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Stifel Europe Research Pack

March 17, 2025

STOXX 600 index

Market overview

Index	Value
STOXX 50	5,404.2
STOXX 600	558.8
DAX 40	22,986.8
CAC 40	8,028.3
SMI	12,916.8
FTSE MIB	11,696.5

Share prices graphs: rebased (1 year)
Prices are as of close 14 March 2025
All sources unless otherwise stated: Company data, FactSet, Stifel estimates

Published Notes

Please find below a list of our recent European Equity Research Publications. Please click on one of the headlines to go to the summary of each report:

- **DiaSorin SpA** (Buy / €115.00)**:** 4Q24 First Take: Slight miss on 4Q doesn't dampen PLEX momentum
- **Europe - Automotive:** PAH3 to sell VW shares (and buy P911)?
- **Europe - Software:** Cloud Gazing: Sectra 3Q25 results, ServiceNow goes shopping
- **Prada** (Buy / HK$70.00)**:** Above sector average growth but below sector average valuation = Buy; first take on potential Versace deal
- **PharmaNutra** (Buy / €88.00)**:** A self-help growth story to look in 2025
- **Snam** (Buy / €5.90)**:** Regulated business to drive FY24E growth
- **Symrise** (Hold / 110.00)**:** Roadshow feedback
- **Tamburi Investment Partners** (Buy / €12.40)**:** Resilient in a challenging environment
- **Virbac** (Buy / €390.00)**:** Risk/reward profile back to attractive levels

Completed: 17 March 2025 04:22EDT
Disseminated: 17 March 2025 04:22EDT

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STIFEL

14 March 2025

DiaSorin SpA

Europe - Healthcare

FLASH

CLICK HERE FOR FULL REPORT

Buy

PT: €115.00

Key data

Ticker	**DIA IM**
Price (14 March 2025)	**€95.44**
Upside to Price Target (%)	20.5
Market Cap (m)	€5,359.9
No. of Shares (m)	56.16
1mth perf (%)	(2.7)
3mth perf (%)	(4.4)
12mth perf (%)	2.5
12mth high-low (€)	112 - 83

Key financials

(In EUR M)

Year to Dec	**2023A**	**2024E**	**2025E**
Group revenue	1,148	1,191	1,275
EBITDA (rep.)	353	397	433
EBIT (rep.)	216	260	292
EPS (adj.)	2.87	3.42	3.76
DPS	1.15	1.02	1.13
Net debt/(cash)	912.3	697.8	523.6
ROCE (NOPAT) (%)	0.0	0.0	0.0
EPS (adj.) y/y (%)	(31.0)	19.0	10.1
Net debt/EBITDA	--	--	--
EV/Sales	5.4	5.0	4.6
EV/EBITDA (adj.)	--	--	--
EV/EBIT (adj.)	--	--	--
P/E (adj.)	33.3	27.9	25.4
Dividend yield (%)	1.2	1.1	1.2
Free CF yield (%)	5.4	4.6	5.0
EV/CE	2.4	2.3	2.3

Prices are as of close 14 March 2025

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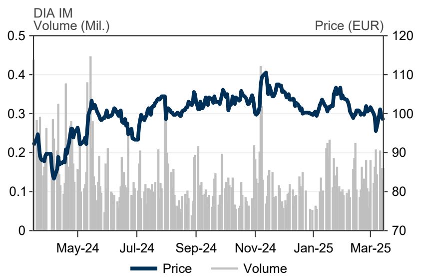
All sources unless otherwise stated: Company data, FactSet, Stifel estimates

Share price performance (indexed)



4Q24 First Take: Slight miss on 4Q doesn't dampen PLEX momentum

Summary

- **DiaSorin (DIA) reported 4Q results which were a ~2% miss vs Consensus on Topline and EBITDA, but achieved FY24 guidance.**
- **FY25 guidance is in-line with consensus, and provides a conservative start to the year, we expect estimates will remain unchanged**
- **The initial response to Molecular Diagnostics missing is moderated in our view by what we consider affirmative commentary by management on LIAISON PLEX uptake and purchasing patterns, as well as a achievable implied PLEX revenue guide**

Key Points

~2% light on Sales and EBITDA vs consensus, meets FY24 bar, FY25 Outlook should give investors some confidence. Overall revenues were €309, ~2% below Consensus/SFe, whereas EBITDA was €102m 1.6%/0.7% below Consensus/SFe. The FY24 guide of 7% ex.COVID CER growth and 33% EBITDA margin were met but not exceeded, which we believe is primarily due to a end-of-life equipment comping effect of the ARIES platform 4Q23, and weaker than expected indirect/export markets in Immuno notably due to Iran. DIA guides for 7% CER growth with ~€20m in COVID revenues in FY25, driving ~8% ex. COVID growth at CER which is broadly in-line with consensus, but also reflects a stronger USD headwind. We believe the FY25 growth algorithm looks robust with Immunodiagnostics growing HSD, Molecular Diagnostics in mid-teens, and LTG around MSD. EBITDA Margin wise DIA guides 34%, which is also in-line. We still see PLEX as the most likely driver of surprise as we consider a ~€35m-€40m (SFe) FY25e PLEX target is we believe conservative in spite of a tough competitive backdrop.

