

# ILBE

Sector: Media

# OUTPERFORM

Price: Eu1.53 - Target: Eu3.00

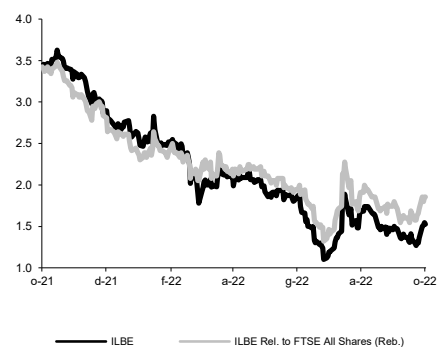
## Project Backlog Enhances Visibility On Management Guidance

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### Stock Rating

<b>Rating:</b>	Unchanged		
<b>Target Price (Eu):</b>	from 3.80 to 3.00		
	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
<b>Chg in Adj EPS</b>	-23.6%	-0.1%	-0.9%

### ILBE - 12M Performance



### Stock Data

Reuters code:	IE.MI		
Bloomberg code:	IE IM		
<b>Performance</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	1.9%	28.4%	-55.5%
Relative	3.8%	28.1%	-37.3%
12M (H/L)	3.63/1.10		
3M Average Volume (th):	11.07		

### Shareholder Data

No. of Ord shares (mn):	35
Total no. of shares (mn):	35
Mkt Cap Ord (Eu mn):	54
Total Mkt Cap (Eu mn):	54
Mkt Float - Ord (Eu mn):	11
Mkt Float (in %):	20.9%
Main Shareholder:	
Andrea Iervolino	31.7%

### Balance Sheet Data

Book Value (Eu mn):	98
BVPS (Eu):	2.79
P/BV:	0.5
Net Financial Position (Eu mn):	-29
Enterprise Value (Eu mn):	82

- In 1H22, revenues and EBIT slightly better than expectations, backlog increases.** On 30 September, ILBE approved 1H results with revenues at Eu83.3mn, lower than for 1H21 (when they were Eu114.2mn) but 4% better than expected. EBIT (before non-recurring items for Eu1.5mn) was Eu11.2mn, 2% better than expected and with the margin almost in line YoY (13.5% vs. 13.9%). It is important to note that net debt (pre-IFRS 16 at circa Eu2mn) as at end-June was Eu26.6mn, better than expected (Eu28mn) and down on end-March 2022 (Eu29mn). The group highlighted that as at 30 June 2022 the overall backlog was Eu224.9mn (vs. Eu152.4mn as at YE21), of which Eu65.6mn for activities in 2H22. The fall in turnover and margins on 1H21 was expected as 1H21 saw Eu42.3mn in revenues associated with the delivery of the final episodes of the *Arctic Friends* web series and another Eu22.7mn in revenues related to the licensing of the pipeline. In 1H22, revenues from film production were more evenly distributed among animation (39%), films (25%), services (32%) and licensing of animated characters (4%), an appreciable item that is fruit of the Group's strategy.
- Management indications and outlook.** For 2022, management foresees higher revenues, a flattish EBIT margin, and net debt declining slightly. As things stand, the contracted production portfolio is worth Eu224.9mn, of which Eu65.6mn for 2022; on top of this figure are projects under development estimated at c.Eu395.5mn in the 3 years to 2024.
- Update to estimates.** In this report, we have raised our 2022-24 estimates to take into account the good visibility offered by the backlog. In detail: we have raised our forecasts related to the Serbian business, mainly consisting of services for the production of the *Puffin:Impossible* web series (90 episodes per year) to factor in better-than-expected turnover per episode (>Eu0.3mn). At the same time, ILBE is investing in Serbia to develop future business in innovative areas such as the metaverse. All in all, we have left our 2022-24 EBIT estimates broadly unchanged. As for 2022, we are factoring higher financial charges (unrealised ForEx and hedging losses booked in 1H22) and a higher tax rate into our estimates. Looking to the future, our focus will be on tracking how successful ILBE will be in exploiting the great potential of animated character intellectual property, working in collaboration with other industry players (e.g. production of Christmas movies, distribution agreements). Looking ahead, we also expect the completion of the contracts with Paradox and WWPS. In terms of cash flow, we expect net debt to remain stable going forward, excluding possible investments related to new productions that could be announced in the coming months.
- OUTPERFORM confirmed; target Eu3.0 from Eu3.8.** 1H22 results were slightly better than expected in terms of cash flow as well. The stock is trading at attractive multiples (4.3x EV/EBIT on our estimates for 2022) in light of the visibility offered by the contracted production portfolio. We expect 2H22 results to confirm the soundness of the Group's strategic choice of focusing on animation films for digital channels in international markets. Confirming a sustainable cash flow balance and establishing a clear track record for the company's animated productions remain essential conditions for triggering a re-rating. The new target values the company at 7x EV/EBIT on 2023 to reflect a general market de-rating.

