UPDATE

EQUITY RESEARCH

INTEGRÆ SIM

Bellini Nautica

Euronext Growth Milan | Consumer Discretionary | Italy

Production 30/09/2024, h. 6:30 p.m
Pubished 01/10/2024, h. 7:00 a.m.

Rating
BUY
unchanged

Target Price
€ 5,25
prev. € 5,25

Risk
Medium

Upside potential
82,5%

Stocks performance relative to FTSE Italia Growth

Key Financials (€/mln)	FY23A*	FY24E	FY25E	FY26E
Revenues	15,1	20,5	33,4	44,0
VoP	18,6	20,5	34,2	46,2
EBITDA	1,2	1,3	3,5	5,8
EBIT	0,8	0,8	2,6	4,5
Net Income	0,5	0,6	2,0	3,5
EBITDA margin	*6,3%*	*6,4%*	*10,2%*	*12,6%*
EBIT margin	*4,1%*	*3,7%*	*7,5%*	*9,8%*
Net Income margin	*2,7%*	*2,7%*	*5,8%*	*7,5%*

Stock Data	
Price	€ 2,88
Target price	€ 5,25
Upside/(Downside) potential	82,5%
Ticker	BELL IM
Market Cap (€/mln)	€ 18,37
EV (€/mln)	€ 22,03
Free Float	21,62%
Share Outstanding	6.379.500
52-week high	€ 3,68
52-week low	€ 1,09
Average daily volumes (3 months)	27.848

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Stock performance	1M	3M	6M	1Y
Absolute	-14,3%	-8,3%	65,5%	50,0%
to FTSE Italia Growth	-14,3%	-7,6%	65,7%	53,0%
to Euronext STAR Milan	-15,2%	-7,1%	68,5%	36,9%
to FTSE All-Share	-16,9%	-12,6%	65,7%	26,3%
to EUROSTOXX	-16,4%	-10,3%	67,1%	29,0%
to MSCI World Index	-16,3%	-12,4%	58,4%	21,0%

Main Ratios	FY23A*	FY24E	FY25E	FY26E
EV/EBITDA	18,9 x	16,9 x	6,3 x	3,8 x
EV/EBIT	29,1 x	29,4 x	8,6 x	4,9 x
P/E	35,9 x	33,4 x	9,2 x	5,3 x

1H24A Results

At the end of the first half of 2024, the Group recorded revenues of €11.29 million, a growth of 114.7% compared to 1H23A, where they amounted to €5.26 million. EBITDA stands at €0.90 million, up (+15.8%) compared to 1H23A, where it was €0.78 million. However, the EBITDA margin, calculated on the value of production, decreased from 10.0% in 1H23A to 7.6% in the period under review. EBIT as of June 30, 2024, net of amortization and impairments of €0.33 million, is positive at €0.58 million, in line with the result of €0.60 million in 1H23A. The Net Income for 1H24A decreased to €0.28 million (€0.43 million in 1H23A). The NFP for the analysis period amounts to €2.24 million, compared to €3.65 million in FY23A*.

Estimates Update

In light of the results published in the half-year report for 1H24A, we fully confirm our estimates for both the current year and the coming years. Specifically, we estimate a Production Value for FY24E of €20.45 million and an EBITDA of €1.30 million, corresponding to a margin of 6.4%. For the following years, we expect the Production Value to increase to €57.85 million (CAGR 23A*-27E: 32.7%) in FY27E, with an EBITDA of €9.00 million (corresponding to a margin of 15.6%), up from €1.17 million in FY23A* (with an EBITDA Margin of 6.3%).

Valuation Update

We conducted the valuation of Bellini Nautica's equity value based on the DCF methodology. The DCF method (which prudently includes a specific risk of 2.5% in the WACC calculation) yields an equity value of €33.5 million. The target price is €5.25, with a BUY rating and a MEDIUM risk.

Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

CONDOLIDATED INCOME STATEMENT (€/mln)	FY22A	FY23A	FY23A*	FY24E	FY25E	FY26E	FY27E
Revenues	12,10	11,12	15,12	20,45	33,40	44,00	55,20
Work in progress	2,14	2,48	2,48	(0,05)	0,60	1,60	1,85
Other revenues	1,23	1,03	1,04	0,05	0,20	0,55	0,80
Value of Production	**15,47**	**14,63**	**18,65**	**20,45**	**34,20**	**46,15**	**57,85**
COGS	10,61	10,22	13,34	14,50	24,20	32,50	40,50
Services	1,71	1,78	2,19	2,60	4,20	5,15	5,30
Use of assets owned by others	0,28	0,42	0,44	0,65	0,70	0,75	0,80
Employees	0,66	0,78	0,82	1,20	1,35	1,60	1,85
Other operating costs	0,24	0,65	0,70	0,20	0,25	0,35	0,40
EBITDA	**1,98**	**0,78**	**1,17**	**1,30**	**3,50**	**5,80**	**9,00**
EBITDA Margin	*12,8%*	*5,3%*	*6,3%*	*6,4%*	*10,2%*	*12,6%*	*15,6%*
D&A	0,74	0,40	0,41	0,55	0,95	1,30	1,55
EBIT	**1,24**	**0,37**	**0,76**	**0,75**	**2,55**	**4,50**	**7,45**
EBIT Margin	*8,0%*	*2,5%*	*4,1%*	*3,7%*	*7,5%*	*9,8%*	*12,9%*
Financial management	(0,12)	(0,14)	(0,15)	(0,10)	(0,10)	(0,10)	(0,10)
EBT	**1,12**	**0,23**	**0,61**	**0,65**	**2,45**	**4,40**	**7,35**
Taxes	0,45	(0,01)	0,09	0,10	0,45	0,95	1,70
Net Income	**0,67**	**0,24**	**0,51**	**0,55**	**2,00**	**3,45**	**5,65**
Minorities Net Income	*0,00*	*0,00*	*0,10*	*0,25*	*0,35*	*0,40*	*0,45*

CONSOLIDATED BALANCE SHEET (€/mln)	FY22A	FY23A	FY23A*	FY24E	FY25E	FY26E	FY27E
Fixed Assets	**1,20**	**1,15**	**1,15**	**1,90**	**2,25**	**2,30**	**2,55**
Account receivable	5,59	6,41	6,41	8,35	11,55	14,30	17,15
Inventory	5,30	9,00	9,00	9,25	10,05	11,90	13,90
Account payable	3,99	3,84	3,84	4,80	7,25	9,30	11,10
Operating Working Capital	**6,91**	**11,57**	**11,57**	**12,80**	**14,35**	**16,90**	**19,95**
Other receivable	2,21	0,48	0,62	0,30	0,50	0,60	0,80
Other payable	0,93	1,90	1,90	3,15	4,00	4,85	5,75
Net Working Capital	**8,19**	**10,15**	**10,29**	**9,95**	**10,85**	**12,65**	**15,00**
Severance & other provisions	0,38	0,33	0,33	0,35	0,55	0,75	0,95
NET INVESTED CAPITAL	**9,01**	**10,98**	**11,12**	**11,50**	**12,55**	**14,20**	**16,60**
Share capital	0,06	0,06	0,06	0,06	0,06	0,06	0,06
Reserves	6,04	6,93	6,93	7,18	7,47	9,12	12,18
Group Net Income	0,67	0,24	0,24	0,30	1,65	3,05	5,20
Equity	**6,77**	**7,24**	**7,24**	**7,54**	**9,19**	**12,24**	**17,44**
Minorities equity	**0,00**	**0,23**	**0,23**	**0,48**	**0,83**	**1,22**	**1,68**
Cash & cash equivalents	0,33	0,49	0,49	0,31	1,51	3,61	5,86
Short term financial debt	1,73	2,71	2,85	2,55	2,80	3,00	3,00
M/L term financial debt	0,83	1,29	1,29	1,25	1,25	1,35	0,35
Net Financial Position	**2,23**	**3,51**	**3,65**	**3,49**	**2,54**	**0,74**	**(2,51)**
SOURCES	**9,01**	**10,98**	**11,12**	**11,50**	**12,55**	**14,20**	**16,60**

