

Grifal

Italian Market Still Soft, Solid Operating Margin Confirmed

Grifal's interim results show sales softening (-3.7% yoy), in a still challenging domestic market, despite positive contribution from innovative product cArtù (now 38% of group revenues) and European sales (28% of group revenues). Progressive moderation in raw material pricing allowed it to post an EBITDA margin close to a record level.

Revenues fell low single digit in a soft market; profitability margin remained solid

Tough conditions recorded in the first part of the year in the Italian corrugated cardboard market have been one of the main reasons behind Grifal's revenue fall in 1H24, despite a positive contribution from cArtù, which also benefited from rising European demand, and better sales of Tieng equipment machines. The EBITDA margin improved by 70bps yoy accordingly, with EBITDA growing by 1.4% yoy to EUR 2.7M, also thanks to raw material prices normalisation. NFP deteriorated slightly to EUR 21.5M, mostly due to EUR 2.8M investment to raise production capacity.

European strategy confirmed but macroeconomic scenario makes us revise our estimates downwards

Management confirmed intentions to further expand its presence internationally, either directly (as in Romania, where they are adding a second line of production) or through JV with local well-established producers (like in Portugal, where partnership with Jose Neves Group has started activity). Given a challenging macroeconomic environment, we decide to take a more conservative view, reducing our 2024-26E revenue estimates by 13%, 11% and 9%, respectively. Despite the good performance recorded in 1H24 on profitability (EBITDA), we decide to reduce our 2024E proportionately, while for 2025-26E, we assume the company should be able to progressively be back on the improving path of its profitability margin, benefiting from the investments' completion aimed at raising production capacity in Europe, narrowing the profitability gap vs. international peers.

A new target price of EUR 2.5

Following our estimates' revision and our WACC assumptions (7.1% vs. 7.3% previously), our DCF model points to a new target price of EUR 2.5/share (vs. EUR 2.8/share previously). Given an around 30% upside to current prices, we confirm our BUY rating.

Grifal – Key data

Y/E Dec (EUR M)	2022A	2023A	2024E	2025E	2026E
Revenues	36.88	37.78	38.93	47.99	60.01
EBITDA	4.37	5.59	5.46	7.12	9.33
EBIT	1.30	2.17	1.60	2.96	5.17
Net income	0.42	0.89	0.40	1.29	3.17
Adj. EPS (EUR)	0.04	0.08	0.04	0.11	0.28
Net debt/-cash	18.87	18.49	21.43	18.96	15.21
Adj P/E (x)	76.1	32.8	55.1	17.2	7.0
EV/EBITDA (x)	11.7	8.5	8.0	5.8	4.0
EV/EBIT (x)	39.3	21.9	27.2	13.9	7.2
Div ord yield (%)	0	0	0	0	0
FCF Yield (%)	-17.5	2.9	-13.3	11.1	16.9

Source: Company data and Intesa Sanpaolo Research estimates. Priced at 16/10/2024

18 October 2024: 11:56 CET
Date and time of production

BUY

Target Price: EUR 2.5
(from EUR 2.8)

Italy/Containers & Packaging
Company Results

EGM

Grifal - Key Data

Price date (market close)	16/10/2024
Target price (€)	2.5
Target upside (%)	28.87
Market price (€)	1.94
Market cap (EUR M)	22.16
52Wk range (€)	2.61/1.94

EPS – DPS changes

(€)	2024E	2025E	2024	2025
	EPS ▼	EPS ▼	chg%	chg%
Curr.	0.035	0.113	-78.37	-52.40
Prev.	0.163	0.237	-	-
	DPS =	DPS =	chg%	chg%
Prev.	0.000	0.000	-	-

Price Perf. (RIC: GRALA.MI BB: GRALIM)



Source: FactSet and Intesa Sanpaolo Research estimates

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Soft Revenues, Solid Profitability