Key Figures & Ratios	2020A	2021A	2022E	2023E	2024E
Sales (Eu mn)	121	152	155	147	144
EBITDA Adj (Eu mn)	112	138	103	96	84
Net Profit Adj (Eu mn)	19	18	11	14	14
EPS New Adj (Eu)	0.557	0.526	0.328	0.406	0.405
EPS Old Adj (Eu)	0.557	0.526	0.429	0.407	0.408
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	1.4	1.1	0.8	0.8	0.9
EV/EBIT Adj	6.9	6.4	4.3	4.3	4.1
P/E Adj	2.7	2.9	4.7	3.8	3.8
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	0.1	0.2	0.3	0.3	0.3

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<b>ILBE – Key Figures</b>						
<b>Profit &amp; Loss (Eu mn)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Sales	80	121	152	155	147	144
EBITDA	75	112	138	103	96	84
EBIT	23	22	24	19	19	19
Financial Income (charges)	-0	-1	-3	-5	-3	-3
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	22	21	20	14	16	16
Taxes	-2	-2	-2	-3	-2	-2
Tax rate	9.5%	8.8%	9.5%	20.0%	10.0%	10.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	20	19	18	11	14	14
EBITDA Adj	75	112	138	103	96	84
EBIT Adj	23	22	24	19	19	19
Net Profit Adj	20	19	18	11	14	14
<b>Per Share Data (Eu)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Total Shares Outstanding (mn) - Average	33	35	35	35	35	35
Total Shares Outstanding (mn) - Year End	33	35	35	35	35	35
EPS f.d	0.607	0.557	0.526	0.328	0.406	0.405
EPS Adj f.d	0.607	0.557	0.526	0.328	0.406	0.405
BVPS f.d	1.428	1.915	2.444	2.793	3.238	3.686
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Cash Flow (Eu mn)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Gross Cash Flow	75	97	140	95	92	80
Change in NWC	-3	2	-5	6	-0	-0
Capital Expenditure	-87	-109	-147	-100	-89	-74
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-14	-10	-13	1	2	5
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	17	0	0	0	0	0
Change in Net Financial Position	5	-15	-14	1	2	5
<b>Balance Sheet (Eu mn)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Total Fixed Assets	49	69	100	116	128	137
Net Working Capital	-5	6	5	-0	0	0
Long term Liabilities	-0	-1	-1	-1	-1	-1
Net Capital Employed	48	83	115	127	140	151
Net Cash (Debt)	-1	-16	-29	-29	-27	-22
Group Equity	48	67	86	98	113	129
Minorities	0	0	0	0	0	0
Net Equity	48	67	86	98	113	129
<b>Enterprise Value (Eu mn)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Average Mkt Cap	105	136	122	54	54	54
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-1	-16	-29	-29	-27	-22
Enterprise Value	106	152	151	82	80	75
<b>Ratios (%)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
EBITDA Adj Margin	94.2%	93.1%	90.8%	66.6%	65.6%	58.2%
EBIT Adj Margin	28.3%	18.3%	15.4%	12.5%	12.8%	12.9%
Gearing - Debt/Equity	1.2%	23.3%	34.2%	29.4%	23.7%	17.0%
Interest Cover on EBIT	84.6	33.5	7.5	3.9	6.3	6.5
Net Debt/EBITDA Adj	0.0	0.1	0.2	0.3	0.3	0.3
ROACE*	69.7%	33.7%	23.8%	16.0%	14.1%	12.8%
ROE*	69.1%	34.0%	24.1%	12.5%	13.5%	11.7%
EV/CE	3.3	2.3	1.5	0.7	0.6	0.5
EV/Sales	1.3	1.3	1.0	0.5	0.5	0.5
EV/EBITDA Adj	1.4	1.4	1.1	0.8	0.8	0.9
EV/EBIT Adj	4.7	6.9	6.4	4.3	4.3	4.1
Free Cash Flow Yield	-26.6%	-18.1%	-23.5%	1.0%	3.6%	9.2%
<b>Growth Rates (%)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Sales	131.1%	50.9%	26.2%	1.9%	-5.2%	-1.9%
EBITDA Adj	120.8%	49.1%	23.0%	-25.2%	-6.7%	-12.9%
EBIT Adj	94.4%	-2.7%	6.6%	-17.7%	-2.8%	-1.1%
Net Profit Adj	98.5%	-3.7%	-5.5%	-37.7%	24.0%	-0.3%
EPS Adj	66.5%	-8.2%	-5.5%	-37.7%	24.0%	-0.3%
DPS						

