%*	*5,1%*	*5,0%*
EBITDA	18,2	12,7	26,1	29,0	29,2	31,2	33,1	35,1	37,2	39,4	41,7
% var	*9,9%*	*-30,2%*	*105,7%*	*11,3%*	*0,6%*	*7,0%*	*6,1%*	*6,0%*	*5,9%*	*5,9%*	*5,8%*
% Sales	*14,0%*	*8,1%*	*13,7%*	*13,5%*	*12,9%*	*13,1%*	*13,2%*	*13,3%*	*13,4%*	*13,5%*	*13,6%*
D&A	(4,7)	(5,9)	(7,2)	(8,2)	(7,5)	(7,2)	(7,1)	(6,9)	(6,7)	(6,4)	(6,1)
% Sales	*(3,6%)*	*(3,8%)*	*(3,8%)*	*(3,8%)*	*(3,3%)*	*(3,0%)*	*(2,8%)*	*(2,6%)*	*(2,4%)*	*(2,2%)*	*(2,0%)*
EBIT	13,5	6,7	18,8	20,8	21,7	24,1	26,1	28,3	30,5	33,0	35,5
% Sales	*10,4%*	*4,3%*	*9,9%*	*9,7%*	*9,6%*	*10,1%*	*10,4%*	*10,7%*	*11,0%*	*11,3%*	*11,6%*
Taxes	(5,0)	(1,9)	(5,3)	(5,8)	(6,1)	(6,7)	(7,3)	(7,9)	(8,5)	(9,2)	(9,9)
Taxes rate	*-37,0%*	*-27,9%*	*-27,9%*	*-27,9%*	*-27,9%*	*-27,9%*	*-27,9%*	*-27,9%*	*-27,9%*	*-27,9%*	*-27,9%*
D&A	(4,7)	(5,9)	(7,2)	(8,2)	(7,5)	(7,2)	(7,1)	(6,9)	(6,7)	(6,4)	(6,1)
CAPEX	(5,1)	(5,9)	(7,0)	(7,7)	(7,9)	(7,2)	(7,1)	(6,9)	(6,7)	(6,4)	(6,1)
% Sales	*(3,9%)*	*(3,8%)*	*(3,7%)*	*(3,6%)*	*(3,5%)*	*(3,0%)*	*(2,8%)*	*(2,6%)*	*(2,4%)*	*(2,2%)*	*(2,0%)*
WC	72,8	77,9	88,8	101,1	111,5	119,6	127,2	135,1	143,5	152,2	159,8
var.	*64,6%*	*6,9%*	*14,1%*	*13,8%*	*10,3%*	*7,3%*	*6,4%*	*6,3%*	*6,2%*	*6,1%*	*5,0%*
% Sales	*56,1%*	*49,8%*	*46,8%*	*47,0%*	*49,1%*	*50,0%*	*50,5%*	*51,0%*	*51,5%*	*52,0%*	*52,0%*
Δ WC	28,6	5,0	11,0	12,3	10,4	8,1	7,6	8,0	8,3	8,7	7,6
% Sales	*22,0%*	*3,2%*	*5,8%*	*5,7%*	*4,6%*	*3,4%*	*3,0%*	*3,0%*	*3,0%*	*3,0%*	*2,5%*
FCF	**-20,5**	**-0,171**	**2,8**	**3,2**	**4,8**	**9,3**	**11,2**	**12,4**	**13,7**	**15,0**	**18,0**
Discounted FCF	-20,5	-0,2	2,5	2,6	3,6	6,3	6,9	7,0	7,0	7,0	7,7

VALUATION SUMMARY			
Sum of discounted FCF	50.5	Net debt	42.4
Terminal Value	207.9	Provisions	0
TGR	1%	Minorities	0
Discounted TV	88.6		
Enterprise Value	**139**	**Equity Value**	**96.6**
# of shares (millions)	3.6		
TARGET PRICE=		**26.8**	