1H24 Results

- Revenues declined by 3.7% yoy to EUR 18.7M (vs. EUR 19.4M in 1H23), despite a still positive contribution from main product cArtù, which rose in relevance within group revenue to 38% vs. 34% in 1H23. Revenues from European markets registered a double-digit positive contribution, reaching 28% of group revenue. Italian trade association Assocarta reports domestic paper and packaging market, registering a 3.3% yoy contraction in value despite growing volumes;
- EBITDA rose by 1.4% yoy to EUR 2.71M (vs. EUR 2.67M in 1H23), with a corresponding margin of 14.5%, 70bps better than the 13.8% registered in 1H23;
- EBIT fell to EUR 1.0M (vs. EUR 1.2M in 1H23), with a corresponding margin of 5.2%, 100bps lower than 1H23, due to amortisation of EUR 1.7M vs. EUR 1.4 in 1H23;
- NFP rose to EUR 21.5M (vs. EUR 18.5M at YE23), also due to EUR 2.8M investments in expanding production capacity. The net debt/EBITDA ratio rose to 3.8x (vs. 3.3x at YE23).

Grifal - 1H24 results

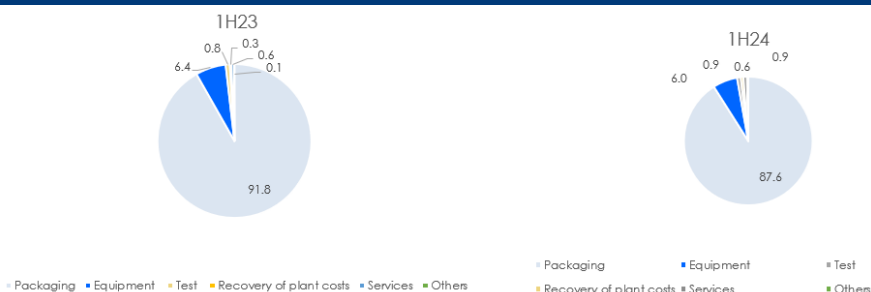
EUR M	FY22A	1H23A	2H23A	FY23A	1H24A	yoy %	2H24E
Revenues	36.9	19.4	18.4	37.8	18.7	-3.7	26.2
Value of production	41.4	20.9	21.1	42.0	21.5	2.6	28.1
EBITDA	4.4	2.67	2.9	5.6	2.71	1.4	3.8
Margin (%)	11.9	13.8	15.9	14.8	14.5		14.4
EBIT	1.3	1.2	1.0	2.2	1.0	-19.9	2.0
Margin (%)	0.0	6.2	5.3	5.8	5.2		7.7
Net Result	0.4	0.6	0.3	0.9	0.2	-62.9	1.6
Net debt/-cash	18.9	20.8		18.5	21.5		

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Looking more in detail at the revenues' performance, we highlight:

- Packaging products fell by 4.6% yoy in 1H24 to EUR 17.0M, representing 87% of group revenue (vs. 91.8% in 1H23);
- Equipment machine fell by 6.5% yoy in 1H24 to EUR 1.2M, representing 6% of group revenue (vs. 6.4% in 1H23);
- Services rose by 56% yoy to EUR 0.2M, representing 0.2% of group revenue (vs. 0.1% in 1H23).

Grifal – 1H24 revenue products' breakdown



Source: Company data

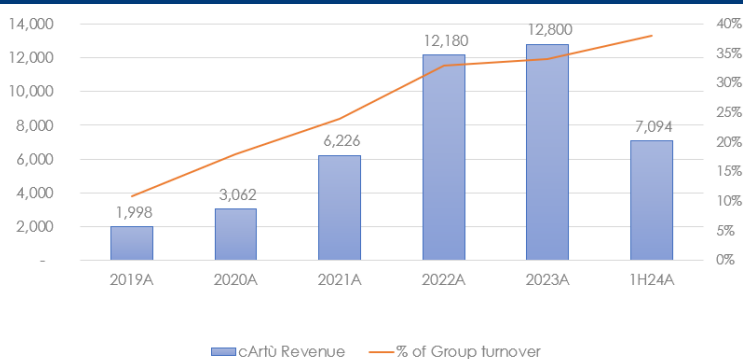
Grifal - 1H24 revenues products' breakdown