\*Excluding extraordinary items

Source: Intermonte SIM estimates

## 1H22 Results

On 30 September, ILBE approved 1H results with revenues at Eu83.3mn, lower than for 1H21 (when they were Eu114.2mn) but 4% better than expected. EBIT (before non-recurring items for Eu1.5mn) was Eu11.2mn, 2% better than expected and with the margin almost in line YoY (13.5% vs. 13.9%). It is important to note that net debt (pre-IFRS 16 at circa Eu2mn) as at end-June was Eu26.6mn, better than expected (Eu28mn) and down on end-March 2022 (Eu29mn). The fall in turnover and margins on 1H21 was expected as 1H21 saw Eu42.3mn in revenues associated with the delivery of the final episodes of the *Arctic Friends* web series and another Eu22.7mn in revenues related to the licensing of the pipeline.

### ILBE – 2Q/1H22 Results

Income Statement	2Q21A	2Q22A	YoY	2Q22E	A. vs. E	1H21A	1H22A	YoY	1H22E	A. vs. E
<b>Value of production</b>	<b>69.7</b>	<b>56.5</b>	-18.9%	<b>53.2</b>	<b>6.1%</b>	<b>114.2</b>	<b>83.3</b>	-27.1%	<b>80.0</b>	<b>4.1%</b>
Labour costs						(1.8)	(3.4)			
Operating costs						(4.4)	(13.8)			
<b>EBITDA</b>						<b>108.0</b>	<b>66.0</b>			
D&A						(92.1)	(54.8)			
<b>EBIT before one-off</b>	<b>10.0</b>	<b>7.2</b>	-28.0%	<b>7.0</b>	<b>3.0%</b>	<b>15.9</b>	<b>11.2</b>	-29.5%	<b>11.0</b>	<b>1.9%</b>
margin %	14.4%	12.8%				13.9%	13.5%			
one-off items	(0.9)	(1.2)				(0.9)	(1.5)			
<b>EBIT</b>	<b>9.1</b>	<b>6.0</b>	-34.1%			<b>15.0</b>	<b>9.7</b>	-35.4%		
margin %	13.1%	10.6%				13.1%	11.6%			
Net financial income/expense						(1.9)	(3.6)			
<b>Pretax Profit</b>						<b>13.1</b>	<b>6.1</b>			
YoY %						13%	-54%			
Taxes						(0.8)	(2.7)			
Tax Rate						-5.7%	-44.3%			
<b>Group net profit</b>						<b>12.3</b>	<b>3.4</b>			
YoY %						28.8%	-72.6%			
minorities						-	(0.0)			
<b>Net profit</b>						<b>12.3</b>	<b>3.3</b>			