Molecular missed ~4% on topline in 4Q, but still early days in LIAISON PLEX, and call broadly affirmative to teens growth in FY25. The headline of a lower Molecular Diagnostic 4Q into a strong respiratory season took us by surprise, but we believe the thesis that DIA can take appropriate (~10% multiplex syndromic testing) share is we believe still fully intact. However after the call we feel greater confidence into the moving parts as management commented PLEX takeup was solid (guided ~100 customer funnel, ~500 installed base) in spite of classically limited validation during the respiratory season. Management also pointed to ~25% combined yoy growth for the Verigene (SFe €25m-€30m) and LIAISON PLEX to around €75m, which we note implies low-teens growth for FY25 in Molecular Diagnostics for FY25, which we believe serves as a solid departure point into FY25.

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PAH3 to sell VW shares (and buy P911)?

Stocks reviewed

Company	Code	Rating
Porsche AG	P911 GY	Hold
Porsche Automobil Holding SE	PAH3 GY	Hold
Volkswagen AG	VOW3 GY	Buy

P911 GY, €53.50

PAH3 GY, €38.02

VOW3 GY, €107.65

Prices are as of close 14 March 2025

Completed: 17 March 2025 02:20EDT
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All sources unless otherwise stated: Company data, FactSet, Stifel estimates

Summary

- **PAH SE owns 53.3% of VW's voting rights, 31.9% of VW's capital. The Porsche/Piech family owns 100% of PAH's voting rights, 50% of PAH's capital. According to BILD, the Porsche/Piech family is considering reducing PAH's stake in VW voting rights to 45%.**
- **This would result in a cash inflow to PAH3 of up to €2.7bn (equivalent to €8.82 per PAH3 share). If PAH3 were to pay out the proceeds as a dividend, it would likely reduce the 38% discount to NAV. We would rate such a step as positive for PAH and believe VW would benefit as well.**
- **Is it realistic? We note that PAH3 has been the poorest performing European auto stock over the past five years and is trading at the lowest multiple of all STOXX600 stocks (2.8x 2025 PE-ratio). With this in mind, the family has some incentive to make structural changes. Wolfgang Porsche (81) and Hans-Michel Piech (83) both exceed the usual age limit for the VW supervisory board, therefore they are unlikely to run for another term. Hence, if the family were looking to change the structure of its holdings, now would be the time.**

Key Points

Porsche/Piech family to sell shares?

According to BILD, the Porsche/Piech family met in January in Salzburg to discuss a potential reduction of the PAH3 stake in VW's voting rights from 53% to either 50% or 45%. The family would still have control over VW but free funds to invest elsewhere. According to the article, Wolfgang Porsche and Hans-Michel Piech, the main shareholders and both from the third generation, like the idea. However, members of the fourth generation believe it would not be a good signal to the market if the family were to sell. A Porsche SE spokesperson told BILD that there are no concrete plans to sell VW shares but that PAH SE is regularly reviewing its portfolio.

Hans-Michel Piech supports VW share sale to reduce debt?

BILD says that a reduction of the VW stake could be used to buy more P911 shares, invest in other firms or reduce debt. The article quotes a source as saying that Hans-Michel Piech could use proceeds to reduce the debt that he personally raised when he bought shares from his brother Ferdinand Piech. It is known that Hans-Michel Piech raised debt when he financed the purchase.

Implications: positive for PAH3, VOW3, P911

A reduction of the stake in VW from 53% of the voting rights to 45% at current share prices would imply an inflow to PAH3 of €2.7bn, equivalent to €8.82 per PAH3 share, around 23% of PAH's current market capitalisation.

PAH SE: PAH SE currently trades at some 38% discount to its NAV. An asset sale and subsequent payout as dividend would likely reduce the discount. Therefore, this would be positive for PAH3. If PAH were to use the proceeds to buy more P911 shares it would be neutral, in our view.

VW: For VW, we don't believe much would change. The Porsche/Piech family and Lower Saxony would remain the most influential shareholders. However, directionally, not as much influence from the family and a higher free-float in the voting rights of VW would be positive, too. If PAH were to use the proceeds from selling VW shares to buy more P911 shares from VW (the article says this could be an option), we believe it would be positive for VW.

P911: For Porsche AG, a sale of VW ords by PAH would be neutral, in our view. If PAH were to buy more P911 shares from VW, it would likely be neutral as well, as long as VW were to remain the main shareholder in P911.

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Cloud Gazing: Sectra 3Q25 results, ServiceNow goes shopping

Sectra (SECTB SS, Sell, SEK221.25)

Prices are as of close 13 March 2025

Completed: 16 March 2025 19:04EDT
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All sources unless otherwise stated: Company data, Factset, Stifel estimates

Summary

Cloud Gazing *is our weekly outlining our views on European software, IT services and payments stocks. We offer a recap of the previous week, thoughts on the weeks ahead, valuation levels, consensus revisions and stock performance.*

- **Sectra delivers a solid set of 3Q25 results, as recurring revenue growth reaccelerates.**
- **ServiceNow acquires Moveworks for $2.9bn, its largest acquisition to date.**
- **Newsflow points to a potential interest from Private Equity funds in Namirial, an Italian software provider.**

Key Points

What you might have missed:

- **Sectra delivers a solid set of 3Q25 results**. Sectra published a solid set of 3Q25 results on Friday 14 March with revenue and EBITDA above consensus. Revenues grew by 19% y/y in CC (3Q24/2Q25: +20% / -2%) to SEK848m, 5% above consensus, driven by a robust quarter in the core Imaging IT business, and a 27% growth in the Secure Communications division. Recurring revenue grew by 17% y/y in CC (2Q25-3Q24: 15% / 22% / 20% / 22%). Moving down the P&L, underlying EBITDA was in line with expectations at SEK 234m, resulting in a 27.6% margin. Reported EBITDA reached SEK 344m, 60% above consensus, as Sectra benefited from a SEK110m tailwind from the settlement of a patent dispute in the US. In addition, Q3 FCF-to-EBITDA conversion rate reached 154%, in line with the company's seasonality patterns, leading to an FCF of SEK532m. Elsewhere, management noted that it expected to see the positive effects of the transition to SaaS outweigh the negative ones within one to two years, notably on the operating profit. As a reminder, the company targets an EBIT margin of >15% in any given year.