EUR M	1H23	1H24	Change (%)
Packaging	17.8	17.0	-4.6
Equipment	1.2	1.2	-6.5
Test	0.2	0.2	6.3
Recovery of plant costs	0.1	0.1	83.9
Services	0.1	0.2	56.0
Others	0.0	0.1	NM
Total	19.4	18.7	-3.7

NM: not meaningful; Source: Company data

Within Packaging products, cArtù's share improved to 38% vs. 34% at YE23.

Grifal - cArtù revenue 2019-1H24 evolution



Source: Company data

From a regional perspective, we highlight:

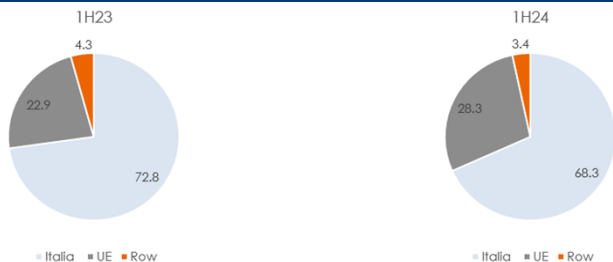
- Revenues in Italy fell by 9.6% yoy to EUR 12.8M, representing 68.3% of group revenues (from 72.8% in 1H23);
- Revenue in EU rose by 19.1% yoy to EUR 5.3M, representing 28.3% of group revenues (from 22.9% in 1H23);
- Revenue in the rest of world declined by 25% yoy to EUR 0.6M, representing 3.4% of group revenues (from 4.3% in 1H23).

Grifal – 1H24 Revenue regional breakdown

EUR M	1H23	1H24	(%)
Italy	14.1	12.8	-9.6
EU	4.4	5.3	19.1
Row	0.8	0.6	-25.0
Total	19.4	18.7	-3.7

Source: Company data

Grifal – 1H24 revenues regional breakdown



Source: Company data

We recall Grifal has production sites in Timisoara (Romania) since 2021 and in Guimaraes (Portugal), with JV Seven cArtù Lda (newly formed in 2023) with local producer José Neves, while already commercialises cArtù product across Europe from those manufacturing plants.

Grifal cArtù production sites



Source: Company data

Grifal cArtù commercial focus



Source: Company data

After a 2022 characterised by significant increases in the cost of production factors, which was not possible to pass on to customers in a timely manner, the progressive reduction in the price of raw materials allowed the group to significantly increase margins. More in detail:

- Raw material costs declined by 5% yoy to EUR 7.43M, having an incidence on revenues of 39.8% vs. 40.3% in 1H23;
- Services and rental costs rose by 6.4% yoy to EUR 5.6M, having an incidence of 30% on group revenues, slightly higher than 27.1% in 1H23;
- Personnel costs rose by 11.8% yoy to EUR 5.7M, having an incidence on group revenues of 30.7% (vs. 26.5% in 1H23), mainly due to new hirings (+10FTEs vs. YE23).

