

# MISITANO & STRACUZZI

**BUY**

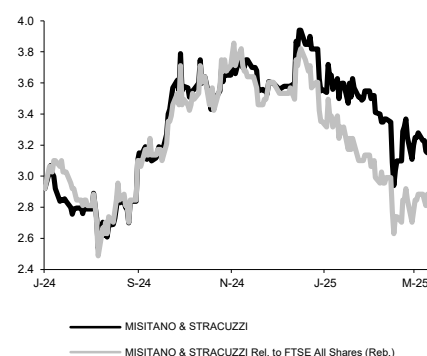
Sector: Consumers

Price: Eu3.15 - Target: Eu4.50

## FY24 Delivered, Now Factoring In The New Environment

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 5.40 to 4.50		
	2025E	2026E	2027E
Chg in Adj EPS	-34.2%	-34.0%	

**MISITANO & STRACUZZI - 12M Performance**


Stock Data			
Reuters code:	MSTN.MI		
Bloomberg code:	MS IM		
Performance	1M	3M	12M
Absolute	-7.4%	-12.0%	384.2%
Relative	-2.3%	-20.0%	377.3%
12M (H/L)	3.94/2.54		
3M Average Volume (th):	3.60		

Shareholder Data	
No. of Ord shares (mn):	30
Total no. of shares (mn):	30
Mkt Cap Ord (Eu mn):	95
Total Mkt Cap (Eu mn):	95
Mkt Float - Ord (Eu mn):	14
Mkt Float (in %):	14.8%
Main Shareholder:	
Stracuzzi Holding	78.2%

Balance Sheet Data	
Book Value (Eu mn):	38
BVPS (Eu):	1.27
P/BV:	2.5
Net Financial Position (Eu mn):	-33
Enterprise Value (Eu mn):	127

With this report we are reviewing the solid results achieved by the company in FY24, with the top line in particular exceeding our assumptions. Facing strong operational challenges due to the constraints of dated facilities, M&S has grasped the opportunity of increasing its share of wallet across key clients in order to position the company as an increasingly reliable supplier ahead of the opening of new facilities this year. This, coupled with a considerable deterioration in the raw material price environment and broadly stable pricing with end customers, came at the expense of the Gross Margin, although despite the dilution the company still met EBITDA expectations. Strong pricing pressure on raw materials (especially orange terpene, with prices up c.400%) should continue into 2025, as greening disease worldwide is resulting in one of the worst citrus harvests in history, combined with the impact from the introduction of new tariffs, which we estimate will apply to c.20/25% of sales (we assume c.50% of the 44% FY24 sales exposure to Americas is from the US). For these reasons, we are factoring in a more cautious scenario on gross margin trends, while still forecasting a solid and growing trajectory.

■ **Reviewing FY24: top line comfortably beats estimates, EBITDA exceeds PAS shares target.** FY24 revenues were much better than forecast (Eu72.8mn, 11% above our est.), up +23% YoY driven by strong volumes with higher orders from key clients. EBITDA was up +21% YoY to Eu15.6mn, broadly in line with our Eu15.7mn estimate. The impact of operating costs was lower YoY; raw material market pressure (COGS up +28% YoY) affected the gross margin, however. Notably, FY24 EBITDA exceeded the PAS shares target defined during IPO (set at Eu15.1mn). As for NFP, YE24 net debt stood at Eu19.5mn, Eu4.4mn higher YoY, reflecting investment in the new plants (Eu6.8mn CapEx) and higher NWC (Eu37.6mn vs. Eu19.3mn last year) following accelerated raw material purchases, a move needed to secure the supply of goods at higher risk of market shortages.

