

Lindbergh	Italy	Euronext Growth Milan	MRO
Rating: BUY	Target Price: € 3,50 (prev. €4,35)	Update	Risk: Medium

Stock performance	1M	3M	6M	1Y
absolute	-7,64%	-15,12%	-5,07%	N/A
to FTSE Italia Growth	-1,33%	-8,75%	8,47%	N/A
to Euronext STAR Milan	1,14%	-5,23%	15,65%	N/A
to FTSE All-Share	-4,59%	-7,75%	3,24%	N/A
to EUROSTOXX	-0,74%	-6,88%	5,89%	N/A
to MSCI World Index	2,63%	-4,37%	9,27%	N/A

Stocks performance relative to FTSE Italia Growth



Stock Data

Price	€ 1,74
Target price	€ 3,50
Upside/(Downside) potential	100,9%
Bloomberg Code	LDB IM EQUITY
Market Cap (€m)	€ 14,79
EV (€m)	€ 17,57
Free Float	27,67%
Share Outstanding	8.499.000
52-week high	€ 2,74
52-week low	€ 1,52
Average daily volumes (3m)	23.740

FY21A Results

The value of production amounts to € 13.65 million, compared to € 9.08 million at the end of 2020 and € 13.50 million estimated in our previous report. EBITDA, equal to € 2.08 million, recorded a significant increase of 16.5% compared to € 1.79 million in the previous fiscal year and is also higher than our previous estimates of € 1.70 million. The EBITDA Margin, equal to 15.2%, also increases compared to our expectations, equal to 12.6%. EBIT is equal to € 1.02 million (€ 1.13 million in 2020), after amortization and depreciation of € 1.06 million, compared to our estimates of € 1.45 million. Net profit amounted to € 0.71 million compared to € 0.80 million recorded in 2020A and € 1.35 million expected. The NFP goes from € 1.77 million to € 2.78 million of debt.

Key Financials (€m)	FY21A	FY22E	FY23E	FY24E
VoP	13,6	20,5	23,3	25,6
EBITDA	2,1	2,4	2,9	3,9
EBIT	1,0	1,3	1,8	2,8
Net Profit	0,7	0,9	1,2	2,0
EPS (€)	0,1	0,1	0,1	0,2
EBITDA margin	15,2%	11,7%	12,4%	15,0%
EBIT margin	7,4%	6,3%	7,7%	10,7%
Net Profit margin	5,2%	4,4%	5,4%	7,8%

Estimates Update

In the light of the results published in the annual report for 2021A we modify our previous estimates both for the current year and for the coming years. In particular, we estimate the value of production 2022E equal to € 20.50 million and an EBITDA equal to € 2.40 million, corresponding to an EBITDA margin of 11.7%. For the following years, we expect the value of production to increase up to € 28.15 million in 2025E with a CAGR 21A-25E of 19.84%. We also contemplate an EBITDA of € 5.25 million in 2025E (corresponding to an EBITDA margin of 18.7%), up compared to € 2.08 million in 2021A (corresponding to an EBITDA margin of 15.2%). In terms of Balance Sheet, we estimate a cash positive NFP equal to € 6.57 million for FY25E.

Main Ratios	FY21A	FY22E	FY23E	FY24E
EV/EBITDA (x)	8,4	7,3	6,1	4,6
EV/EBIT (x)	17,3	13,5	9,8	6,4
P/E (x)	20,7	16,4	11,8	7,4

Valuation Update

We have conducted the valuation of Lindbergh equity value based on the DCF methodology and market multiples of a comparable companies sample. The DCF method (which in the calculation of the WACC also includes a specific risk of 2.5% for prudential purposes) provides an equity value of € 38.6 million. The equity value of Lindbergh using market multiples is equal to € 20.8 million (including a discount of 25%). The result is an average equity value of approx. € 29.7 million. The target price is € 3.50, rating BUY and MEDIUM risk.