Grifal - 1H24 Costs breakdown

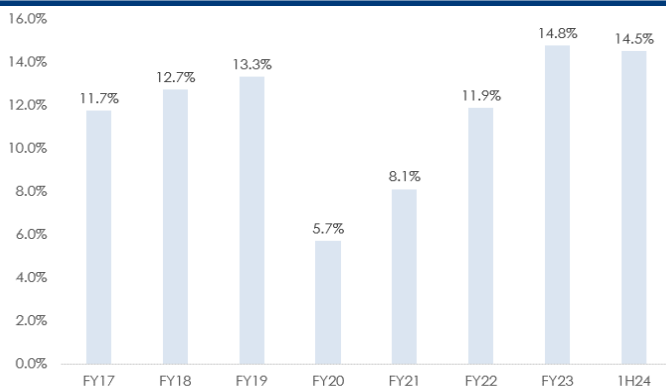
EUR M	1H22	1H23	1H24	Change %
Raw material	9.09	7.82	7.43	-5.0
Services and Rental cost	4.95	5.26	5.6	6.4
Personnel cost	4.62	5.13	5.7	11.8
Other management cost	0.07	0.05	0.1	16.1
Weighting in revenue (%)				
Raw material	48.9	40.3	39.8	
Services and Rental cost	26.7	27.1	30.0	
Personnel cost	24.9	26.5	30.7	
Other management cost	0.4	0.2	0.3	

Source: Company data

The group EBITDA margin expanded further to 14.5% (70bps higher vs. 13.8% in 1H23), close to a record level in Grifal's recent history, thanks to EUR 2.65M contribution from Packaging (which corresponds a 15.3% margin, 100bps better than 14.3% in 1H23), growing by 2.9% yoy, and EUR 0.3M from Equipment (which corresponds a 8.9% margin, 180bps better than 7.1% margin in 1H23), growing by 69.5% yoy.

Solid EBITDA margin performance

Grifal - EBITDA margin 2017-1H23 evolution

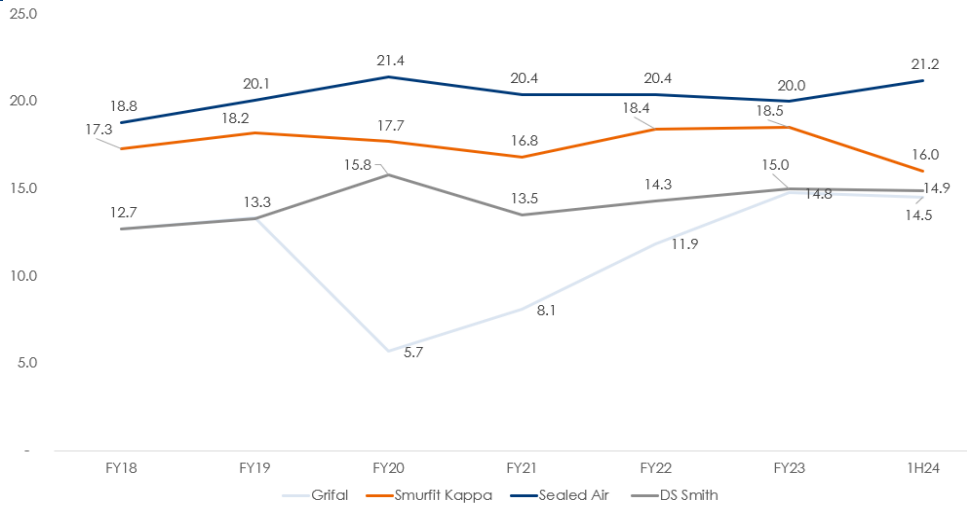


Source: Company data

Despite acknowledging the solid improvement in profitability margin recorded so far, we note there is a still significant gap potentially to close vs. some international players' performance.

Margin gap vs. international peers

Grifal - International peers EBITDA margin evolution (%)



Source: Companies' data

Earnings Outlook

The production of paper and cardboard in Italy recorded an increase in terms of volumes compared to 2023. However, revenues recorded a decline of 3.3%, according to Assocarta, with double-digit drops in the segment of packaging products for the industrial sector.

Management confirmed the strategy of establishing a European network of production sites, either directly or with JV with local producers, with equipment business unit (Tieng Srl) supporting the design and the sale of machines for the processing of corrugated materials.