■ **2025: market uncertainty will not prevent volumes growth.** We expect market uncertainty to persist, driven by overall geopolitical instability (MS generates >50% of revenues outside EMEA) and, more specifically, by dynamics in the citrus market. In fact, low orange supply (Brazil's CEPEA estimates a 27% drop in the 2024-25 orange crop) and declining citrus quality add further pressure to the prices of citrus-based products such as essential oils. However, this should not prevent MS from growing: management expects revenue growth to continue in line with the 2024 trajectory, following double-digit growth in the early months of the year, with an increased share of wallet across key clients enhancing visibility. Renovation and adaptation work is ongoing at new sites, with the essential oil site set to be relocated by the end of April. While significant CapEx is expected in 2025, operations in the new plants should have a positive impact, leading to higher volumes, improved operability, and an enhanced reputation with clients.

■ **BUY unchanged; target Eu4.5 (from 5.4).** M&S is among the global leaders in citrus essences with high profitability and revenues expected to grow at a 13% CAGR through 2026. With over 100 years of expertise, the company specialises in developing and refining natural citrus flavours, serves high-profile international clients, generating over 90% of its revenues abroad, and is positioned to capitalise on growing demand for natural products. Investments in new production facilities and the introduction of new products will increasingly allow the company to meet this demand, achieving growing operating leverage. Our updated estimates based on the current geopolitical scenario, coupled with the one-year rollover of our valuation, result in a fair value of Eu4.5 (Eu5.4 previously) with strong upside vs. the current market price. We therefore reiterate our BUY rating on the stock.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	59	73	84	93	100
EBITDA Adj (Eu mn)	13	16	13	16	18
Net Profit Adj (Eu mn)	7	9	6	8	9
EPS New Adj (Eu)		0.297	0.208	0.255	0.313
EPS Old Adj (Eu)		0.289	0.316	0.386	
DPS (Eu)		0.170	0.113	0.083	0.102
EV/EBITDA Adj	1.2	7.5	9.5	7.5	6.3
EV/EBIT Adj	1.3	8.4	11.5	9.5	7.8
P/E Adj		10.6	15.1	12.4	10.1
Div. Yield		5.4%	3.6%	2.6%	3.2%
Net Debt/EBITDA Adj	1.2	1.3	2.4	1.6	1.2