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1. Economics & Financials

Table 1 – Economics & Financials

INCOME STATEMENT (€/mln)	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Revenues Network	7,22	10,73	16,90	19,50	21,50	23,70
Revenues Waste	1,76	2,20	2,50	2,95	3,25	3,55
Revenues Warehouse	0,00	0,57	0,65	0,85	0,85	0,90
Other Revenues	0,09	0,14	0,45	0,00	0,00	0,00
Value of Production	9,08	13,65	20,50	23,30	25,60	28,15
COGS	1,51	1,60	2,50	2,80	3,00	3,30
Services	3,18	6,73	11,00	12,50	13,50	14,00
Employees	2,24	2,84	4,00	4,60	4,70	5,00
Other Operating Expenses	0,36	0,40	0,60	0,50	0,55	0,60
EBITDA	1,79	2,08	2,40	2,90	3,85	5,25
<i>EBITDA Margin</i>	<i>19,7%</i>	<i>15,2%</i>	<i>11,7%</i>	<i>12,4%</i>	<i>15,0%</i>	<i>18,7%</i>
D&A	0,66	1,06	1,10	1,10	1,10	1,10
EBIT	1,13	1,02	1,30	1,80	2,75	4,15
<i>EBIT Margin</i>	<i>12,4%</i>	<i>7,4%</i>	<i>6,3%</i>	<i>7,7%</i>	<i>10,7%</i>	<i>14,7%</i>
Financial Management	(0,07)	(0,08)	(0,10)	(0,10)	(0,10)	(0,10)
EBT	1,06	0,93	1,20	1,70	2,65	4,05
Taxes	0,26	0,22	0,30	0,45	0,65	1,00
Net Income	0,80	0,71	0,90	1,25	2,00	3,05
Minorities	0,00	-0,09	0,05	0,10	0,20	0,30
BALANCE SHEET (€/mln)	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Fixed Assets	2,51	9,03	8,80	8,20	7,60	7,00
Account receivable	2,26	4,27	6,60	7,50	8,20	9,00
Inventories	0,08	0,11	0,25	0,25	0,25	0,25
Account payable	1,26	6,20	7,00	8,30	9,00	9,80
Operating Working Capital	1,08	(1,82)	(0,15)	(0,55)	(0,55)	(0,55)
Other receivable	0,52	1,01	1,60	1,80	1,95	2,05
Other payable	0,55	0,78	1,20	1,40	1,60	1,75
Net Working Capital	1,05	(1,59)	0,25	(0,15)	(0,20)	(0,25)
Severance Indemnities & Other Provisions	0,40	0,44	0,95	1,25	1,55	1,90
NET INVESTED CAPITAL	3,16	7,00	8,10	6,80	5,85	4,85
Share Capital	0,20	0,28	0,28	0,28	0,28	0,28
Reserves	0,39	3,57	4,37	5,23	6,38	8,18
Net Income	0,80	0,80	0,85	1,15	1,80	2,75
Equity	1,39	4,66	5,51	6,66	8,46	11,21
Minorities Equity	0,00	-0,44	-0,39	-0,29	-0,09	0,21
Cash & Cash Equivalent	1,64	4,41	3,52	5,37	7,62	10,97
Short Term Debt to Bank	0,79	2,21	2,00	1,80	1,60	1,40
M/L Term Debt to Bank	2,62	4,98	4,50	4,00	3,50	3,00
Net Financial Position	1,77	2,78	2,98	0,43	(2,52)	(6,57)
SOURCES	3,16	7,00	8,10	6,80	5,85	4,85
CASH FLOW (€/mln)	FY21A	FY22E	FY23E	FY24E	FY25E	
EBIT	1,02	1,30	1,80	2,75	4,15	
Taxes	0,22	0,30	0,45	0,65	1,00	
NOPAT	0,80	1,00	1,35	2,10	3,15	
D&A	1,06	1,10	1,10	1,10	1,10	
Change in receivable	(2,01)	(2,33)	(0,90)	(0,70)	(0,80)	
Change in inventories	(0,03)	(0,14)	0,00	0,00	(0,00)	
Change in payable	4,94	0,80	1,30	0,70	0,80	
Change in others	-0,26	-0,17	0,00	0,05	0,05	
<i>Change in NWC</i>	<i>2,63</i>	<i>(1,84)</i>	<i>0,40</i>	<i>0,05</i>	<i>0,05</i>	
Change in provisions	0,04	0,51	0,30	0,30	0,35	
OPERATING CASH FLOW	4,53	0,77	3,15	3,55	4,65	
Capex	(7,6)	(0,9)	(0,5)	(0,5)	(0,5)	
FREE CASH FLOW	(3,05)	(0,10)	2,65	3,05	4,15	
Financial Management	(0,08)	(0,10)	(0,10)	(0,10)	(0,10)	
Change in Debt to Bank	3,79	(0,69)	(0,70)	(0,70)	(0,70)	
Change in Equity	2,12	(0,00)	(0,00)	0,00	0,00	
FREE CASH FLOW TO EQUITY	2,77	(0,89)	1,85	2,25	3,35	