CONSOLIDATED CASH FLOW (€/mln)	FY23A	FY23A*	FY24E	FY25E	FY26E	FY27E
EBIT	0,37	0,76	0,75	2,55	4,50	7,45
Taxes	(0,01)	0,09	0,10	0,45	0,95	1,70
NOPAT	**0,39**	**0,66**	**0,65**	**2,10**	**3,55**	**5,75**
D&A	0,40	0,41	0,55	0,95	1,30	1,55
Change in NWC	(1,96)	(2,10)	0,34	(0,90)	(1,80)	(2,35)
Change in receivable	*(0,82)*	*(0,82)*	*(1,94)*	*(3,20)*	*(2,75)*	*(2,85)*
Change in inventory	*(3,70)*	*(3,70)*	*(0,25)*	*(0,80)*	*(1,85)*	*(2,00)*
Change in payable	*(0,15)*	*(0,15)*	*0,97*	*2,45*	*2,05*	*1,80*
Change in others	*2,70*	*2,56*	*1,57*	*0,65*	*0,75*	*0,70*
Change in provisions	(0,05)	(0,05)	0,03	0,20	0,20	0,20
OPERATING CASH FLOW	**(1,23)**	**(1,08)**	**1,56**	**2,35**	**3,25**	**5,15**
Capex	(0,36)	(0,37)	(1,30)	(1,30)	(1,35)	(1,80)
FREE CASH FLOW	**(1,59)**	**(1,45)**	**0,27**	**1,05**	**1,90**	**3,35**
Financial management	(0,14)	(0,15)	(0,10)	(0,10)	(0,10)	(0,10)
Change in financial debt	1,44	1,58	(0,34)	0,25	0,30	(1,00)
Change in equity	0,45	0,18	0,00	0,00	0,00	0,00
FREE CASH FLOW TO EQUITY	**0,16**	**0,16**	**(0,17)**	**1,20**	**2,10**	**2,25**

Source: Bellini Nautica and Integrae SIM estimates

** Pro-forma data*

Company Overview

Founded in 1967, Bellini Nautica, through its subsidiaries, operates in the luxury boating sector as a manufacturer of Bellini Yacht-branded boats and in the trading of boats (both new and used). The company also has a dedicated department for the restoration and sale of "Vintage Riva" boats, along with a unit that offers storage and port assistance services. The Bellini Group emphasizes aesthetic research with a strong connection to art, as demonstrated by significant collaborations with international artists.

The Bellini Group offers a wide range of services, including refitting and painting, boat transport, rentals, consultancy, mechanical assistance, and maintenance. Additionally, they sell accessories, collectibles, nautical clothing, and organize boat experiences on Lake Iseo with a skipper. The main headquarters is in Clusane d'Iseo (BS), on the shores of Lake Iseo, where the shipyard, indoor and outdoor storage facilities, mechanical workshop, and areas for refitting and maintenance are also located. The production site is based in Corte Franca, in the Franciacorta region.

1H24A Results

TABLE 2 – 1H24A VS 1H23A

€/mln	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP
1H24A	11,92	0,90	7,6%	0,58	0,28	2,24
1H23A	7,81	0,78	10,0%	0,60	0,43	3,65*
Change	*52,7%*	*15,8%*	*-2,4%*	*-3,5%*	*-34,0%*	*n/a*

Source: Integrae SIM

**NFP as of 31/12/2023*

Battista Bellini, CEO of Bellini Nautica, stated in a press release: "The results of the first half are perfectly in line with our industrial plan, confirming the solidity of our forecasts and the method in achieving the set objectives. The new Bellini Yacht business line, despite increasing operating costs, is already showing a significantly positive impact on the backlog, surpassing the other business lines in terms of strategic importance, thanks in part to the Cannes Boat Show, which exceeded expectations. The team of Italian dealers, led by Massimo Scagnelli, is working with great energy, professionalism, and seriousness, providing customers in our covered areas with a true point of reference. We are focusing all our efforts consistently and daily to consolidate the foundation on which the group's growth relies, in order to accelerate it further as soon as the time is right."