**MISITANO & STRACUZZI – Key Figures**

<b>Profit &amp; Loss (Eu mn)</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Sales	42	59	73	84	93	100
EBITDA	4	13	16	13	16	18
EBIT	3	11	14	11	13	15
Financial Income (charges)	-0	-1	-2	-3	-2	-2
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	3	10	12	9	10	13
Taxes	-1	-3	-3	-2	-3	-3
Tax rate	30.5%	30.3%	27.0%	27.0%	27.0%	27.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	2	7	9	6	8	9
EBITDA Adj	4	13	16	13	16	18
EBIT Adj	3	11	14	11	13	15
Net Profit Adj	2	7	9	6	8	9
<b>Per Share Data (Eu)</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Total Shares Outstanding (mn) - Average	0	0	30	30	30	30
Total Shares Outstanding (mn) - Year End	0	0	30	30	30	30
EPS f.d			0.297	0.208	0.255	0.313
EPS Adj f.d			0.297	0.208	0.255	0.313
BVPS f.d			1.182	1.271	1.439	1.647
Dividend per Share ORD			0.170	0.113	0.083	0.102
Dividend per Share SAV	0.000	0.000	0.000	0.000	1.000	1.000
Dividend Payout Ratio (%)	91.0%	72.0%	38.0%	40.0%	40.0%	40.0%
<b>Cash Flow (Eu mn)</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Gross Cash Flow	4	13	16	9	11	13
Change in NWC	-2	-4	-25	-7	2	-3
Capital Expenditure	-0	-5	-7	-12	-4	-1
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	1	4	-16	-10	9	9
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	-0	-2	-5	-3	-3	-3
Equity Financing/Buy-back	0	0	17	0	0	0
Change in Net Financial Position	1	1	-4	-13	6	5
<b>Balance Sheet (Eu mn)</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Total Fixed Assets	10	14	19	29	29	27
Net Working Capital	16	20	38	44	42	45
Long term Liabilities	-1	-1	-1	-1	-1	-1
Net Capital Employed	25	29	55	71	70	71
Net Cash (Debt)	-16	-15	-19	-33	-26	-21
Group Equity	8	14	36	38	43	50
Minorities	0	0	0	0	0	0
Net Equity	8	14	36	38	43	50
<b>Enterprise Value (Eu mn)</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Average Mkt Cap		0	97	95	95	95
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-16	-15	-19	-33	-26	-21
Enterprise Value		15	117	127	121	116
<b>Ratios (%)</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
EBITDA Adj Margin	10.4%	22.0%	21.4%	15.9%	17.4%	18.2%
EBIT Adj Margin	7.5%	19.3%	19.1%	13.1%	13.7%	14.9%
Gearing - Debt/Equity	192.6%	108.0%	54.9%	85.4%	61.2%	42.5%
Interest Cover on EBIT	31.2	9.3	8.3	4.4	5.7	7.4
Net Debt/EBITDA Adj	3.8	1.2	1.3	2.4	1.6	1.2
ROACE*	12.6%	42.3%	33.1%	17.6%	18.1%	21.3%
ROE*	27.4%	63.0%	36.1%	17.0%	18.8%	20.3%
EV/CE		0.6	2.8	2.0	1.7	1.6
EV/Sales		0.3	1.6	1.5	1.3	1.2
EV/EBITDA Adj		1.2	7.5	9.5	7.5	6.3
EV/EBIT Adj		1.3	8.4	11.5	9.5	7.8
Free Cash Flow Yield	1.5%	4.0%	-17.0%	-10.2%	9.2%	9.0%
<b>Growth Rates (%)</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Sales	38.0%	42.2%	23.4%	16.0%	10.0%	8.0%
EBITDA Adj	151.0%	202.3%	19.7%	-13.8%	20.4%	13.0%
EBIT Adj	468.8%	268.2%	22.0%	-20.4%	15.1%	17.1%
Net Profit Adj	468.3%	240.2%	26.0%	-29.9%	22.4%	23.0%
EPS Adj				-29.9%	22.4%	23.0%
DPS				-33.5%	-26.2%	22.4%

\*Excluding extraordinary items Source: Intermonte SIM estimates

## FY24 Results

### Reviewing FY24: much better top line, EBITDA exceeded PAS shares target

FY24 revenues comfortably beat expectations (Eu72.8mn, 11% above our est.), up +23% YoY driven by strong volumes with higher orders from key clients.

EBITDA stood at Eu15.6mn, up +21% YoY and broadly in line with our Eu15.7mn estimate. The impact of operating costs was lower YoY; raw material market pressure (COGS up +28% YoY) affected the gross margin throughout the year, however, especially in 2H24, going from 41.9% in 1H24 to 39.3% in 2H24.

Despite the context and with operational challenges due to the saturation of current (dated) facilities, the company made the strategic decision to continue to meet the growing demand from key clients to push on volumes and increase Misitano & Stracuzzi's share of wallet across established end customers.

Net Income came in slightly ahead of our estimates, with the BoD deciding to propose a dividend of Eu0.1131 per share, corresponding to a total payout of Eu3.4m or c.38%.

As for NFP, YE24 net debt stood at Eu19.5mn, Eu4.4mn higher YoY and well above our forecast, reflecting investments in the new plants (Eu6.8mn CapEx, much lower than expected on the back of delays due to contingent difficulties) and more importantly higher NWC (Eu37.6mn vs. Eu19.3mn last year) mainly driven by accelerated raw material purchases, a move needed to secure the supply of goods at greater risk of market shortages and further price increases.