- **ServiceNow acquires Moveworks for c.$2.9bn.** ServiceNow (covered by our US colleague Brad R. Reback) announced on Monday 10 March that it had entered into an agreement to acquire Moveworks for c.$2.9bn, representing its largest acquisition to date. This acquisition should help ServiceNow expand the reach of ServiceNow's Assist/Agent capabilities to front-end requestors and should help it enter the enterprise search market.
- **Newsflow suggests Private Equity funds could be interested in Namirial.** Recent newsflow points to a potential interest from Private Equity investors in the acquisition of Namirial, an Italian software provider of identity verification software and electronic invoicing solutions with revenues of over €160m. Although no precise numbers have been disclosed, specialised sources point to a potential €900m valuation for Namirial.

Exhibit 1 - P/E weekly change

P/E	13-Mar	06-Mar	27-Feb	20-Feb
Software	29.7x	32.0x	31.5x	33.4x
weekly change %	*-7.0%*	*1.5%*	*-5.6%*	*-1.5%*
IT Services	14.4x	15.2x	14.1x	14.2x
weekly change %	*-5.6%*	*7.9%*	*-0.6%*	*-6.7%*
Payments	12.7x	13.5x	16.7x	18.7x
weekly change %	*-5.3%*	*-19.4%*	*-10.9%*	*-2.4%*

Source: Refinitiv and Stifel Research

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Above sector average growth but below sector average valuation = Buy; first take on potential Versace deal

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Buy

PT: HK$70.00

Changes	2025E	2026E
Revenue	0.8%	0.8%
EPS	-	-

Key data

Ticker	**1913 HK**
Price (14 March 2025)	**HK$57.90**
Upside to Price Target (%)	20.9
Market Cap (m)	HK$149,892.9
Free Float (%)	20.0
Next Reporting Date	Apr 30 2025
No. of Shares (m)	2,588.82
1mth perf (%)	(17.8)
3mth perf (%)	(7.4)
12mth perf (%)	(7.4)
12mth high-low (HK$)	72 - 48

Key financials

(In EUR M)

Year to Dec	2024A	2025E	2026E
Group revenue	5,432	6,051	6,630
EBITDA (rep.)	1,576	1,757	1,968
EBIT (rep.)	1,280	1,467	1,651
EPS (adj.)	0.33	0.37	0.42
DPS	0.16	0.19	0.21
Net debt/(cash)	(484)	(644)	(1,068)
ROCE (NOPAT) (%)	14.5	15.4	16.8
EPS (adj.) y/y (%)	25.0	13.7	13.6
Net debt/EBITDA	(0.3)	(0.4)	(0.5)
EV/Sales	0.3	0.2	0.2
EV/EBITDA (adj.)	1.1	0.9	0.6
EV/EBIT (adj.)	1.3	1.0	0.7
P/E (adj.)	20.9	18.4	16.2

Priced as at close on 14 March 2025

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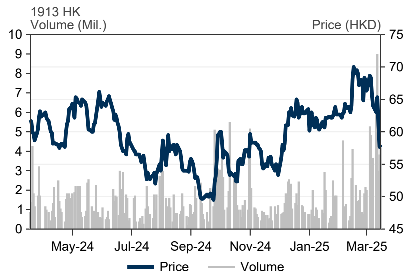
Share price performance (indexed)



Summary

- **We reiterate our Buy rating and HKD70.00 PT on Prada Group post reassuring +16% organic growth in 4Q24 and strong margin expansion in 2H24.**
- **The recent pullback created an attractive entry-point for a stock offering above sector average growth while trading at a below sector average valuation.**
- **We expect Prada Group to produce sector-leading +11% organic sales growth and 70bps margin expansion in FY25, with +12% EBIT CAGR in 2024-27.**
- **We present an initial EPS accretion/dilution and ROIC analysis of a potential acquisition of Versace: We have mixed expectations about this deal for the stock.**

Key Points

Prada Group model update post strong FY24 results

We slightly increased our FY25-26E sales by 1% due to a slightly higher FY24 base following better-than-expected +16% growth at constant rates in 4Q24 and slightly higher +11% growth at constant rates assumed for FY25 (vs. +10% previously). We still model +10% organic growth for FY26 and +7% from FY27 onwards. We leave our FY25-26E EBIT margin assumptions broadly unchanged, with gradual EBIT margin expansion from 23.6% in FY24 to 24.3% in FY25 and 25.3% in FY27.

We have mixed expectations about a potential acquisition of Versace

According to several press reports (e.g., Reuters article from 14/03/25), Prada Group is close to buying Versace for nearly €1.5bn.

Capri held a Capital Markets Day on 19/02/25, during which it shared a financial outlook for Versace, which is expected to generate $810m sales in FY25 ended March. Hence, a potential €1.5bn deal value would represent a trailing revenue multiple of c.2x.