Source: Lindbergh and Integrae SIM estimates

1.1 FY21A Results

As reported in the press release of 30 March 2022, the Board of Directors approved the adoption of the international accounting standards (IAS/IFRS) applied to the consolidated financial statements as of 31 December 2021. The adoption of international accounting standards represented an important further step for the Group toward foreign investors. For this reason, in the following report, the consolidated data of the Lindbergh Group as of 31 December 2021 are prepared according to the international accounting standards IAS/IFRS and are compared with the data of Lindbergh SpA as of 31 December 2020 exposed, for comparability purposes, as if they had been prepared according to the international accounting standards IAS/IFRS.

Table 2 – Actual VS Estimates FY21A

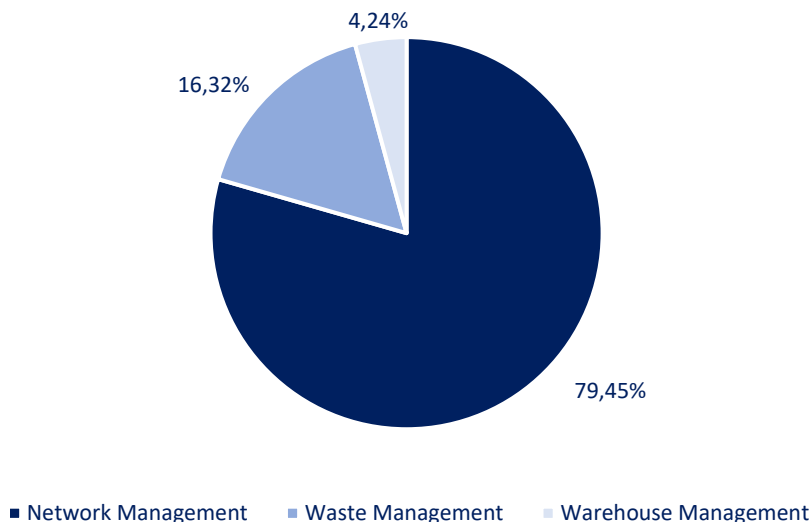
€/mln	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP
FY21A	13,65	2,08	15,2%	1,02	0,71	2,78
FY21E	13,50	1,70	12,6%	1,45	1,35	-1,58
Change	1,1%	22,6%	21,3%	-29,8%	-46,9%	N.A

Source: Integrae SIM

Through a press release, the Company, commenting on the annual results, declares: *"[...] 2021 was a year of great changes, both for the listing on the Stock Exchange and for the start of activities in the French market. All people, at all levels, have made a great effort to support this path of growth and deserve great applause. The dimensional growth we are experiencing is a great opportunity to consolidate our business model and to ensure that it can also produce the same results in France as in Italy. The challenge is still ahead of us, but we are aware that we are on the right track and that we have laid the foundations for healthy and sustainable growth for the French subsidiary as well. Our development strategy, simple and clear, does not change: more technicians, more services, more technology, all with our people at the center of the project"*.