Growing demand from large international customers in the white goods sector present in Romania has led Grifal to add a second production line, which should become operational in 2H24, with a new commercial sales structure in place. In Portugal, the first step of equipment instalment has been completed and newly formed JV with Jose Neves Group has started production. The full line should be installed in 1Q25.

Equipment business unit Tieng should benefit from the relocation of all activities in a new dedicated area, close to headquarters in Cologno al Serio.

Over the course of 1H24, Grifal Group has entered into a strategic alliance with the Institute for Transformative Innovation Research (ITR) of Pavia University, with aim to further invest in innovative and sustainable packaging solutions.

Estimates revision

Given a challenging macroeconomic environment, we decide to take a more conservative view, reducing our 2024-26E revenues estimates by 13%, 11% and 9% respectively. Despite the good performance recorded in 1H24 on profitability, we decide to reduce our 2024E EBITDA proportionately, while for 2025-26E we assume Grifal to be able to progressively be back on the improving path of its profitability margin, benefiting from the investments' completion aimed at raising production capacity in Europe, narrowing the profitability gap vs. international peers.

Domestic market still soft

Further growth opportunities in Europe

2024-26E revenue fine-tuning, while assuming profitability margin to improve from 2025E onwards, after taking a pause in 2024

Grifal – 2024-26E estimates revision

EUR M	FY24E old	FY24E new	Chg. (%)	FY25E old	FY25E new	Chg. (%)	FY26E Old	FY26E new	Chg. (%)
Sales	44.9	38.9	-13	54.0	48.0	-11	66.2	60.0	-9
Value of production	49.6	43.6	-12	59.2	53.1	-10	71.9	65.7	-9
EBITDA	6.5	5.5	-16	7.7	7.1	-8	9.2	9.3	1
% margin	14.4	14.0		14.3	14.8		14.0	15.6	11
EBIT	3.0	1.6	-46	4.1	3.0	-29	5.5	5.2	-7
% margin	6.6	4.1		7.7	6.2		8.4	8.6	3
Pre-tax	2.5	0.6	-77	3.6	1.7	-52	6.0	4.2	-30
Net result	1.9	0.4	-78	2.7	1.3	-52	4.5	3.2	-30
Net debt/-cash	16.9	21.4	27	15.9	19.0	19.2	13.8	15.2	10

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Valuation

We value Grifal with a DCF model based on our estimates and the following key assumptions:

- A 7.1% WACC (vs. 7.3% previously), incorporating a 3.75% risk-free rate (vs. 4.0% previously) and an equity risk premium of 6.5% (unchanged);
- A 1.5% terminal value growth.

Grifal - WACC calculation (%)

Gross Debt Rate	5.0
Tax rate	24
Net Debt Rate	3.8
Beta Levered	1.0
Gearing	50.3
Beta Re-Levered	1.0
Risk Free Rate	3.75
Equity Risk Premium	6.50
Cost of equity	10.5
WACC	7.1

Source: Intesa Sanpaolo Research estimates

We obtain a **target price of EUR 2.5/share (vs. EUR 2.8/share previously)**. Given an around 30% upside to the current share price, we **rate the company BUY**.

Grifal - DCF calculation (2024-26E)

EUR M	2024E	2025E	2026E	LT
EBIT	1.6	3.0	5.2	3.4
Tax	-0.2	-0.4	-1.1	-0.5
Depreciation	3.9	4.2	4.2	
NOPAT	5.3	6.7	8.3	2.9
WC	-4.2	0.0	-0.6	
Capex	-3.0	-3.0	-3.0	
FCF	-1.9	3.7	4.7	2.9
Discounted FCF	-1.9	3.5	4.1	2.4
WACC (%)	7.1			
TV growth (%)	1.5			
Sum	5.7			
TV	41.9			
EV	47.6			
Debt 2023A	18.5			
Equity	29.1			
Shares (M)	11.4			
Target price (EUR/share)	2.5			

E: estimates; Source: Intesa Sanpaolo Research

Valuation and Key Risks

Valuation basis

We value Grifal Group with a DCF model, based on our estimates and the following key assumptions: a 3.75% risk-free rate (vs. 4.0% previously), a 6.50% equity risk premium (unchanged), a beta of 1.0x and a gearing of 50%. We calculate a WACC of 7.1% (vs. 7.3% previously) with a 1.5% long term value growth.