On the positive side, Prada is potentially buying Versace at depressed profitability levels for a lower multiple than the one paid by Capri Holdings in 2018. Versace and Prada have different brand aesthetics that appear quite complementary. Prada has the internal resources and expertise in turning around and rejuvenating luxury brands.

On the negative side, a potential acquisition of Versace would be dilutive to group's margins (by c.200bps in 2026-27) and would increase the group's earnings risk profile since Versace is a potential turnaround story that significantly lagged its European peers in recent years and was loss making in FY25. We are concerned that the resulting higher earnings risk profile and margin dilution may lead to a lower valuation multiple to Prada shares.

Our initial analysis suggests modest EPS dilution in years 1-2 (by a low single-digit percentage) and EPS accretion in year 3 (by a low-single digit percentage) and a post tax return on price paid of c.3% by year 3. All in all, nothing to write home about, in our view.

At current valuation levels, the mixed views we have about a potential acquisition of Versace (assuming a €1.5bn deal consideration) is overshadowed by the stock's investment positives. After all, the Prada brand is firmly in the market share winners' camp and enjoys brand equity and credentials across multiple categories that few rivals can match, Miu Miu is still decoupling from sector trends and retail productivity gains should drive attractive EBIT margin expansion approaching 25% by 2026.

Attractive valuation for double-digit growth story.

Prada Group de-rated to 18x 2025E P/E, on our numbers. We expect the stock to produce +11% and +10% organic growth in 2025 and 2026 respectively, with +12% EBIT CAGR in 2024-27E. Dilutive M&A is one of the key risks to our investment thesis. We reiterate our HKD 70.00 price target.

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17 March 2025

PharmaNutra

Europe - Pharmaceuticals

EARNINGS UPDATE

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Buy

PT: €88.00

Changes	2025E	2026E
Revenue	-	1.2%
EPS	-2.3%	-3.6%

Key data

Ticker	**PHN IM**
Price (14 March 2025)	**€53.60**
Upside to Price Target (%)	64.2
Market Cap (m)	€518.9
Free Float (%)	35.0
No. of Shares (m)	9.68
1mth perf (%)	3.1
3mth perf (%)	(1.7)
12mth perf (%)	(9.5)
12mth high-low (€)	61 - 45

Key financials

(In EUR M)

Year to Dec	2024A	2025E	2026E
Group revenue	115	131	145
EBITDA (rep.)	31.0	35.0	39.0
EBIT (rep.)	27.4	31.0	34.8
EPS (adj.)	1.71	2.15	2.43
DPS	1.00	1.20	1.26
Net debt/(cash)	(6.9)	(16)	(26)
ROCE (NOPAT) (%)	44.0	48.2	52.7
EPS (adj.) y/y (%)	7.1	25.7	13.1
Net debt/EBITDA	(0.2)	(0.5)	(0.7)
EV/Sales	4.5	3.9	3.4
EV/EBITDA (adj.)	16.6	14.5	12.7
EV/EBIT (adj.)	18.9	16.4	14.3
P/E (adj.)	31.3	24.9	22.1
Dividend yield (%)	1.9	2.2	2.4
Free CF yield (%)	3.3	3.6	4.2
EV/CE	8.3	7.9	7.5

Priced as at close on 14 March 2025

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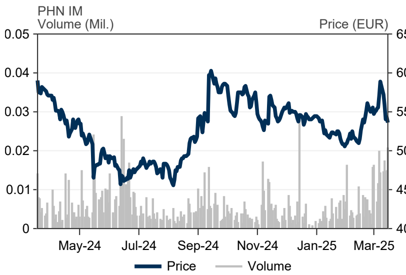
Share price performance (indexed)



A self-help growth story to look in 2025

Summary

- **PharmaNutra delivered a solid set of FY-24 results, with some key projects yielding initial contribution following prior investments and cash flow generation far exceeding expectations.**
- **The 2025 outlook looks promising, with recurring business projected to achieve low double-digit growth and key projects providing an additional boost, without mentioning Germany. Management anticipates margin constraints in 2025-26 due to increased investments. However, as seen in the past, this guidance may undervalue operating leverage potential.**
- **In our view, PharmaNutra stands out as an exceptionally compelling self-help growth story within the European SMID Cap space. Alongside its promising long-term outlook, Q1 benefits from an easy comparative base, while the contribution from special projects is mounting during the year. We reaffirm our conviction, Buy.**

Key Points

Q4/FY-24 revenue in brief. Q4/FY-24 revenue came in line with January's preliminary figures. Specifically, FY-24 sales rose by +15% YoY to €115.4m, driven by volumes and reflecting +11% sales increase in Q4 (vs SFe and consensus +15% and +17% in 9M). This performance was driven by strong growth in Italy, with a +14% YoY increase in Q4 (vs +10% in 9M), and +6% rise in international markets (vs +34% in 9M), with Europe outperforming the Middle East. The contributions from newer ventures (the US, Spain, and Cetilar Nutrition) remain modest in 2024. However, China exceeded initial expectations, achieving ~€2m revenue (~€0.8 in Q4 only) and showcasing promising prospects for the future. By product line, all-important Sideral recorded a +9% increase in Q4 (vs +15% in 9M) against challenging comparatives. Cetilar displayed robust growth, rising +14% in Q4 (vs +13% in 9M), while ApportAL decelerated sequentially to +10% in Q4 (vs +36% in 9M). Akern exceeded expectations with a +32% increase in Q4 (vs +13% in 9M), benefiting from seasonality and synergies ramp-up.