The value of production amounted to € 13.65 million, compared to € 9.08 million recorded at the end of 2020 and € 13.50 million estimated in our previous report. This result was possible thanks to the excellent performance of the 3 Business Units: **Network Management**, **Waste Management**, and **Warehouse Management**.

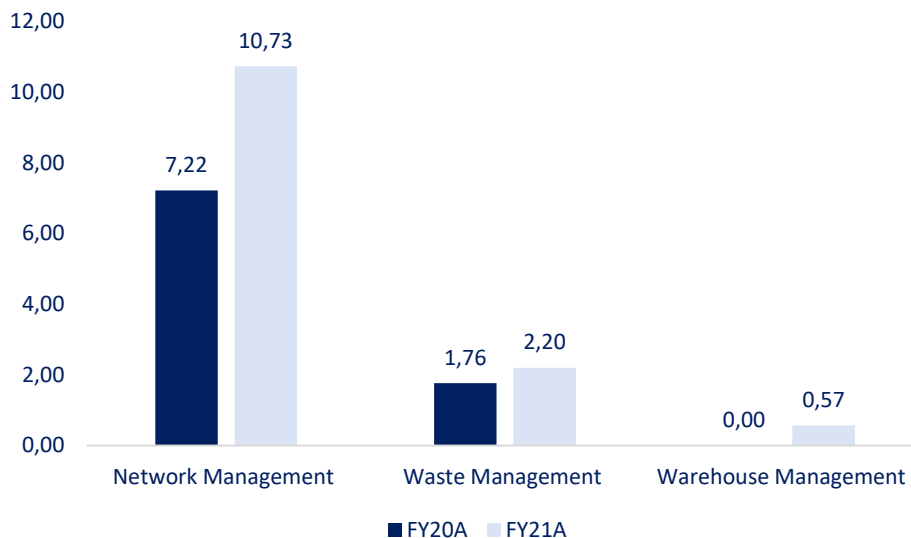
Chart 1 – Revenues Breakdown by Segment



Source: Lindbergh

The main source of revenue during 2021A was the Network Management Business Unit, which generated a revenue share of 79.45% of the total. The remaining revenues are divided as follows: the Waste Management Business Unit (operating only in Italy) contributed 16.32% of total revenues, while the remaining 4.24% derives from the excellent result of the new Warehouse Management BU (also operating only in Italy).

Chart 2 – Revenues by Business Unit FY20A vs FY21A



Source: Lindbergh

As can be seen from what was previously specified, the Business Unit that contributed most to the increase in revenues was Network Management, which recorded a 50% growth with revenues of € 10.73 million (€ 7.22 million in FY20A). The Waste Management BU, on the other hand, recorded revenues of € 2.20 million during FY21A, up by approximately 25% compared to the previous fiscal year (€ 1.76 million). Finally, the Warehouse Management BU, launched during FY21A, was able to generate revenues of € 0.57 million.

EBITDA, equal to € 2.08 million, recorded a significant increase of 16.5% compared to € 1.79 million in the previous fiscal year and is also higher than our previous estimates of € 1.70 million. The EBITDA Margin, equal to 15.2%, also increases compared to our expectations equal to 12.6%.

EBIT is equal to € 1.02 million (€ 1.13 million in 2020), after amortization and depreciation of € 1.06 million, compared to our estimates of € 1.45 million. EBIT Margin, equal to 7.4%, shows a decrease compared to the last year (12.4%), while Net Profit stood at € 0.71 million compared to € 0.80 million recorded in 2020A and € 1.35 million expected. The change is mainly attributable to the application of international IAS/IFRS standards, as the capitalization of leasing results in a significant increase in the amortization item.

The NFP goes from € 1.77 million to € 2.78 million in debt. Also in this case, the increase in the Group's financial debt is mainly due to the application of IAS principles, which for leases and rentals requires accounting for the residual debt according to the duration of the contracts.