#### Misitano & Stracuzzi – FY24 results

	1H23A	2H23A	2023A	1H24A	2H24A	2024A	2024E	A/E
<b>Revenue</b>	<b>32.8</b>	<b>26.3</b>	<b>59.0</b>	<b>35.8</b>	<b>37.0</b>	<b>72.8</b>	<b>65.9</b>	<b>+11%</b>
YoY	<i>n.a.</i>	<i>n.a.</i>	42%	9%	41%	23%	12%	
<b>Gross income</b>	<b>11.5</b>	<b>13.7</b>	<b>25.1</b>	<b>15.0</b>	<b>14.6</b>	<b>29.6</b>	<b>28.7</b>	<b>+3%</b>
YoY	<i>n.a.</i>	<i>n.a.</i>	79%	31%	6%	18%	14%	
Gross margin	34.9%	52.0%	42.5%	41.9%	39.3%	40.6%	43.5%	
<b>EBITDA</b>	<b>6.2</b>	<b>6.8</b>	<b>13.0</b>	<b>8.4</b>	<b>7.2</b>	<b>15.6</b>	<b>15.7</b>	<b>-1%</b>
YoY	<i>n.a.</i>	<i>n.a.</i>	202%	36%	5%	20%	21%	
EBITDA margin	18.8%	26.1%	22.0%	23.4%	19.5%	21.4%	23.8%	
<b>Net income</b>	<b>3.4</b>	<b>3.6</b>	<b>7.1</b>	<b>5.1</b>	<b>3.8</b>	<b>8.9</b>	<b>8.7</b>	<b>+3%</b>
YoY	<i>n.a.</i>	<i>n.a.</i>	240%	47%	0%	26%	23%	
<b>NFP</b>	<b>n.a.</b>	<b>(15.1)</b>	<b>(15.1)</b>	<b>(25.2)</b>	<b>(19.5)</b>	<b>(19.5)</b>	<b>(7.8)</b>	

Source: Company data (A) on Intermonte SIM estimates (E).

## Change in estimates: factoring in current changed scenario

### 2025: market uncertainty will not prevent volumes growth

Facing strong operational challenges due to the constraints of dated facilities, M&S has grasped the opportunity of increasing its share of wallet across key clients in order to position the company as an increasingly reliable supplier ahead of the opening of new facilities this year.

This, coupled with a considerable deterioration in the raw material price environment and broadly stable pricing with end customers, came at the expense of the Gross Margin, although despite the dilution the company still met 2024 EBITDA expectations.

Low orange supply (Brazil's CEPEA estimates a 27% drop in the 2024-25 orange crop) and declining citrus quality add further pressure to the prices of citrus-based products such as essential oils.

We therefore believe strong pricing pressure on raw materials (especially orange terpene, with prices up c.400%) should continue into 2025, as greening disease worldwide is resulting in one of the worst citrus harvests in history. This, combined with the impact from the introduction of new tariffs, which we estimate will apply to c.20/25% of sales (we assume c.50% of the 44% FY24 sales exposure to Americas is from the US), see us lower our Gross Margin forecast by c.2.5pp.

For these reasons, we are factoring in a more cautious scenario on gross margin trends (particularly in 2025), while still forecasting a solid and growing trajectory (we consider the 2H24 exit rate as a run rate for 2025 before the impact of tariffs).

However, all what mentioned above should not prevent MS from growing volumes, with management expecting revenue growth to continue in line with the 2024 trajectory, following double-digit growth in the early months of the year, with an increased share of wallet across key clients enhancing visibility.

Renovation and adaptation work is ongoing at new sites, with the essential oil site set to be relocated by April.

New assumptions bring the EBITDA margin to 15.9% in FY25, recovering gradually over the following years to c.19% in 2027.

With no major changes below P&L (slightly higher financial charges in light of a higher NFP), our changes result in revision of c.-34% to 2025 and 2026 EPS, and c.28% on 2027.

On CapEx, we expect significant CapEx in 2025, moving the amount forecast for FY24 but not spent back by one year and assessing an additional phasing in FY26, when we expect management to accelerate the introduction of new machinery to ramp-up non-citrus related products, new formulations and fragrances.

