

NEWS

22 December 2020

GIGLIO

Realisation of a Capital Increase (+)

(Company)

Giglio Group has announced the completion of a capital increase by ABB for a total amount of €4,806,386 at a price of €1.97 (17.4% discount vs. closing price on 21 December 2020).

The majority shareholder, Meridiana Holding, owned by Alessandro Giglio, has subscribed for €4,131,089 (85.95% of the transaction) by debt conversion.

The group's capital after the transaction is €4,149,295 divided into 20,746,475 shares. Meridiana Holding thus controls 56.59% of the capital (vs. 52.7%).

As previously announced by the company, this operation was intended to strengthen its equity and to develop its business.

After integrating this operation, which is dilutive for shareholders, we are downgrading our TP to 4.8 (vs. €5.1).

We are however reiterating our Buy rating for the company.

Buy, TP of €4.8 - Alessandro Cuglietta : +33 1 78 95 71 64

Market Data

Industry	E-commerce
Share Price (€)	2,4
Market Cap (€M)	43,7
Market Segment	STAR
Bloomberg	GG IM

Ownership structure

Meridiana Holding	56,6%
Free float	43,4%

€M (31/12)	2019	2020	2021	2022
Sales (€M)	40,2	50,1	66,4	83,0
Growth	3,3%	24,7%	32,4%	25,0%
EBITDA	1,0	3,5	7,3	10,2
Marge EBITDA	-0,6%	7,0%	11,0%	12,3%
Net income	-15,8	0,3	3,8	5,8
EPS €	-0,83	0,02	0,18	0,28
Growth	60,6%	-102,1%	962,5%	52,0%
Dividend	0,00	0,00	0,00	0,00
Yield (%)	0,0%	0,0%	0,0%	0,0%
FCF	-0,3	-3,5	5,8	5,8
ROCE		6,2%	22,7%	32,1%
EV/Sales (x)		1,3	1,0	0,8
EV/EBITDA (x)		19,1	9,2	6,6
PE (x)		143,6	13,0	8,5
Net Debt	13,9	16,6	10,9	5,1
Gearing net	n.m.	469%	147%	39%

Midcap Partners estimates

Upcoming event : TBD

Consensus - Number of analysts : 2

	2020	2021	2022
Sales	49,6	66,6	83,0
EBITDA	3,4	6,2	10,2
Net income	0,5	3,2	6,0

Source: FACTSET

TOP Peers	Market Cap (€M)	EV/EBIT 2020	EV/EBIT 2021	EV/EBITDA 2020	EV/EBITDA 2021
Triboo SpA	31	36,7	8,8	4,0	3,2
ASOS plc	4 954	27,3	21,6	14,2	11,8
Zalando SE	22 883	64,5	61,3	37,7	35,0

Source: FACTSET

Disclaimer

This document may refer to valuation methods defined as follows:

- 1 - DCF method: discounting future cash flows generated by the business's operations. Cash flows are determined using the analyst's financial forecasts and models. The discount rate used is the weighted average cost of capital, defined as the weighted average cost of the company's borrowings and the theoretical cost of its equity as estimated by the analyst.
- 2 - Comparables method: application of stock-market valuation multiples, or multiples observed for recent transactions. These multiples may be used as benchmarks and applied to the company's financial aggregates to determine its valuation. The analyst builds the sample according to the company's characteristics (size, growth, profitability, etc). The analyst may also apply a premium/discount based on his perception of the company's characteristics.
- 3 - Asset-based method: estimation of the value of the equity on the basis of the revalued and corrected assets comprising the fair value of the liability.
- 4 - Discounted dividend method: discounted future value of estimated dividend flows. The discounting rate taken is general the cost of capital.
- 5 - The sum of the parts: this method consists in estimating a company's various activities by using the most appropriate evaluation method for each of them, then by adding them together.

Rating structure:

- Buy: expected over-performance 10% greater than the market within 6 – 12 months
Hold: expected performance of between -10% and +10% compared to the market within 6 – 12 months
Sell: expected under-performance 10% greater than the market within 6 – 12 months

Company	Closing price (€)	Rating	Warning
GIGLIO	2,385	Buy	E,G

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Stock rating distribution

At December 2020 the stock rating distribution issued by the LOUIS CAPITAL MARKETS - MCP Midcap research team is as follows:

Rating	Midcap Partners coverage universe	of which Investment banking services*
Buy	63%	74%
Hold	29%	25%
Sell	5%	0%
Tender	3%	1%

* Investment banking services provided by Midcap Partners in the previous 12 months

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