At the end of the first half of 2024, the Group recorded revenues of €11.29 million, a growth of 114.7% compared to 1H23A, when they amounted to €5.26 million. The increase in revenues is mainly attributable to higher volumes generated by the sale of new and used boats, with particular importance given to new boats, which represent the main source of income in 1H24A. This growth is the result of the doubling of the sales force and the Group's reorganization following the merger by incorporation of Rimini Service Yacht Srl into Italian Dealer Srl. The production value, meanwhile, stands at €11.92 million, up 52.7% compared to the value of 1H23A, which was €7.81 million.

EBITDA stands at €0.90 million, an increase (+15.8%) compared to 1H23A, where it was €0.78 million. However, the EBITDA margin, calculated on production value, decreased from 10.0% in 1H23A to 7.6% in the period under review, mainly due to the increase in costs for raw materials, supplies, and goods (linked to the increase in sales), primarily referring to the purchase of boats, raw materials, and consumables needed for the "New and Used," "Vintage Riva," and "Refitting, storage, and other services" business lines, as well as the production of Bellini Yacht-branded boats.

EBIT as of June 30, 2024, net of amortization and impairments of €0.33 million, is positive at €0.58 million, in line with the 1H23A result of €0.60 million, despite higher provisions to cover potential liabilities to which the Bellini Group companies are exposed when signing used boat sales contracts.

Net Income for 1H24A decreased to €0.28 million (€0.43 million in 1H23A) due to the increase in financial income and expenses related to new financing taken out by the Company during the reference period and the corresponding rise in interest rates.

The NFP (Net Financial Position) for the period stands at €2.24 million, compared to €3.65 million in FY23A*. This figure mainly reflects the dynamics related to the collection of trade receivables repaid during the first six months of the year, which increased the Group's cash resources.

It is noted that on June 26, 2024, the Company approved the consolidated Industrial Plan of the Bellini Group for the period 2024-2027 to include the new business line managed by Bellini Yacht, focused on the production and sale of boats between 36 and 66 feet in length, under the Bellini Yacht brand. In light of the above-mentioned half-year results, the Group announces that these are consistent with the guidance of the Bellini Group's 2024-2027 Industrial Plan.

As for the Group's Net Backlog, it amounts to €4.46 million and refers to the total value of contracts concluded for new, used, or Vintage Riva boats not yet delivered. This backlog consists of 15 boats, of which 6 are related to Bellini Yacht, 3 boats from the new line of Italian Dealer, 2 used boats, and 4 boats from the Vintage Riva line.

During the year, Bellini pursued corporate consolidation and implemented the strategic policies declared at IPO, focusing on acquisitions, expanding the inventory of Vintage Riva boats, and developing the new Bellini Yacht business line. These moves led to higher fixed costs linked to investments and reorganizations, but strengthened the company's structure and presence in the Italian boat market. The transition to a product-centered business model, with particular attention to Bellini Yacht, promises results starting in 2025. The company is also focusing on cost reduction and process optimization to ensure sustainable growth.