Key Risks

Company specific risks:

- Limited production capacity and production constraints.
- Potential alternative products launched by large international companies;
- Negative impact from rising raw material and energy prices;

Sector generic risks:

- Paper/cardboard and EPE price fluctuations could reduce profitability;
- Technological breakthrough in the packaging technology, particularly for the material used;
- Increasing competition in the packaging industry.

Company Snapshot

Company Description

Grifal is a leading industrial company providing innovative packaging solutions to >1000 automotive, white goods, electronics, furniture and medical companies. The company will leverage on a disruptive corrugated cardboard product, called cArtù, which offers lower weight, lower cost and is 100% recyclable. In other word, cArtù is ecological and economical and, we believe, could rapidly replace other packaging commodity products. The company also produces packaging materials, mostly based on polyethylene foam. Grifal is 63.2% controlled by the founder's family, which still manages the company, was listed in 2018 at EUR 2.60/sh raising EUR 4.7M.

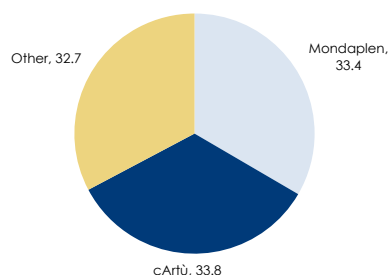
Key data

Mkt price (€)	1.94	Free float (%)	36.6
No. of shares	11.42	Major shr	G-Quattronove
52Wk range (€)	2.61/1.94	(%)	63.2
Reuters	GRALA.MI	Bloomberg	GRAL IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-1.0	-1M	-4.0
-3M	-10.2	-3M	-10.6
-12M	-14.5	-12M	-29.9

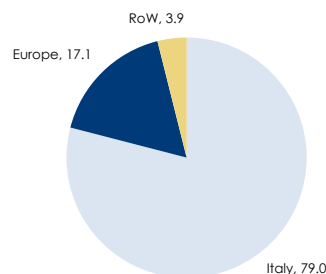
Estimates vs. consensus

EUR M (Y/E Dec)	2023A	2024E	2024C	2025E	2025C	2026E	2026C
Sales	37.78	38.93	NA	47.99	NA	60.01	NA
EBITDA	5.59	5.46	NA	7.12	NA	9.33	NA
EBIT	2.17	1.60	NA	2.96	NA	5.17	NA
Pre-tax income	1.23	0.56	NA	1.72	NA	4.23	NA
Net income	0.89	0.40	NA	1.29	NA	3.17	NA
Adj. EPS (€)	0.08	0.04	NA	0.11	NA	0.28	NA

Sales breakdown by product (%)



Sales breakdown by geography (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 16/10/2024)