The market share dynamics. Despite the increased competition, SiderAL's Italian unit market shares held steady in 2024 at 46.7%, a slight decrease from 47.4% in 2023. Cetilar and ApportAL expanded their unit market shares by 0.3% to 3.2% and 0.5% to 3.9%, respectively.

Focus on profitability and cash generation. FY-24 EBITDA was up +17% YoY to €31m, 4% softer than expected due to higher operating costs, with a margin of 26.9% on net revenue (+50bps YoY). Excluding c.€6m start-up costs (marketing, advisory fees and G&A) related to (China, US, Spain and Nutrition), the recurring EBITDA margin increased 100bps to 31.4%. The 39% tax rate remained above the pre-Covid level of 32%. Better-than-expected WC drove a significant beat to FCF (c.€15m, 15% on net sales) and net cash of c.€6m (vs €4m net debt in 2023).

Optimistic outlook for 2025. Management expects the recurring business to grow in line with FY-24 (we estimate around +12%), with US contributions starting in H2-25 and strong growth in China (we estimate ~€4m sales in FY-25). Strong cash flow generation (above €20m) will fund new project expansions, causing only a slight margin decrease in 2025 and 2026.

Conference call takeaway. (1) Current trading commentary highlighted a positive performance in January and February; (2) An update on the German market sales will be provided in the next months; (3) ApportAL started international distribution and a new online platform was launched in China in December. In 2024, SiderAL, Cetilar, and ApportAL contributed 93%, 5%, and 2% to international sales, respectively. Specific DTC initiatives are planned for ApportAL in H2 in Italy; (4) Cetilar Nutrition launched new SKUs and is investing in digital marketing activities. Although it remains a niche market, management expects an interesting contribution in 2025; (5) Export costs to the US are minimal currently; however, management intends to relocate manufacturing overseas once volumes reach a satisfactory level; (6) The capital allocation strategy remains unchanged: no extraordinary CapEx are planned, with extra cash directed toward growth through increased OpEx. M&A may be considered in a few years, while dividends remain slightly above 50%.

Estimates review. Our ~3% EPS cut on average for FY-25/26 mainly reflects modestly higher sales growth (+13% in 2025 and +11% in 2026), alongside increased operating expenses and a higher tax rate. The stock trades at historical lows of 25x FY-25 PE, for +26% EPS growth and a historically high 15% FCF on sales.

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Buy

PT: €5.90

Key data

Ticker	**SRG IM**
Price (14 March 2025)	**€4.53**
Upside to Price Target (%)	30.2
Market Cap (m)	€15,234.8
Free Float (%)	69.0
Daily Value Traded (m)	43.2
Next Reporting Date	Jan 22 2025
No. of Shares (m)	3,360.86
1mth perf (%)	2.1
3mth perf (%)	5.1
12mth perf (%)	3.9
12mth high-low (€)	5 - 4

Key financials

(In EUR M)

Year to Dec	**2023A**	**2024E**	**2025E**
Group revenue	4,288	3,601	3,925
EBITDA (rep.)	2,417	2,751	2,877
EBIT (rep.)	1,477	1,745	1,819
EPS (adj.)	0.34	0.37	0.38
EPS (cons.)	0.35	0.37	0.38
DPS	0.28	0.29	0.30
Net debt/(cash)	15,270.0	16,458.5	17,987.9
ROCE (NOPAT) (%)	4.5	5.0	4.9
EPS (adj.) y/y (%)	69.2	8.5	4.2
Net debt/EBITDA	6.32	5.98	6.25
EV/Sales	7.1	8.8	8.5
EV/EBITDA (adj.)	12.7	11.6	11.6
EV/EBIT (adj.)	20.7	18.2	18.3
P/E (adj.)	13.4	12.4	11.9
Dividend yield (%)	6.2	6.4	6.7
Free CF yield (%)	(15.5)	(7.7)	(2.9)
EV/CE	1.3	1.2	1.2

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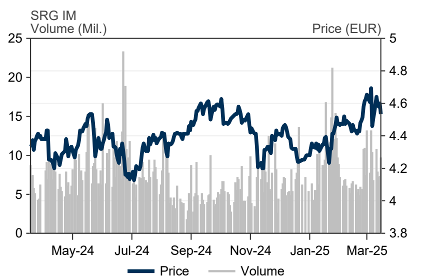
Share price performance (indexed)



Regulated business to drive FY24E growth

Summary

- **Snam will release its 4Q/FY24 results on 19 March. We expect Snam to report solid financial results, overall, with EBITDA growth mainly driven by the regulated businesses,**
- **FY24E adj. net income should improve by 5% vs last year mainly thanks to the positive operating performance from regulated business, partially offset by expected higher interest costs and lower contribution form equity associates.**
- **We remain positive on Snam mainly as we believe that gas is needed to support the energy transition. The benefits of a multi-molecule and multi-technologies scenario is underestimated.**

Key Points

Revenues and EBITDA: EBITDA growth mainly from regulated businesses

Snam will release its 4Q/FY24 results on 19 March. We expect Snam to report solid financial results, overall. FY24E revenues should decrease mainly due to much lower revenues from the energy transition. Regulated business should improve mainly thanks to higher WACC in all business segments, higher RAB growth in transportation and storage and higher revenues from the LNG regassification in Piombino, which contributed to revenues from July 2023. EBITDA growth should be mainly driven by the regulated businesses, the latter reflecting higher revenues and operating costs marginally increasing, while energy transition should report a mid-single digit EBITDA for the FY24E (€5m vs €216m) due to lower performance from biomethane segment and energy services.