FY24E – FY27E Estimates

TABLE 3 – ESTIMATES UPDATES FY24E-27E

€/mln	FY24E	FY25E	FY26E	FY27E
Value of Production				
New	20,45	34,20	46,15	57,85
Old	20,45	34,20	46,15	57,85
Change	*0,0%*	*0,0%*	*0,0%*	*0,0%*
EBITDA				
New	1,30	3,50	5,80	9,00
Old	1,30	3,50	5,80	9,00
Change	*0,0%*	*0,0%*	*0,0%*	*0,0%*
EBITDA %				
New	6,4%	10,2%	12,6%	15,6%
Old	6,4%	10,2%	12,6%	15,6%
Change	*0,0%*	*0,0%*	*0,0%*	*0,0%*
EBIT				
New	0,75	2,55	4,50	7,45
Old	0,75	2,55	4,50	7,45
Change	*0,0%*	*0,0%*	*0,0%*	*0,0%*
Net Income				
New	0,55	2,00	3,45	5,65
Old	0,55	2,00	3,45	5,65
Change	*0,0%*	*0,0%*	*0,0%*	*0,0%*
NFP				
New	3,49	2,54	0,74	(2,51)
Old	3,49	2,54	0,74	(2,51)
Change	*n/a*	*n/a*	*n/a*	*n/a*

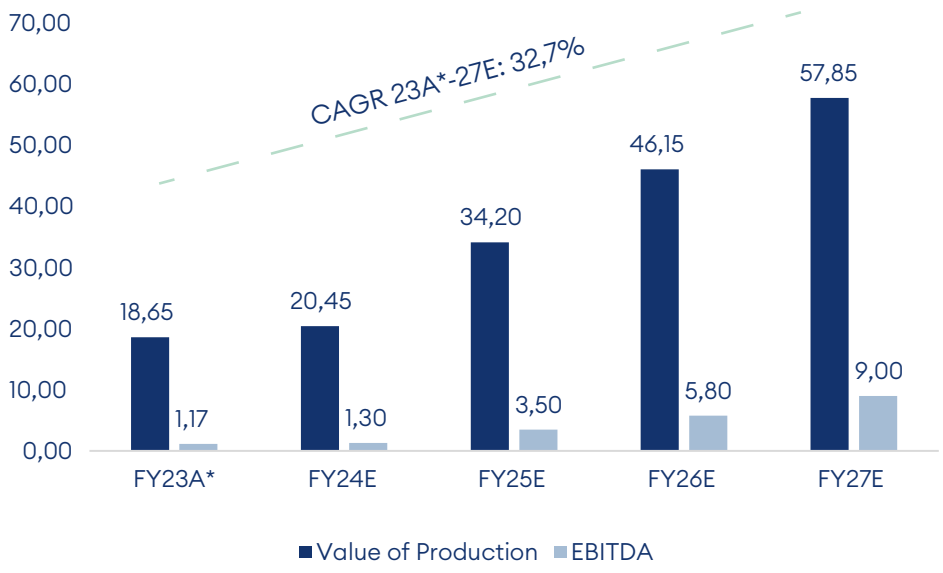
Source: Integrae SIM

In light of the results published in the half-year report for 1H24A, we fully confirm our estimates for both the current year and the coming years.

Specifically, we estimate a Value of Production for FY24E of €20.45 million and an EBITDA of €1.30 million, corresponding to a margin of 6.4%. For the following years, we expect the Value of Production to increase to €57.85 million (CAGR 23A*-27E: 32.7%) in FY27E, with an EBITDA of €9.00 million (corresponding to a margin of 15.6%), up from €1.17 million in FY23A* (with an EBITDA Margin of 6.3%).