Operations in the new plants should have a positive impact, leading to higher volumes, improved operability, and an enhanced reputation with clients.

We now assume c.Eu12m in FY25 and c.Eu4m in FY26, followed by maintenance and phasing out of investment plans (c.Eu1m in 2027).

#### M&S – Change in Estimates

	2024A	NEW			OLD				CHANGE %		
		2025E	2026E	2027E	2024E	2025E	2026E	2027E	2025E	2026E	2027E
<b>Revenues</b>	<b>72.8</b>	<b>84.5</b>	<b>92.9</b>	<b>100.4</b>	<b>65.9</b>	<b>71.6</b>	<b>77.1</b>	<b>81.0</b>	<b>18.1%</b>	<b>20.5%</b>	<b>23.9%</b>
YoY	23%	16%	10%	8%	12%	9%	8%	5%			
<b>EBITDA</b>	<b>15.6</b>	<b>13.4</b>	<b>16.2</b>	<b>18.2</b>	<b>15.7</b>	<b>17.1</b>	<b>19.6</b>	<b>21.3</b>	<b>-21.7%</b>	<b>-17.7%</b>	<b>-14.2%</b>
YoY	20%	-14%	20%	13%	21%	9%	15%	8%			
margin	21.4%	15.9%	17.4%	18.2%	23.8%	23.9%	25.4%	26.2%			
<b>Net Income</b>	<b>8.9</b>	<b>6.3</b>	<b>7.7</b>	<b>9.4</b>	<b>8.7</b>	<b>9.5</b>	<b>11.6</b>	<b>13.0</b>	<b>-34.2%</b>	<b>-34.0%</b>	<b>-27.7%</b>
YoY	26%	-30%	22%	23%	23%	9%	22%	12%			
margin	12.2%	7.4%	8.2%	9.4%	13.2%	13.3%	15.0%	16.1%			
<b>Net debt</b>	<b>19.5</b>	<b>32.6</b>	<b>26.5</b>	<b>21.0</b>	<b>7.8</b>	<b>6.7</b>	<b>-2.5</b>	<b>-13.1</b>			

Source: Intermonte SIM

## Financials

### M&S – P&L

	2024A	2025E	2026E	2027E
Revenue	72.8	84.5	92.9	100.4
YoY	23%	16%	10%	8%
COGS	(43.3)	(54.4)	(58.9)	(63.1)
as % of sales	59.4%	64.4%	63.4%	62.9%
Gross income	29.6	30.1	34.0	37.3
YoY	18%	2%	13%	9%
Gross margin	40.6%	35.6%	36.6%	37.1%
Tot. OpEx	(14.0)	(16.7)	(17.9)	(19.0)
as % of sales	19.2%	19.7%	19.2%	18.9%
EBITDA	15.6	13.4	16.2	18.2
YoY	20%	-14%	20%	13%
EBITDA margin	21.4%	15.9%	17.4%	18.2%
D&A	(1.7)	(2.4)	(3.4)	(3.3)
EBIT	13.9	11.1	12.7	14.9
YoY	22%	-20%	15%	17%
EBIT margin	19.1%	13.1%	13.7%	14.9%
Financial income/(charges)	(1.7)	(2.5)	(2.3)	(2.0)
EBT	12.2	8.6	10.5	12.9
YoY	20%	-30%	22%	23%
as % of sales	16.8%	10.1%	11.3%	12.8%
taxes	(3.3)	(2.3)	(2.8)	(3.5)
tax rate	27.0%	27.0%	27.0%	27.0%
Net income	8.9	6.3	7.7	9.4
YoY	26%	-30%	22%	23%
as % of sales	12.2%	7.4%	8.2%	9.4%