1.2 FY22E – FY25E Estimates

Table 3 – Estimates Updates FY22E-25E

€/mln	FY22E	FY23E	FY24E	FY25E
VoP				
New	20,5	23,3	25,6	28,2
Old	21,6	23,3	25,6	28,2
Change	-4,9%	0,0%	0,0%	0,0%
EBITDA				
New	2,4	2,9	3,9	5,3
Old	2,8	3,1	4,5	5,9
Change	-12,7%	-7,9%	-13,5%	-11,0%
EBITDA %				
New	11,7%	12,4%	15,0%	18,7%
Old	12,8%	13,5%	17,4%	21,0%
Change	-1,1%	-1,1%	-2,3%	-2,3%
EBIT				
New	1,3	1,8	2,8	4,2
Old	2,3	2,7	4,0	5,4
Change	-43,5%	-33,3%	-30,4%	-22,4%
Net Income				
New	0,9	1,2	2,0	3,1
Old	1,9	2,0	2,9	4,0
Change	-51,4%	-37,2%	-32,0%	-23,6%
NFP				
New	3,0	0,4	(2,5)	(6,6)
Old	(2,2)	(4,1)	(6,8)	(10,6)
Change	N/A	N/A	N/A	N/A

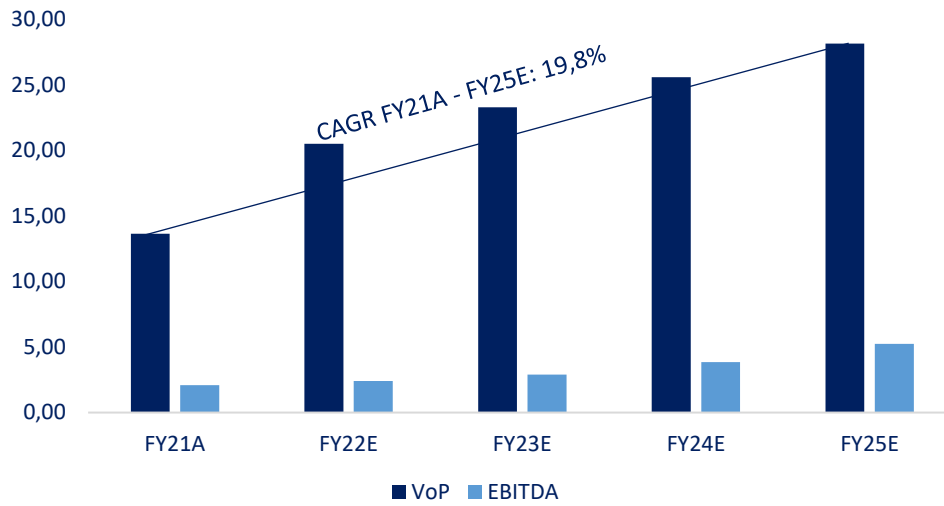
Source: Integrae SIM

In light of the results published in the annual report for 2021A and the adoption of the main international accountants, we are modifying our estimates both for the current year and for the coming years.

In particular, we estimate the value of production 2022E equal to € 20.50 million and an EBITDA equal to € 2.40 million, corresponding to an EBITDA margin of 11.7%. For the following years, we expect the value of production to increase up to € 28.15 million in 2025E with a CAGR 21A-25E of 19.84%. We also contemplate an EBITDA of € 5.25 million in 2025E (corresponding to an EBITDA margin of 18.7%), up compared to € 2.08 million in 2021A (corresponding to an EBITDA margin of 15.2%). It should be noted that the Company is making continuous investments for the development of the subsidiary Lindbergh France, starting tests with important companies in the French territory. In this way, customers will have the opportunity to test and evaluate the services offered by the Company, and this will result in the possibility of extending the service to an increasing number of technical Employees. Although this type of activity is reflected in a greater incidence in terms of operating costs, it will nevertheless allow the French subsidiary to contribute significantly to the Group's dimensional growth in the coming years.