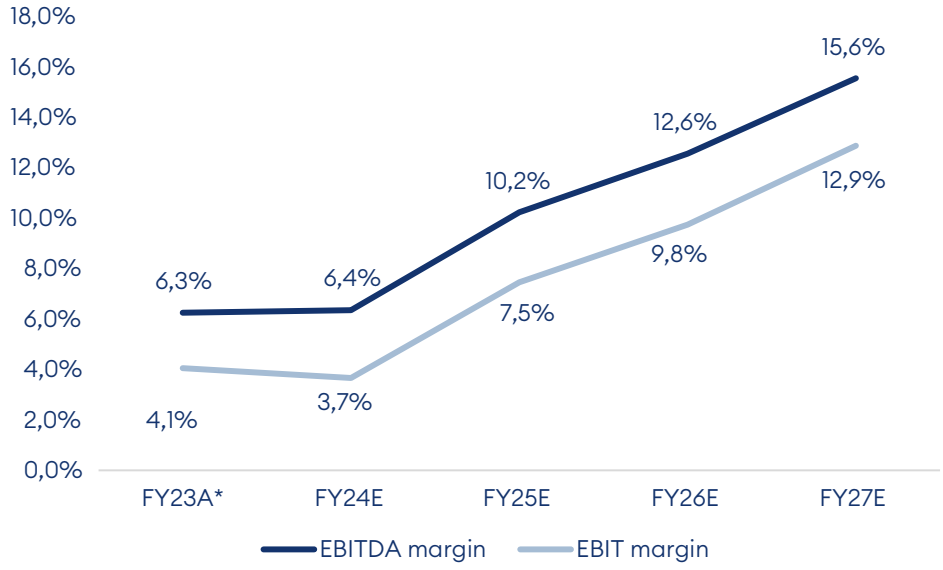
Regarding estimated investments, we expect Capex for 2024E-2027E to be around €5.75 million. Lastly, we estimate a net financial position (NFP) for FY24E amounting to €3.49 million of debt.