Source: Intermonte SIM estimates, company data

### M&S – Balance Sheet and Cash Flow

BS (Eu mn)	2024A	2025E	2026E	2027E
Fixed assets	19.1	28.5	29.4	27.4
Trade WC	37.6	44.2	42.4	45.4
as % of sales	51.7%	52.4%	45.6%	45.2%
Net working capital	37.1	43.6	41.7	44.6
as % of sales	50.9%	51.6%	44.9%	44.5%
Severance indemnities	(1.2)	(1.3)	(1.4)	(1.5)
Net capital employed	55.0	70.9	69.8	70.5
Group equity	35.5	38.2	43.3	49.5
NFP	19.5	32.6	26.5	21.0
Total Sources	55.0	70.9	69.8	70.5

Source: Intermonte SIM estimates, company data

CF (Eu mn)	2024A	2025E	2026E	2027E
EBITDA	15.6	13.4	16.2	18.2
Taxes	(3.3)	(2.3)	(2.8)	(3.5)
Net financial charges	(1.7)	(2.5)	(2.3)	(2.0)
Change in nwc	(24.8)	(6.5)	1.9	(2.9)
Others	4.9	0.0	0.0	0.0
Operating net cash flow	(9.3)	2.1	13.0	9.8
CapEx	(6.8)	(11.8)	(4.3)	(1.3)
FCF	(16.1)	(9.7)	8.7	8.5
M&A	0.0	0.0	0.0	0.0
Dividends	(5.1)	(3.4)	(2.5)	(3.1)
IPO / Capital increase / Buyback	16.7	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0
Change in NFP	(4.5)	(13.1)	6.2	5.5
NFP BoP	15.1	19.6	32.6	26.5
NFP EoP	19.6	32.6	26.5	21.0

Source: Intermonte SIM estimates, company data

## Strategic Advisory Board and New US Sales VP: Extensive Expertise for MS

In recent months the company has announced the inclusion of high-level professionals with specific industry experience into the group, aiming to strengthen its growth—both globally and domestically—thanks to their strategic contributions.

On 20, November the company confirmed the completion of the establishment of the Strategic Advisory Board with the official addition of its third member, Daemmon Reeve, former Group CEO of Treatt Plc.

The Advisory Board in full:

- **Bhavesh Shah**, former Chief of Operations and Procurement and Executive Board Member of Firmenich
- **Alain Frix**, former Vice President Sales Europe, Africa, and the Middle East at Symrise
- **Daemmon Reeve**, former CEO of Treatt

The committee consists of three international professionals with proven expertise in financial markets and in the specific or related sectors in which M&S operates.

The objective of the Strategic Advisory Board is to provide continuous strategic advice, vision, and specialist knowledge to the Board of Directors of Misitano & Stracuzzi, to whom it reports directly.

In the same vein, on 18 February, the company announced the appointment of **Melanie Cooksey-Stott** as Vice President of Sales, USA, with immediate effect.

A graduate of Florida Southern College with specialisations in Business and Citrus, Cooksey-Stott has extensive experience in the citrus-based ingredients sector. Specifically, for over 20 years she served as Site Director at Treatt, a global independent ingredient producer and a key peer of MS.