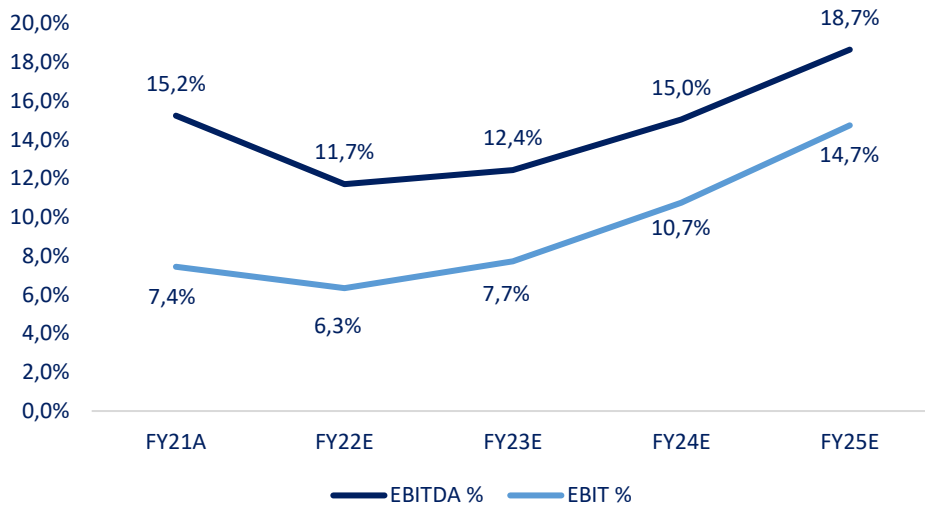
In terms of the Balance Sheet, we estimate a cash positive NFP equal to € 6.57 million for FY25E.