		WACC				
	26,8	8,7%	9,2%	**9,72%**	10,2%	10,7%
	0,5%	31,46	28,32	25,54	23,06	20,84
	0,8%	32,42	29,14	26,25	23,68	21,38
TGR	**1,0%**	33,45	30,02	**27,0**	24,32	21,94
	1,3%	34,54	30,95	27,79	25,01	22,53
	1,8%	36,97	32,99	29,53	26,49	23,81

Source : TP ICAP Midcap Estimates

- Risk-free rate of 4.30% (italian 10-year BTP, average of values for the last six months)
- Equity risk premium of 8.5%
- Specific size premium of 3%
- Leveraged beta of 1.00x
- Long-term growth rate of 1%
- A cost of equity of 15.80% on an equity weighting of 43.75%
- Debt charges of 5.05% on a debt weighting of 56.25%
- A WACC of 9.75%

Figure 18 : WACC ASSUMPTION

Rf	4,30%
Unlevered Beta	0,30x
Re-levered Beta	1,00x
Market Premium	8,50%
Specific premium	3,00%
Cost of equity	15,80%
Interest Rate	7,00%
Tax rate	-27,90%
Cost of debt	5,05%
% equity	43,75%
% debt	56,25%
WACC	9,75%

Source : TP ICAP Midcap Estimates

FINANCIAL DATA

Income Statement	12/20	12/21	12/22	12/23e	12/24e	12/25e
Sales	62.7	85.5	129.9	156.4	190.0	215.2
Changes (%)	38.3	36.4	51.9	20.4	21.5	13.2
Gross profit	20.1	32.9	46.2	53.8	68.1	77.0
% of Sales	32.1	38.5	35.6	34.4	35.8	35.8
EBITDA	**10.9**	**16.5**	**18.2**	**12.7**	**26.1**	**29.0**
% of Sales	17.3	19.3	14.0	8.1	13.7	13.5
Current operating profit	**8.6**	**13.9**	**13.5**	**6.7**	**18.8**	**20.8**
% of Sales	13.7	16.2	10.4	4.3	9.9	9.7
Non-recurring items	0.0	0.0	6.4	10.6	0.0	0.0
EBIT	8.6	13.9	13.5	6.7	18.8	20.8
Net financial result	-0.3	-0.9	-1.3	-3.5	-3.8	-3.8
Income Tax	-2.3	-4.2	-4.5	-1.9	-5.3	-5.8
Tax rate (%)	28.1	32.3	37.0	27.9	27.9	27.9
Net profit, group share	**6.0**	**8.9**	**7.7**	**1.4**	**9.8**	**11.2**
EPS	2.12	2.74	2.18	0.39	2.78	3.19

Financial Statement	12/20	12/21	12/22	12/23e	12/24e	12/25e
Goodwill	0.0	0.0	3.3	3.3	3.3	3.3
Tangible and intangible assets	3.7	7.3	6.3	6.3	6.1	5.7
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	1.4	1.1	4.6	4.6	4.6	4.6
Working capital	28.5	44.3	72.8	77.9	88.8	101.1
Other Assets	0.4	0.8	0.0	0.0	0.0	0.0
Assets	34.0	53.4	87.0	92.0	102.8	114.7
Shareholders equity group	16.1	35.0	42.9	44.3	54.0	65.2
Minorities	0.0	0.0	0.0	0.0	-0.0	-0.0
LT & ST provisions and others	0.1	0.0	0.0	0.0	0.0	0.0
Net debt	13.9	17.3	42.4	46.1	47.1	47.8
Other liabilities	0.2	1.1	1.7	1.7	1.7	1.7
Liabilities	34.0	53.4	87.0	92.0	102.8	114.7
Net debt excl. IFRS 16	13.9	17.3	42.4	46.1	47.1	47.8
Gearing net	0.9	0.5	1.0	1.0	0.9	0.7
Leverage	1.3	1.0	2.3	3.6	1.8	1.6