Grifal – Key Data

Rating	Target price (€/sh)		Mkt price (€/sh)			Sector
BUY	Ord 2.5		Ord 1.94			Containers & Packaging
Values per share (EUR)	2021A	2022A	2023A	2024E	2025E	2026E
No. ordinary shares (M)	11.42	11.42	11.42	11.42	11.42	11.42
Total no. of shares (M)	11.42	11.42	11.42	11.42	11.42	11.42
Market cap (EUR M)	42.12	32.12	29.14	22.16	22.16	22.16
Adj. EPS	-0.07	0.04	0.08	0.04	0.11	0.28
BVPS	1.5	1.5	1.6	1.6	1.7	2.0
Dividend ord	0	0	0	0	0	0
Dividend SAV Nc	NA	NA	NA	NA	NA	NA
Income statement (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Revenues	26.07	36.88	37.78	38.93	47.99	60.01
EBITDA	2.11	4.37	5.59	5.46	7.12	9.33
EBIT	-0.72	1.30	2.17	1.60	2.96	5.17
Pre-tax income	-0.98	0.76	1.23	0.56	1.72	4.23
Net income	-0.84	0.42	0.89	0.40	1.29	3.17
Adj. net income	-0.84	0.42	0.89	0.40	1.29	3.17
Cash flow (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Net income before minorities	-0.8	0.4	0.9	0.4	1.3	3.2
Depreciation and provisions	2.8	3.1	3.4	3.9	4.2	4.2
Others/Uses of funds	1.2	1.5	-0.6	0.4	0	0
Change in working capital	-2.2	-3.6	5.7	-4.6	0.0	-0.6
Operating cash flow	0.9	1.4	9.3	0.1	5.5	6.8
Capital expenditure	-6.8	-7.0	-8.5	-3.0	-3.0	-3.0
Financial investments	-1.1	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0
Free cash flow	-6.9	-5.6	0.9	-2.9	2.5	3.7
Dividends	0	0	0	0	0	0
Equity changes & Non-op items	1.4	-1.0	-0.5	0	1.0	2.0
Net change in cash	-5.6	-6.6	0.4	-2.9	3.5	5.7
Balance sheet (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Net capital employed	28.9	36.6	36.8	40.1	38.9	38.4
of which associates	0	0	0	0	0	0
Net debt/-cash	12.2	18.9	18.5	21.4	19.0	15.2
Minorities	0	0	0	0	0	0
Net equity	16.7	17.7	18.3	18.7	20.0	23.1
Minorities value	0	0	0	0	0	0
Enterprise value	54.4	51.0	47.6	43.6	41.1	37.4
Stock market ratios (x)	2021A	2022A	2023A	2024E	2025E	2026E
Adj. P/E	Neg.	76.1	32.8	55.1	17.2	7.0
P/CFPS	21.2	9.2	6.8	5.2	4.1	3.0
P/BVPS	2.5	1.8	1.6	1.2	1.1	0.96
Payout (%)	0	0	0	0	0	0
Dividend yield (% ord)	0	0	0	0	0	0
FCF yield (%)	-16.4	-17.5	2.9	-13.3	11.1	16.9
EV/sales	2.1	1.4	1.3	1.1	0.86	0.62
EV/EBITDA	25.8	11.7	8.5	8.0	5.8	4.0
EV/EBIT	Neg.	39.3	21.9	27.2	13.9	7.2
EV/CE	1.9	1.4	1.3	1.1	1.1	0.97
D/EBITDA	5.8	4.3	3.3	3.9	2.7	1.6
D/EBIT	Neg.	14.6	8.5	13.4	6.4	2.9
Profitability & financial ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E
EBITDA margin	8.1	11.9	14.8	14.0	14.8	15.6
EBIT margin	-2.7	3.5	5.8	4.1	6.2	8.6
Tax rate	14.2	44.1	28.0	28.0	25.0	25.0
Net income margin	-3.2	1.1	2.3	1.0	2.7	5.3
ROCE	-2.5	3.5	5.9	4.0	7.6	13.5
ROE	-5.4	2.5	4.9	2.2	6.7	14.7
Interest cover	-2.7	2.4	2.3	1.5	2.4	5.5
Debt/equity ratio	73.4	106.6	101.2	114.7	95.0	65.7
Growth (%)		2022A	2023A	2024E	2025E	2026E
Sales		41.5	2.5	3.0	23.3	25.1
EBITDA		NM	27.9	-2.3	30.3	31.1
EBIT		NM	67.8	-26.4	84.8	74.9
Pre-tax income		NM	63.1	-54.7	NM	NM
Net income		NM	NM	-54.7	NM	NM
Adj. net income		NM	NM	-54.7	NM	NM