Source: Intermonte SIM estimates

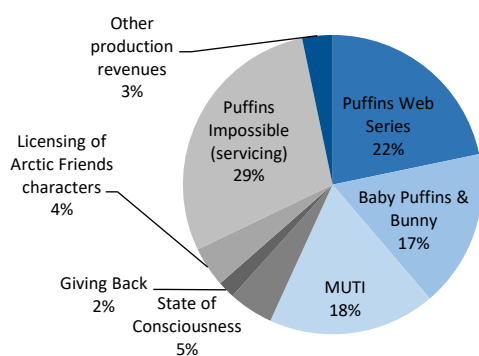
### ILBE – Key Balance Sheet figures

Balance Sheet	2019	1H20A	2020A	1H21A	2021A	1H22A
<b>Trade Working Capital</b>	<b>(6.2)</b>	<b>(7.5)</b>	<b>(8.5)</b>	<b>(6.0)</b>	<b>(3.5)</b>	<b>16.0</b>
Other current Assets/Liabilities	1.6	6.4	14.4	18.5	8.1	1.3
<b>Net working capital</b>	<b>(4.6)</b>	<b>(1.1)</b>	<b>5.9</b>	<b>12.5</b>	<b>4.6</b>	<b>17.3</b>
<b>Net Fixed Asset</b>	<b>53.2</b>	<b>63.8</b>	<b>77.3</b>	<b>84.8</b>	<b>111.0</b>	<b>101.1</b>
Other LT Liabilities	(0.3)	(0.4)	(0.6)	(0.6)	(0.7)	(0.4)
<b>Net capital employed</b>	<b>48.2</b>	<b>62.2</b>	<b>82.7</b>	<b>96.7</b>	<b>114.9</b>	<b>118.0</b>
Financed by:						
<b>Net (debt) cash</b>	<b>(0.5)</b>	<b>(4.8)</b>	<b>(15.6)</b>	<b>(17.3)</b>	<b>(29.3)</b>	<b>(28.6)</b>
<i>o/w IFRS 16 (leasing)</i>	-	-	-	-	-	(2.1)
<b>Net Equity</b>	<b>47.7</b>	<b>57.4</b>	<b>67.0</b>	<b>79.4</b>	<b>85.6</b>	<b>89.4</b>

Source: Intermonte SIM estimates

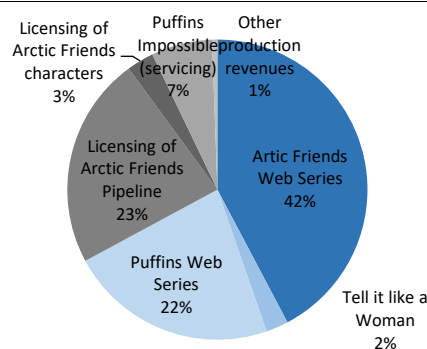
In 1H22, revenues from film production were more evenly spread among animation (39%), films (25%), services (32%) and licensing of animated characters (4%), an appreciable item that is fruit of the Group's strategy.

#### ILBE: 1H22 Production Revenue breakdown



Source: Intermonte SIM

#### ILBE: 1H21 Production Revenue breakdown



Source: Intermonte SIM

## Management indications and backlog

For 2022, management foresees higher revenues, a flattish EBIT margin and net debt declining slightly. As things stand, the contracted production portfolio is worth Eu224.9mn, of which Eu65.6mn for 2022; on top of this figure are projects under development estimated at c.Eu395.5mn in the 3 years to 2024.

### ILBE – Project backlog

Projects	#Episodes	2H22	2023 onwards	Status
Baby Puffins & Bunny	405	21.5	83.5	Fully contractualised
Mini Puffins Wonder, Swifty..	300	9.5	7.6	Fully contractualised
Puffins: Impossible (servicing)	270	13.6	58.8	Fully contractualised
In the Fire (Film)		4.5		Fully contractualised
Muti (Film)		2.4		Fully contractualised
Animation Films	3	11.7	9.3	Fully contractualised
Giving Back Generation 3		1.3		Fully contractualised
Doc: Mahmood & Red Valley		1.2		Fully contractualised
<b>Total</b>		<b>65.6</b>	<b>159.3</b>	
Production: Animation Projects (10)			184.2	To be contractualised
Production: Audiovisual Projects (9)			28.3	To be contractualised
Production: Films (12)			91.5	To be contractualised
Production: Unscripted projects (16)			30.0	To be contractualised
Servicing, Licensing and Post Production			24.9	To be contractualised
Celebrity Management and Digital Adv			36.7	To be contractualised
<b>Total</b>			<b>395.5</b>	

Source: Company data

## Major recent business developments

We list a number of recently-announced production projects that testify ILBE's ability to partner with leading international industry players such as Lionsgate or Redbox, and to explore innovative content formats, such as in the contract with Wonderfilm for the production of animated film clips.