Bottom line to improve driven by the EBITDA growth, net debt up on capex

FY24E adj. net income should improve by 5% vs last year mainly thanks to the positive operating performance from regulated business, partially offset by expected higher interest costs and lower contribution form equity associates. We expect that YE24E net debt will increase to around €16.4bn from €15.3bn at YE23A due to the higher capex during last year (€3.2bn vs €1.8 bn in 2023A) and dividends, partially offset by the operating cash flow.

Reminder of 2025-29 business plan: Gas to energy transition

Management in January presented its business plan to 2029, reiterating the role of gas and multi-molecule assets for the achievement of the energy transition. Total investments (2025-2029) increased to €12.4bn (€13.4bn gross of grants), with a RAB (Regulatory Asset Base): average annual growth of 6.4%. EBITDA to improve by an average 5%/y, dividend to increase by 4%/y.

Our view: Gas supporting energy transition, outstanding yield

We are positive on Snam as (1) we believe that gas is needed to support the energy transition (at least until 2030), not only in Italy, and (2) share valuation does not reflect this scenario, as the market is overestimating the end of gas, whilst the benefits of a multi-molecule and multi-technologies scenario is underestimated. IN addition, the shares offer limited downside potential, in our view, with approx. 6.6% dividend yield.

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Hold

PT: 110.00

Key data

Ticker	**SY1 GY**
Price (14 March 2025)	**€94.00**
Upside to Price Target (%)	17.0
Market Cap (m)	€12,727.6
Free Float (%)	94.0
Daily Value Traded (m)	20.3
No. of Shares (m)	135.40
1mth perf (%)	(5.5)
3mth perf (%)	(9.0)
12mth perf (%)	(11.8)
12mth high-low (€)	125 - 93

Key financials

(In EUR M)

Year to Dec	**2023A**	**2024E**	**2025E**
Group revenue	4,730	4,977	5,226
EBITDA (rep.)	852	1,017	1,104
EBIT (rep.)	559	704	808
EPS (adj.)	2.71	3.26	3.81
EPS (cons.)	2.93	3.38	3.86
DPS	1.10	1.15	1.20
Net debt/(cash)	1,980.6	1,639.2	1,376.3
ROCE (NOPAT) (%)	7.9	7.6	8.5
EPS (adj.) y/y (%)	(6.7)	20.4	16.8
Net debt/EBITDA	2.19	1.61	1.25
EV/Sales	3.3	3.1	2.9
EV/EBITDA (adj.)	17.3	15.1	13.7
EV/EBIT (adj.)	21.2	21.8	18.7
P/E (adj.)	34.7	28.8	24.7
Dividend yield (%)	1.2	1.2	1.3
Free CF yield (%)	3.0	3.8	3.2
EV/CE	2.3	2.3	2.2

Prices are as of close 14 March 2025

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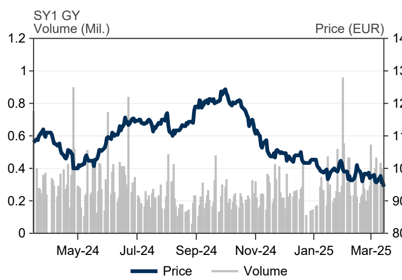
Share price performance (indexed)



Roadshow feedback

Summary

- **Last week, we hosted Symrise's IR team for a roadshow in Dublin. Here, we highlight our key takeaways.**
- **Q1-24 is off to a slow start due to high comparable, especially at Scent and Care.**
- **Pet food continues to grow in volumes but Pet Nutrition (25% of Pet Food) might see price pressure through FY25.**
- **Strategic focus is on high profitable growth through operational efficiencies. Symrise is committed to +200bps EBITDA margin expansion by 2028.**

Key Points

Trading update: As communicated with FY24 results, Q1-25 organic sales growth should be slow, mainly due to a tough comparable. FY25 organic growth guidance of 5%-7% confirmed and the company expects growth to accelerate through the year. Volume-price split should be 2/3-1/3. Between the two segments, the comparable is tougher for Scent and Care, which saw significant demand in Cosmetic Ingredients (UV filters) in Q1-24. Therefore, the growth might be more muted in the segment. Symrise continues to grow in the legacy flavor division as well as in Pet Food.

Pet Food: Symrise's pet food sales have reached c. €0.9bn. Only one-quarter is Pet Nutrition (legacy ADF/IDF), which is currently experiencing price normalization after significant price increases in 2021-2023. The price concessions might last through FY25. However, three-quarters of the business is Pet Palatability which has a different value proposition and is not experiencing any such pricing pressure. In terms of volume, Symrise continues to outgrow the market.

Scent and Care: while multinational customers see muted volume growth, local and regional customers continue to grow at a healthy pace. This translates to top-line growth, but the higher complexity on smaller volumes do not contribute to margin expansion. Symrise is now focusing on key account management such that it can leverage its capabilities for higher-value business.