## Peer Multiples

### Peer Multiples

	MKT CAP (EuM)	EV/SALES				EV/EBITDA				EV/EBIT			
		2023A	2024A	2025E	2026E	2023A	2024A	2025E	2026E	2023A	2024A	2025E	2026E
Misitano & Stracuzzi @Target Price	136	2.6x	2.1x	1.8x	1.7x	12.0x	10.0x	11.6x	9.6x	13.7x	11.2x	14.1x	12.2x
Misitano & Stracuzzi @Mkt Price	95	1.9x	1.6x	1.5x	1.3x	8.4x	7.3x	9.5x	7.5x	9.6x	8.2x	11.5x	9.5x
Treatt plc	278	1.7x	1.5x	1.4x	1.3x	10.8x	9.5x	8.8x	8.1x	13.6x	12.0x	10.9x	9.9x
DSM-Firmenich AG	24,830	2.2x	2.2x	2.0x	1.9x	15.2x	12.8x	11.1x	10.7x	32.0x	25.2x	19.6x	18.4x
Symrise AG	13,337	3.3x	3.0x	2.8x	2.6x	17.3x	14.9x	13.9x	12.9x	25.8x	21.4x	19.1x	17.3x
Givaudan SA	38,240	5.8x	5.4x	5.2x	4.9x	26.7x	22.8x	21.9x	20.8x	35.1x	28.6x	27.1x	25.4x
International Flavors & Fragrances Inc.	18,694	2.6x	2.4x	2.4x	2.4x	14.9x	13.0x	14.2x	13.9x	35.7x	24.6x	27.5x	25.7x
Kerry Group Plc Class A	15,760	2.2x	2.2x	2.4x	2.2x	14.8x	13.9x	13.2x	12.2x	19.4x	18.2x	17.2x	15.7x
Robertet SA	1,648	2.5x	2.2x	2.0x	1.9x	14.1x	11.9x	11.4x	10.7x	17.0x	14.2x	13.5x	12.7x
McCormick & Company, Incorporated	20,422	3.9x	3.8x	3.9x	3.7x	21.5x	19.7x	19.8x	18.5x	25.6x	23.6x	23.6x	22.1x
peer average		3.0x	2.8x	2.8x	2.6x	16.9x	14.8x	14.3x	13.5x	25.5x	21.0x	19.8x	18.4x
peer median		2.6x	2.3x	2.4x	2.3x	15.0x	13.5x	13.5x	12.6x	25.7x	22.5x	19.4x	17.8x

Source: FactSet and Intermonte SIM estimates.

## Misitano & Stracuzzi in Brief

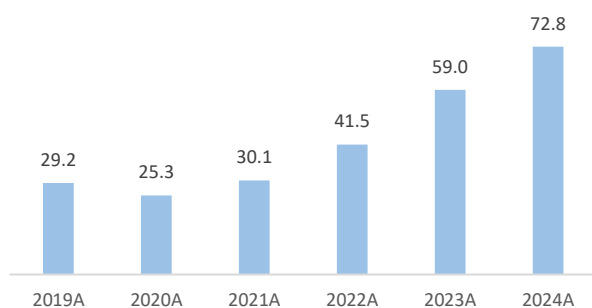
### Company description

Misitano & Stracuzzi is a Sicilian B2B flavour supplier with a global footprint (>90% of sales abroad in 2023). The Group develops, manufactures, and sells essences (c.90% of turnover) and, to a lesser extent, juices. 100+ years of know-how and strong R&D enables the Group to develop highly-customised products and to position itself as one of the most important producers in the niche market for citrus fragrance and essential oil worldwide.

### Strengths/Opportunities

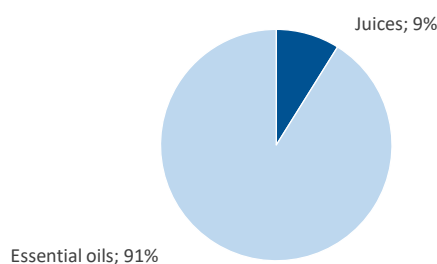
- Italian leader in the citrus essences niche
- 100+ years of experience translates into a rapid understanding of market dynamics
- Highly specialised R&D enables the creation of bespoke products
- Market trends shifting towards healthiness and demand for natural products

### M&S - Revenue evolution (2019A-2024A, Eu mn)



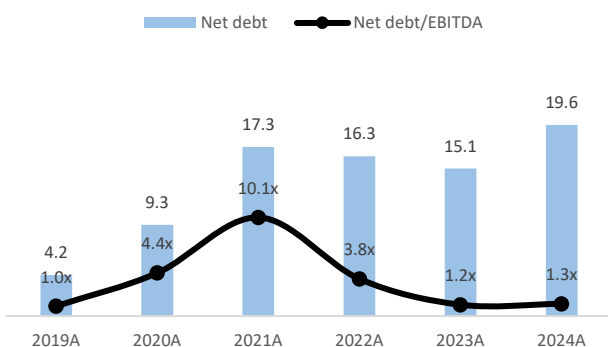
Source: Intermonte SIM on company data (A)