Chart 3 – VoP and EBITDA FY21A-25E



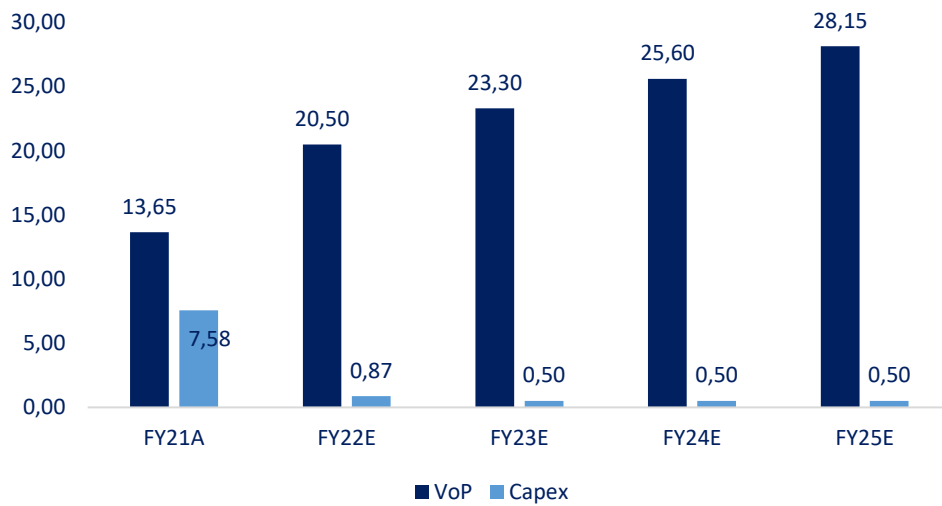
Source: Integrae SIM

Chart 4 – Margin FY21A-25E



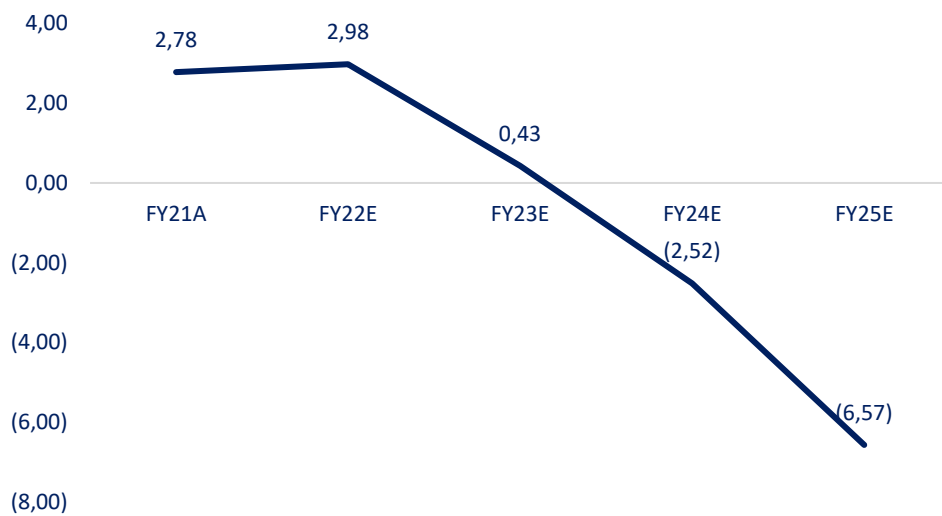
Source: Integrae SIM

Chart 5 – Capex FY21A-25E



Source: Integrae SIM

Chart 6 – NFP FY21A-25E



Source: Integrae SIM

2. Valuation

We have conducted the valuation of Lindbergh's equity value based on the DCF methodology and market multiples of a comparable companies sample.

2.1 DCF Method

Table 4 – WACC

WACC		5,45%
Risk Free Rate	1,36% α (specific risk)	2,50%
Market Premium	6,42% Beta Adjusted	0,7
D/E (average)	66,67% Beta Relevered	1,1
Ke	8,60% Kd	1,00%

Source: Integrae SIM

For prudential purposes, we have included a specific risk of 2.5%. This results in a WACC of 5.45%.

Table 5 – DCF Valuation

DCF Equity Value		38,6
FCFO actualized	8,1	20%
TV actualized DCF	33,3	80%
Enterprise Value	41,4	100%
NFP (FY21A)	2,8	

Source: Integrae SIM

With the above data and taking our estimates and assumptions as a reference, an **equity value of € 38.6 million**.

Table 6 – Equity Value – Sensitivity Analysis

€/mln	Growth Rate (g)	WACC						
		3,9%	4,4%	4,9%	5,4%	5,9%	6,4%	6,9%
2,5%		113,2	84,1	66,9	55,5	47,4	41,3	36,6
2,0%		85,6	68,1	56,5	48,2	42,1	37,3	33,4
1,5%		69,3	57,5	49,1	42,8	37,9	34,0	30,8
1,0%		58,5	49,9	43,5	38,6	34,6	31,4	28,7
0,5%		50,8	44,3	39,3	35,2	31,9	29,2	26,8
0,0%		45,1	39,9	35,8	32,5	29,7	27,3	25,3
-0,5%		40,7	36,5	33,0	30,2	27,8	25,7	23,9

Source: Integrae SIM

2.2 Market multiples

Our panel is made up of companies operating in the same sector as Lindbergh. These companies are the same ones used for the calculation of Beta for the DCF method. Panels are composed of:

Table 7.1 – Market Multiples Network Management

Company Name	EV/EBITDA (x)			EV/EBIT (x)			P/E (x)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Wincanton plc	5,7	5,3	N/A	9,4	8,6	N/A	10,0	10,0	N/A
Hitachi Transport System, Ltd.	11,0	10,7	10,7	25,4	24,8	23,7	30,6	30,4	28,4
XPO Logistics Inc.	6,4	6,0	5,7	9,3	8,9	9,3	8,8	8,3	7,9
Kerry Logistics Network Ltd.	5,4	5,7	5,8	7,1	9,5	9,3	10,1	12,5	11,3
DSV Panalpina A/S	10,2	11,9	12,1	12,3	14,7	14,9	14,8	17,1	16,1
Peer median	6,4	6,0	8,2	9,4	9,5	12,1	10,1	12,5	13,7