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

ESG Matrix

Grifal - ESG Matrix

	Main KPIs	2021	2022	2023	Target	Trend
E	Emissions					
	Scope 1	NA	371.0	521.1	//	-
	Scope 2	NA	376.7	563.6	//	-
	CO2 intensity index	259.4	224.2	178.4	66.0	+
	Circular Economy					
	Waste recycled rate (%)	90.0	98.0	96.0	100.0	-
	Wastes (tons)	23.6	38.9	43.7	//	-
	Packaging materials from recyclable sources (%)	NA	57.9	61.6	//	+
	Renewables Ratio					
	Electricity from renewables on total consumption (%)	0.0	33.6	35.4	50.0	+
Energy Consumption (GWhj)	1.0	1.3	1.3	1.2	=	
Water withdrawals (m3/ton)	1,991	3,790	3,760	//	+	
S	Women in leadership roles (%)	16.7	21.4	23.1	25.0	+
	Training hrs per capita (No.)	20.7	23.0	22.0	21.0	-
	Turnover ratio (%)	85.1	53.9	40.2	50.0	+
	Work-related injuries	0.0	0.0	5.0	NA	-
	Ethical code	No	No	No	Yes	=
G	Independent directors' rate (%)	29.0	28.6	30.0	30.0	+
	Women in BoD (%)	43.0	14.0	50.0	50.0	+
	Anti-corruption	No	No	Yes	Yes	+
	Management Remuneration Policy linked to ESG goals	No	No	Yes	Yes	+
	ESG Report	Yes	Yes	Yes	Yes	=
	Shareholders'/Consulting Agreement	NA	NA	NA	//	NA

Note: the indicators +/- refer to how the company, in ISP view, is progressing towards its targets and/or vs. its historic trend; //: no explicit targets; Source: Company data and Intesa Sanpaolo Research elaboration

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Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation of around EUR 1Bn.

Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

<https://group.intesasnpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

Valuation methodology (long-term horizon: 12M)

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Equity rating key: (long-term horizon: 12M)

In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, whose key is reported below:

Equity Rating Key (long-term horizon: 12M)

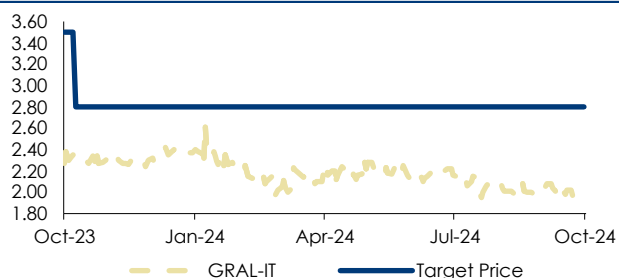
Long-term rating	Definition
BUY	If the target price is 10% higher than the market price.
HOLD	If the target price is in a range 10% below or 10% above the market price.
SELL	If the target price is 10% lower than the market price.
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis to determine an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a 12M time horizon.
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated.
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Historical recommendations and target price trends (long-term horizon: 12M)

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->. Intesa Sanpaolo changed its long-term 12M horizon rating key on 3 April 2023; please refer to the ISP Equity Rating Reconciliation Table for further details at the following link: <https://group.intesasanpaolo.com/it/research/equity-credit-research>.

Grifal:

Target price and market price trend (-1Y)



Historical recommendations and target price trend (-1Y)

Date	Rating	TP (EUR)	Mkt Price (EUR)
25-Oct-23	BUY	2.8	2.4

Equity rating allocations (long-term horizon: 12M)

Intesa Sanpaolo Research Rating Distribution (at October 2024)

Number of companies considered: 158	BUY	HOLD	SELL
Total Equity Research Coverage relating to last rating (%)*	69	31	0
of which Intesa Sanpaolo's Clients (%)**	64	41	0

* Last rating refers to rating as at end of the previous quarter; ** Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

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