Cash flow statement	12/20	12/21	12/22	12/23e	12/24e	12/25e
CF after elimination of net borrowing costs and taxes	9.5	9.5	15.9	9.3	14.9	19.4
ΔWCR	-14.8	-18.7	-32.4	-5.0	-11.0	-12.3
Operating cash flow	-5.3	-9.2	-16.5	4.3	3.9	7.1
Net capex	-2.8	-2.7	-5.1	-5.9	-7.0	-7.7
FCF	-8.1	-12.0	-21.7	-1.6	-3.1	-0.6
Acquisitions/Disposals of subsidiaries	-0.6	-2.1	-3.3	0.0	0.0	0.0
Other investments	0.0	0.0	-0.3	0.0	0.0	0.0
Change in borrowings	10.2	3.3	25.8	9.4	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	0.1	10.0	-0.2	0.0	0.0	0.0
Others	0.0	-0.5	0.0	0.0	0.0	0.0
Change in net cash over the year	1.6	-1.2	0.4	7.8	-3.1	-0.6

ROA (%)	11.3%	10.2%	6.8%	1.0%	6.2%	6.3%
ROE (%)	36.9%	25.2%	17.8%	3.0%	18.0%	17.1%
ROCE (%)	21.7%	18.2%	10.3%	5.5%	13.8%	13.6%

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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.
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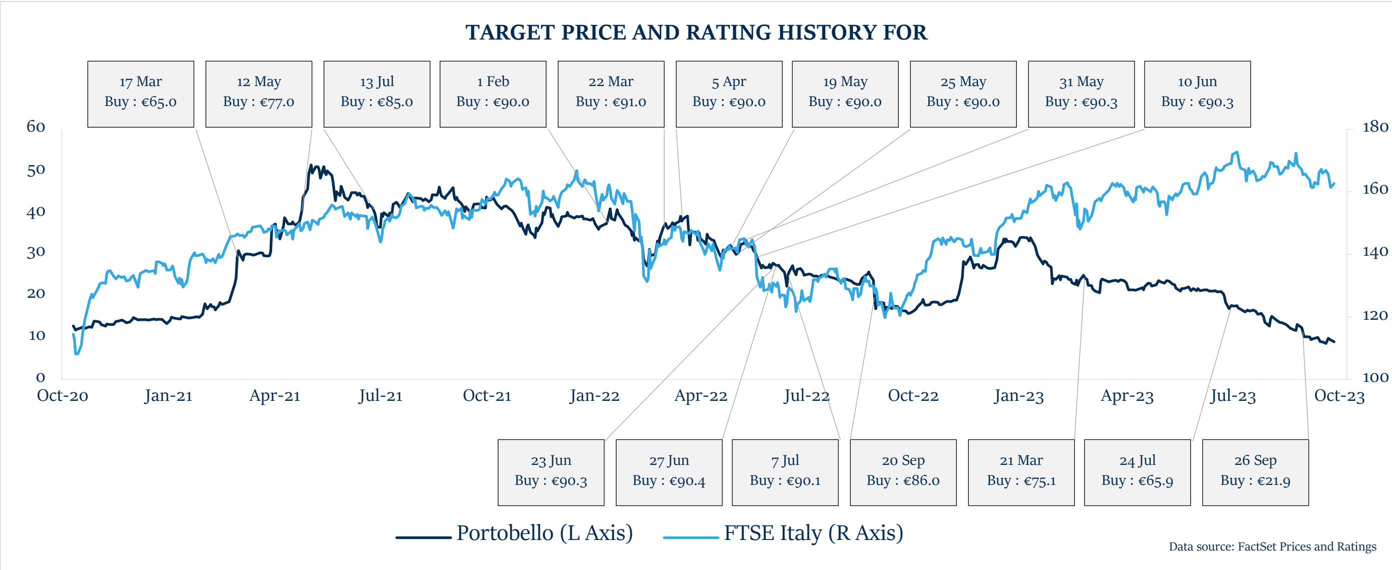

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