- At the end of August 2022, ILBE announced an agreement to provide production services for the **international film "Ferrari"** via the associated company "Welcome To Italy" (WTI), in which ILBE has a non-controlling stake of 40%. WTI in collaboration with ILBE is also handling the local tax credit, ultimately gaining executive producer credits. WTI will account net agent fees, which in our estimates should correspond to about 5% of the film budget. The biopic of Enzo Ferrari stars Adam Driver, Penélope Cruz, Shailene Woodley and Patrick Dempsey. STX and Lionsgate are understood to be exploring an alliance whereby Lionsgate will handle distribution on STX's upcoming pipeline of cinema releases.
- On 7 September, ILBE announced an agreement with Californian company The Wonderfilm Media Corporation for the **production of innovative short content film clips** conceived to meet the needs of younger generations, who are increasingly accustomed to watching short video clips on TikTok and Instagram. Based on the agreement, ILBE will produce and sell rights (worldwide, excluding Italy) to 3 series of 100 episodes each, generating total revenues of Eu17.1mn. Some of the films will be produced in 2H22, with the remainder in 2023. ILBE will manage distribution in Italy. The new series, available from 2Q23, will contain 60-second episodes and feature characters from the spin-off series of the animated film Arctic Dogs; the video format, square or vertical, is designed to be compatible with the screens of mobile devices.
- In 4Q21, the production of "**MUTI**" was completed. The film stars Oscar winner Morgan Freeman. Filming was done partly in Mississippi (USA) and partly in Italy. ILBE has signed agreements with RedBox Entertainment (now part of the listed group Chicken Soup for the Soul Entertainment) for distribution in the US and Canada, and with WWPS for worldwide distribution (excluding Italy, the US and Canada).
- In October 2021, shooting of the film "**Lamborghini**" was completed. The film is about the life of the automotive industry icon Ferruccio Lamborghini from the beginnings to the achievement of world success. Direction and screenplay were entrusted to Bobby Moresco, an Oscar winner for the screenplay of "Crash", while the cast includes Hollywood stars such as Gabriel Byrne and Mira Sorvino. For this important project, on the one hand ILBE acted as co-executive producer, and on the other it decided to purchase the distribution rights, with a book value of Eu5.7mn as at the end of June 2022. The film will debut on 23 October at the Rome Film Festival.

- In the first half of 2022, **subsidiary Red Carpet** continued to expand its customer base. Red Carpet has consolidated collaborations with its customers such as media centres (eg: GroupM, Omnicom) and broadcast (eg: Amazon Prime Video, DAZN, RAI), creating valuable activities for customers such as Ferrero and McDonald's, and activating new collaborations with clients of the calibre of Kia, Barilla and Poste Italiane.
- On 5 October, the group announced that the biographical film “**Mahmood**” on the eponymous Italian singer’s rise to international success from his origins and childhood in the suburbs of Milan will be premiered at the Rome Film Festival on 14 October. In the film produced by Red Carpet, a subsidiary of the ILBE Group, in collaboration with Prime Video, Alessandro Mahmoud recounts the story in his own voice with testimony from artists such as Blanco, Carmen Consoli, and Dardust.

## Changes to estimates

In this report, we have raised our 2022-24 estimates to take into account the good visibility offered by the backlog. In detail: we have raised our forecasts related to the Serbian business, mainly consisting of services for the production of the *Puffin:Impossible* web series (90 episodes per year) to factor in better-than-expected turnover per episode (>Eu0.3mn). At the same time, ILBE is investing in Serbia to develop future business in innovative areas such as the metaverse. All in all, we have left our 2022-24 EBIT estimates broadly unchanged. As for 2022, we are factoring higher financial charges (unrealised ForEx and hedging losses booked in 1H22) and a higher tax rate into our estimates. Looking to the future, our focus will be on tracking how successful ILBE will be in exploiting the great potential of animated character intellectual property, working in collaboration with other industry players (e.g. production of Christmas movies, distribution agreements). Looking ahead, we also expect the completion of the contracts with Paradox and WWPS. In terms of cash flow, we expect net debt to remain stable going forward, excluding possible investments related to new productions that could be announced in the coming months.