### M&S – Revenue breakdown by product category (2023E)



Source: Intermonte SIM estimates

### M&S – Net debt evolution (2019A-2024A, Eu mn)



Source: Intermonte SIM on company data

### Management

**Chairman & CEO:** Antonio Stracuzzi

**MD Logistics:** Emanuela Stracuzzi

**MD Juice dept.:** Diego Stracuzzi

**CFO:** Giuseppe Trusso

**BoD independent members:** 2/5

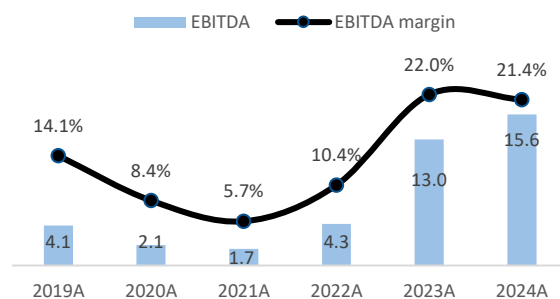
### Shareholders

Stracuzzi Holding	78.1%
Invitalia	7.06%
Market	14.8%

### Weaknesses/Threats

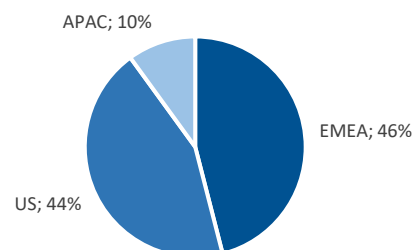
- Relatively small size
- Concentration of customers
- Reputational risk
- High exposure to international context: uncertain geopolitical framework and ForEx volatility

### M&S - EBITDA (Eu mn) and margin evolution (2019A-2024A)



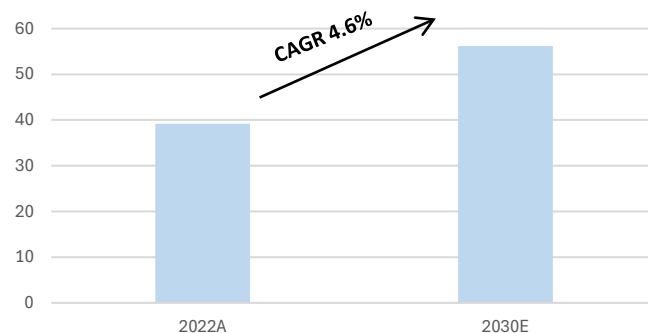
Source: Intermonte SIM on company data (A)

### M&S – Breakdown by geographical area (2024A)



Source: Intermonte SIM on company data (A)

### Global Aroma, Flavours and Fragrance market



Source: Intermonte SIM on GMI Research



DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	MISITANO & STRACUZZI		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	4.50	Previous Target (Eu):	5.40
Current Price (Eu):	3.15	Previous Price (Eu):	2.84
Date of report:	04/04/2025	Date of last report:	23/09/2024

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- 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)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

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;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

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

**CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS**

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 March 2025 Intermonte's Research Department covered 131 companies.

As of today Intermonte's distribution of stock ratings is as follows:

BUY:	32.59 %
OUTPERFORM:	37.78 %
NEUTRAL:	29.63 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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**Intermonte acts as ECM advisor to Banca Ifis in the offer promoted on illimity Bank**

**Intermonte acted as financial advisor to Retex S.p.A. – Società Benefit in relation to the voluntary public tender offer launched on Alkerm S.p.A.**

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Emittente	%	Long/Short
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