CHART 1 – VOP AND EBITDA FY23A*-27E



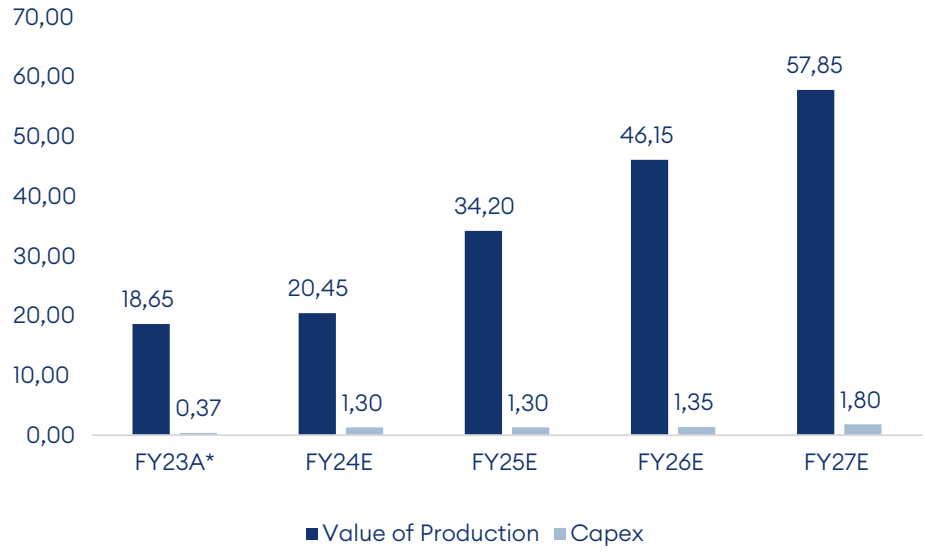
Source: Integrae SIM

CHART 2 – MARGIN FY23A*-27E



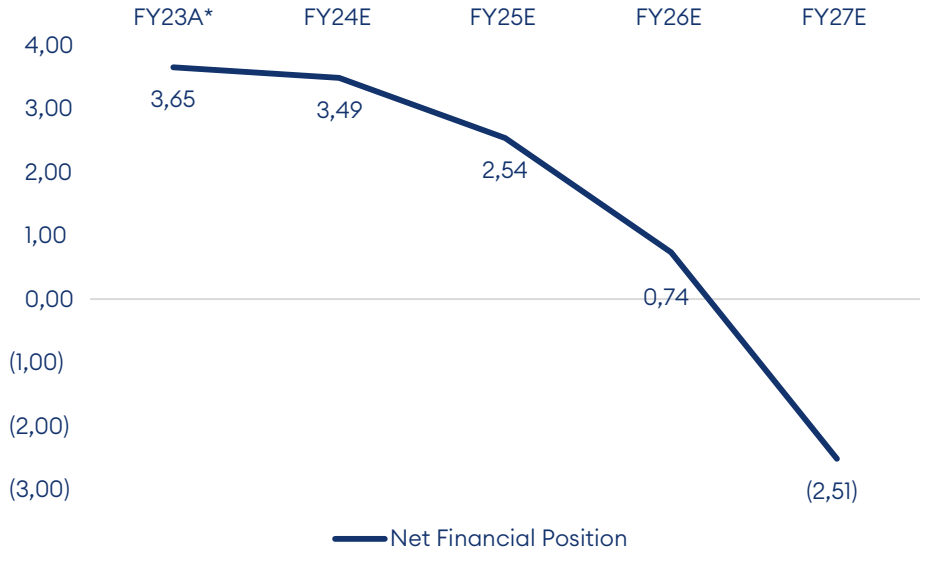
Source: Integrae SIM

CHART 3 – CAPEX FY23A*-27E



Source: Integrae SIM

CHART 4 – NFP FY23A*-27E



Source: Integrae SIM

Valuation

We conducted the valuation of Bellini Nautica's equity value based on the DCF methodology.

DCF Method

TABLE 4 – WACC

WACC			10,11%
D/E **53,85%**	Risk Free Rate **2,94%**	β Adjusted **1,3**	α (specific risk) **2,50%**
K_d **4,00%**	Market Premium **6,80%**	β Relevered **1,4**	K_e **13,99%**

Source: Integrae SIM

For prudential purposes, we included a specific risk of 2.5%, resulting in a WACC of 10.11%.

TABLE 5 – DCF VALUATION

DCF		% of EV
FCFO actualized	7,5	20%
TV actualized DCF	29,7	80%
Enterprise Value	**37,2**	**100%**
NFP (FY23A*)	3,7	
Equity Value	**33,5**	

Source: Integrae SIM

With the above data and based on our estimates and assumptions, the resulting equity value is €33.5 million.

TABLE 6 – EQUITY VALUE – SENSITIVITY ANALYSIS

€/mln		WACC						
Growth Rate (g)		**8,6%**	**9,1%**	**9,6%**	**10,1%**	**10,6%**	**11,1%**	**11,6%**
	3,0%	52,4	47,5	43,4	39,8	36,7	34,0	31,6
	2,5%	48,5	44,2	40,6	37,4	34,7	32,2	30,0
	2,0%	45,1	41,4	38,2	35,4	32,9	30,6	28,7
	1,5%	42,2	39,0	36,1	33,5	31,3	29,2	27,4
	1,0%	39,7	36,8	34,2	31,9	29,8	28,0	26,3
	0,5%	37,5	34,9	32,5	30,4	28,5	26,8	25,3
	0,0%	35,6	33,2	31,0	29,1	27,4	25,8	24,3

Source: Integrae SIM

Equity Value

TABLE 9 – EQUITY VALUE

Equity Value	
Equity Value DCF (€/mln)	33,5
Target Price (€)	**5,25**

Source: Integrae SIM

This results in an equity value of approximately €33.5 million. **The target price is therefore €5.25 (prev. €5.25). We confirm the BUY rating and MEDIUM risk.**

TABLE 10 – TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY23A*	FY24E	FY25E	FY26E
EV/EBITDA	31,9 x	28,6 x	10,6 x	6,4 x
EV/EBIT	49,2 x	49,6 x	14,6 x	8,3 x
P/E	65,5 x	61,0 x	16,8 x	9,7 x

Source: Integrae SIM

TABLE 11 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

Main Ratios	FY23A*	FY24E	FY25E	FY26E
EV/EBITDA	18,9 x	16,9 x	6,3 x	3,8 x
EV/EBIT	29,1 x	29,4 x	8,6 x	4,9 x
P/E	35,9 x	33,4 x	9,2 x	5,3 x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

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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
19/04/2024	1,70	Buy	3,00	Medium	Initiation of Coverage
22/08/2024	3,22	Buy	5,25	Medium	Update
05/09/2024	3,40	Buy	5,25	Medium	Breaking News

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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

Valuation methodologies (long term horizon: 12 months)

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