Strategic focus: Symrise’s focus on growth remains unchanged, but profitability becomes increasingly important. The company sees clear opportunities for efficiencies, and has identified €3bn of costs (€1bn purchasing, €0.8bn indirect purchasing, €1bn manufacturing cost) that can be addressed through centralization. Symrise targets +200bps margin improvement to reach its midterm target, which translates to triple-digit millions in net savings by 2028. However, the company will invest in growth (personnel costs and IT infrastructure), which implies the net savings might not be linear. In terms of asset optimization, Symrise is reviewing its portfolio in aroma molecules for optimization and should be able to communicate conclusive action during FY25.

US tariffs and focus on ultra processed foods: Symrise produces local for local and therefore is not directly impacted by potential tariffs. Any indirect inflation through raw materials/ ingredients will be passed on to customers, which Symrise is confident about. The risk is mainly in terms of the negative impact on demand due to the continued inflationary environment in this important region. In terms of the increased scrutiny of ultra processed foods in the USA, Symrise sees it rather as an opportunity through the need of customer reformulations like salt and sugar reduction, higher demand for proteins etc, where Symrise can provide solutions.

Capital allocation: Symrise remains opportunistic in terms of acquisitions and will continue to look to increase the customer base (legacy business) and/or broaden its portfolio (cosmetic ingredients, health). Given the net debt/EBITDA is in Symrise's target

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Buy

PT: €12.40 (from €13.40)

Key data

Ticker	**TIP IM**
Price (14 March 2025)	**€7.98**
Upside to Price Target (%)	55.4
Market Cap (m)	€1,471.5
No. of Shares (m)	184.40
1mth perf (%)	(7.4)
3mth perf (%)	(4.8)
12mth perf (%)	(13.3)
12mth high-low (€)	10 - 8

Key financials

(In EUR M)

Year to Dec	**2024A**	**2025E**
Group revenue	1.2	1.2
EPS (adj.)	0.23	0.11
DPS	0.14	0.16
Net debt/(cash)	427.3	527.3
EPS (adj.) y/y (%)	(54.9)	(51.4)
Dividend yield (%)	1.8	2.0

Prices are as at close on 14 March 2025

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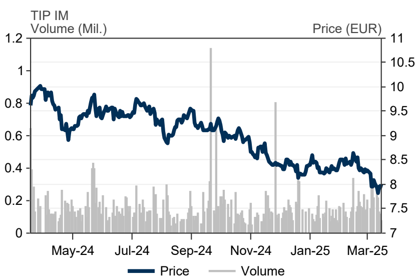

Resilient in a challenging environment

Summary

- **What's new?** FY-24 results showed solid performance for the invested companies despite a challenging environment and confirmed the quality of the portfolio, while a constructive outlook has been outlined for FY-25.
- **What's changed?** In this report, we have updated our NAV to include our estimates for FY-25 and valuation. We reiterate our Buy rating and decrease our PT of €12.40 (from €13.40), mostly due to the revised fair value of listed assets.
- **Investment thesis recap:** We believe TIP provides an attractive path for investors seeking access to diversified Italian mid- and small-cap leading companies specialised in the industrial, luxury & consumer, and IT services & innovation sectors. We expect the deployment of record firepower exceeding €1bn for direct and indirect investments to accelerate in 2025.

Key Points

FY-24 results in brief: TIP closed FY-24 with pro-forma net profit of €65m (vs €149 in FY-23), primarily driven by still solid profit share of the associated companies of ~ €70m (-16% YoY), with a notable performance of OVS and Alpitour, notwithstanding the economic slowdown in Europe, particularly in H2. The capital gains, mainly related to the total divestment of Prysmian shares, amounted to ~€22m (vs 115m in FY-23), which, coupled with dividends and interest income for c.€11m, more than offset €15m in financial expenses mainly related to the interests accrued on the bond loans. This, together with the use of the liquidity to primarily finalise the equity investments, ~€25m of dividends, and a ~€12m share buyback, drove to a flattish net debt of €422m and net equity to €1.4bn (vs €1.44bn in FY-23). The BoD proposed a dividend of €0.16/share.

Indications from listed and private investments. The portfolio companies demonstrated solid performance overall in a challenging environment, with 11 achieving revenue growth, 8 maintaining relatively stable revenues within a +/- 5% range, and only 2 experiencing a notable decline. The aggregate revenue of TIP's group companies in 2024 exceeded €25bn, with an EBITDA of ~€5bn. All companies in the portfolio enjoy very solid financial positions, with a few of them having net debt / EBITDA >1.5x and many with cash positions that will enable them to grasp potential growth opportunities.

Portfolio management. In 2024, TIP adopted a cautious investment strategy, allocating ~€11m to existing portfolio holdings (including ~€5m in Bending Spoons, ~€3m in Dexelance and further purchase in Roche Bobois' shares via TXR in September and in SeSa shares directly in October) and ~€12m to treasury share purchases, while €68m inflow resulted from decrease in direct investments.

Main events of Q4 and Q1: (1) TIP hosted its first CMD to present its unlisted subsidiaries to the financial community (*Beating the drum for the first TIP day*). **(2)** In January, Asset Italia 1, jointly owned by TIP and various family offices, exercised its preemptive right on ~36% of Alpitour, which a shareholder had decided to sell at a favourable price. The transaction, exceeding €200m, will bring Asset Italia's stake in Alpitour to around 95% and is expected to close by summer. TIP pro-quota investment amounts to c.€74m.