Source: Infinancials

Table 7.2 – Market Multiples Waste Management

Company Name	EV/EBITDA (x)			EV/EBIT (x)			P/E (x)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Ambienthesis SpA	5,8	5,5	5,1	9,6	8,8	8,4	10,1	9,0	8,4
Groupe Pizzorno Environnement	N/A	N/A	N/A	21,9	20,8	N/A	22,2	21,2	N/A
Midac Holdings Co., Ltd.	N/A	N/A	N/A	25,1	21,0	N/A	43,7	36,3	N/A
Waste Management Inc.	14,1	13,2	12,3	22,6	21,1	19,5	27,6	24,8	22,4
Stericycle Inc	13,3	11,4	10,4	17,8	15,2	14,1	22,9	18,8	17,0
Peer median	13,3	11,4	10,4	21,9	20,8	14,1	22,9	21,2	17,0

Source: Infinancials

Table 8 – Market Multiples Valuation

€/mln	FY22E	FY23E	FY24E
Enterprise Value (EV)			
EV/EBITDA	23,6	25,3	35,9
EV/EBIT	20,3	27,3	36,1
Equity Value			
EV/EBITDA	20,6	24,9	38,4
EV/EBIT	17,4	26,8	38,6
Equity Value post 25% discount			
EV/EBITDA	15,5	18,6	28,8
EV/EBIT	13,0	20,1	29,0
Average	14,2	19,4	28,9

Source: Integrae SIM

The equity value of Lindbergh using the market multiples EV/EBITDA and EV/EBIT is equal to € 27.8 million. To this value, we have applied a 25% discount. **Therefore, the result is an equity value of € 20.8 million.**

2.3 Equity Value

Table 9 – Equity Value

Average Equity Value (€/mln)	29,7
Equity Value DCF (€/mln)	38,6
Equity Value multiples (€/mln)	20,8
Target Price (€)	3,50

Source: Integrae SIM

The result is an average *equity value* equal to € 29.7 million. **The target price is, therefore, € 3.50 (prev. €4.35). We confirm BUY rating and MEDIUM risk.**

Table 10 – Target Price Implied Valuation Multiples

Multiples	FY21A	FY22E	FY23E	FY24E
EV/EBITDA	15,6x	13,5x	11,2x	8,4x
EV/EBIT	32,0x	25,0x	18,1x	11,8x

Source: Integrae SIM

Table 11 – Current Price Implied Valuation Multiples

Multiples	FY21A	FY22E	FY23E	FY24E
EV/EBITDA	8,4x	7,3x	6,1x	4,6x
EV/EBIT	17,3x	13,5x	9,8x	6,4x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958 and Consob Regulation n. 20307/2018

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The table below, shows INTEGRAE SIM's recommendation, target price and risk issued during the last 12 months:

Date	Price	Recommendation	Target Price	Risk	Comment
22/12/2021	2,00	Buy	4,35	Medium	Initiation of Coverage
19/01/2022	2,10	Buy	4,35	Medium	Flash Note
10/02/2022	2,09	Buy	4,35	Medium	Flash Note
24/02/2022	1,98	Buy	4,35	Medium	Flash Note
23/03/2022	1,94	Buy	4,35	Medium	Flash Note
31/03/2022	1,91	Buy	4,35	Medium	Flash Note
07/04/2022	1,86	Buy	4,35	Medium	Flash Note
29/04/2022	2,06	Buy	4,35	Medium	Flash Note

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The BUY, HOLD and SELL ratings are based on the expected total return (ETR – absolute performance in the 12 months following the publication of the analysis, including the ordinary dividend paid by the company), and the risk associated to the share analyzed. The degree of risk is based on the liquidity and volatility of the share, and on the rating provided by the analyst and contained in the report. Due to daily fluctuations in share prices, the expected total return may temporarily fall outside the proposed range

Equity Total Return (ETR) for different risk categories			
Rating	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ETR >= 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR <= -5%	ETR <= -5%	ETR <= 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

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- In the IPO phase, it played the role of global coordinator.