### ILBE – Changes to estimates

(Eu mn)	NEW			OLD			% CHANGE		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Value of production	155.2	147.0	144.2	144.6	134.7	131.9	7.3%	9.1%	9.3%
	1.88%		(1.91%)	(5.07%)		(2.09%)			
EBIT	19.3	18.8	18.6	19.7	18.8	18.7	-1.6%	0.0%	-0.6%
margin %	12.5%	12.8%	12.9%	13.6%	14.0%	14.2%			
Net financial charges	(5.0)	(3.0)	(2.9)	(3.0)	(3.0)	(2.8)			
Pretax Profit	14.3	15.8	15.8	16.7	15.8	15.9	-14.0%	-0.1%	-0.9%
margin %	9.2%	10.8%	10.9%	11.5%	11.7%	12.0%			
Taxes	(2.9)	(1.6)	(1.6)	(1.7)	(1.6)	(1.6)			
Tax Rate	-20.0%	-10.0%	-10.0%	-10.0%	-10.0%	-10.0%			
Group net profit	11.5	14.2	14.2	15.0	14.2	14.3	-23.6%	-0.1%	-0.9%
YoY%	(37.7%)	24.0%	(0.3%)	(18.5%)	(5.1%)	0.4%			
margin %	7.4%	9.7%	9.8%	10.4%	10.6%	10.8%			
minorities	-	-	-	-	-	-			
Net profit	11.5	14.2	14.2	15.0	14.2	14.3	-23.6%	-0.1%	-0.9%
Net Cash (Debt)	(28.7)	(26.8)	(21.9)	(28.8)	(27.0)	(22.0)	0.1	0.2	0.1

Source: Intermonte SIM estimates

## Peer comparison

### ILBE – Peer Group Multiples

	Mkt Cap	PE 2022	PE 2023	PE 2024	EV/EBIT 2022	EV/EBIT 2023	EV/EBIT 2024
<b>Iervolino Entertainment</b>	<b>54</b>	<b>4.7 x</b>	<b>3.8 x</b>	<b>3.8 x</b>	<b>4.3 x</b>	<b>4.3 x</b>	<b>4.1 x</b>
Notorious Pictures	31	6.4 x	4.9 x	3.5 x	9.4 x	7.2 x	5.7 x
Lucisano Media Group S.p.A.	19						
Lions Gate Entertainment Corp Class A	1,687	17.9 x	8.8 x	7.1 x	39.5 x	20.0 x	15.3 x
Mondo TV S.p.A.	24				4.7 x	1.7 x	0.6 x
Xilam Animation SA	159	23.9 x	14.9 x	14.1 x	19.1 x	12.8 x	11.9 x
Thunderbird Entertainment Group Inc	112	25.1 x	13.6 x	8.5 x	5.3 x	3.8 x	
<b>Mean</b>		<b>18.3 x</b>	<b>10.6 x</b>	<b>8.3 x</b>	<b>15.6 x</b>	<b>9.1 x</b>	<b>8.4 x</b>
<b>Median</b>		<b>20.9 x</b>	<b>11.2 x</b>	<b>7.8 x</b>	<b>9.4 x</b>	<b>7.2 x</b>	<b>8.8 x</b>

Source: Intermont SIM and Factset

### ILBE – Peer Group Performance

	Mkt Cap	1M	3M	6M	YTD	1Y
<b>Iervolino Entertainment</b>	<b>54</b>	<b>1.9%</b>	<b>28.4%</b>	<b>-23.2%</b>	<b>-40.8%</b>	<b>-55.5%</b>
Notorious Pictures	31	-9.2%	-8.0%	-14.8%	-15.3%	-22.7%
Lucisano Media Group S.p.A.	19	-5.9%	2.4%	-5.2%	0.0%	-5.9%
Lions Gate Entertainment Corp Class A	1,687	-21.4%	-6.7%	-47.3%	-47.6%	-38.2%
Mondo TV S.p.A.	24	-18.2%	-24.3%	-51.3%	-64.0%	-61.6%
Xilam Animation SA	159	-13.6%	-14.4%	-15.3%	-22.0%	-18.9%
Thunderbird Entertainment Group Inc	112	-1.3%	-13.0%	-24.4%	-25.3%	-30.4%
<b>Mean</b>		<b>-11.6%</b>	<b>-10.7%</b>	<b>-26.4%</b>	<b>-29.1%</b>	<b>-29.6%</b>
<b>Median</b>		<b>-11.4%</b>	<b>-10.5%</b>	<b>-19.8%</b>	<b>-23.7%</b>	<b>-26.5%</b>

Source: Intermont SIM and Factset

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	ILBE		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	3.00	Previous Target (Eu):	3.80
Current Price (Eu):	1.53	Previous Price (Eu):	2.09
Date of report:	07/10/2022	Date of last report:	20/04/2022

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- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/earnings (P/E), EV/EBITDA, EV/EBIT, price/sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

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NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

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Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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OUTPERFORM:	48.36 %
NEUTRAL:	27.87 %
UNDERPERFORM	01.64 %
SELL:	00.00 %

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