2025 outlook. Despite global uncertainties, TIP remains optimistic due to the strong foundation of its investee companies, solid financials, and excellent profitability. Looking to 2025, TIP expects a year similar to 2024, with potential slight improvements due to investment decisions in Germany and stimulus in China. The focus will be on rationalisation, consolidation, and cost-cutting, with consistent margins and limited revenue boosts, positioning TIP to leverage its strengths effectively.

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Buy (from Hold)

PT: €390.00 (from €380.00)

Changes	2024E	2025E
Revenue	0.6%	1.5%
EPS	5.4%	-

Key data

Ticker	**VIRP FP**
Price (14 March 2025)	**€296.00**
Upside to Price Target (%)	31.8
Market Cap (m)	€2,483.4
Free Float (%)	49.0
Daily Value Traded (m)	1.7
No. of Shares (m)	8.39
1mth perf (%)	(3.8)
3mth perf (%)	(5.9)
12mth perf (%)	(10.1)
12mth high-low (€)	400 - 297

Key financials

(In EUR M)

Year to Dec	2023A	2024E	2025E
Group revenue	1,247	1,398	1,482
EBITDA (rep.)	230	276	291
EBIT (rep.)	185	228	235
EPS (adj.)	14.9	19.0	19.9
EPS (cons.)	14.4	17.3	19.6
DPS	1.32	1.32	1.32
Net debt/(cash)	(52)	168.5	101.3
ROCE (NOPAT) (%)	18.7	17.4	16.3
EPS (adj.) y/y (%)	(2.6)	27.8	4.7
Net debt/EBITDA	(0.2)	0.60	0.34
EV/Sales	2.0	1.9	1.7
EV/EBITDA (adj.)	10.5	9.5	8.8
EV/EBIT (adj.)	13.0	11.5	10.8
P/E (adj.)	19.9	15.6	14.9
Dividend yield (%)	0.4	0.4	0.4
Free CF yield (%)	2.1	4.4	3.2
EV/CE	2.4	2.0	1.8

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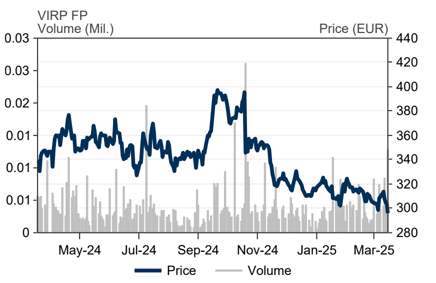
Share price performance (indexed)



Risk/reward profile back to attractive levels

Summary

- **Despite decelerating, Virbac published in our view reassuring figures for H2-24, leading the group to slightly beat expectations on FY24 EBIT adj. It also confirmed its FY25 guidance as well as its longer-term outlook.**
- **This slowdown in profit growth is likely to continue in H1-25 due to an unfavourable base effect. However, profit growth could accelerate again in the second half of the year. Looking beyond the very short term, over the next two years, we expect sales growth to remain solid. The group should in our view continue to slightly outperform the long-term growth of the animal health market.**
- **Finally, with the aim to achieve an operating margin of 20% by 2030, compared with just over 16% at present, the Group is planning sizeable R&D and CAPEX efforts to strengthen its product portfolio and improve its productivity. We believe that the Group's ambitions are credible and should lead to post double-digit EPS growth CAGR by 2030.**
- **Virbac's valuation multiples have recently fallen to levels that we feel are attractive in relation to the company's profile. As the risk reward has become more attractive, we are upgrading to Buy with a slightly higher price target of €390, corresponding to a PE 25E of 20x.**

Key Points

Virbac published reassuring figures for H2-24. Virbac published its FY24 results on Thursday evening with Adj. EBIT at €231m vs €224m expected. This implies +4% y/y in adj. EBIT in H2-24 compared with a slight decrease expected, making this publication really reassuring. Lower in the P&L, net income came in line with expectations, with slightly higher-than-expected M&A expenses offsetting the good operating performance. Finally, the Group confirmed its FY25 guidance, which implies +3% adj. EBIT 25E growth.

Slowdown of earnings growth likely to continue in H1-25. The Group's margins are subject to the structural seasonality that we see every year, but which was exacerbated in 2024 with a technical rebound in business in H1-24. This technical upturn and the more favourable than usual seasonality in 2024 will probably have a negative impact on the Group's H1-25 results. However, these are short-term non-meaningful effects compared with the Group's growth prospects which remain intact.

The group could continue to slightly outperform its market. We believe that the Group is sufficiently well positioned (1) in specialty products, where competition is weaker, (2) in petfood, where the product range seems relevant while their legitimacy is strong and market share still low, and (3) in emerging countries such as India and China, where world leaders are less present. We therefore believe that the Group's product and geographic mix should enable it to continue to slightly outperform its market for a few more years, and therefore to achieve sales growth of +6% on an organic basis.

We believe that the Group's ambitions are reasonable and credible. We believe that the Group is in a position to grow its EPS 25e at +5%, then 26e at 13% and finally to post +10% EPS CAGR over the next 5 years. Organic growth of sales should gradually translate into operating leverage from 2026 onwards as R&D investment and CAPEX programmes bear fruit. Overall, the Group could approach €400m in adj. EBIT by 2030.

Risk reward has become more attractive. The group's valuation multiples have recently weakened, due to the deceleration in profit growth, the J-curve aspect of earnings growth in the short term and also for sectoral reasons in correlation with peers development. On the other hand, current valuation levels look attractive to us, since by applying a PE of 20x on 25E, which is slightly below the group's historical average

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[1] This rating is only utilised by Stifel Canada.

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