

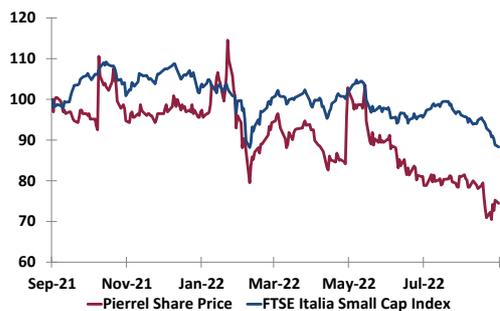


OUTPERFORM

Current Share Price (€): 0.169

Target Price (€): 0.327

Pierrel - 1Y Performance



Source: S&P Capital IQ - Note: 27/09/2021=100

Company data

ISIN number	IT0004007560
Bloomberg code	PRL IM
Reuters code	PRL.MI
Sector	Pharma & Healthcare
Stock market	Euronext Milan
Share Price (€)	0.169
Date of Price	26/09/2022
Shares Outstanding (m)	228.9
Market Cap (€m)	38.7
Market Float (%)	28.6%
Daily Volume	696,606
Avg Daily Volume YTD	269,487
Target Price (€)	0.327
Upside (%)	93%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	1Y
Pierrel - Absolute (%)	-8%	-17%	-26%
FTSE Italia Small Cap (%)	-8%	-10%	-12%
1Y Range H/L (€)		0.260	0.160
YTD Change (€)/%		-0.051	-23%

Source: S&P Capital IQ

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Operations and financials meeting guidance and strategy

Trading update: over -25% drop LTM, persisting discount to peers

Pierrel share price dropped 26% over last 12 months, with several ups and downs. Pierrel trades at 2022E EV/Revenues of 2.2x and EV/EBITDA of 13.1x, a discount of, respectively, over 50% and almost 20% to peers.

H1 2022 accounts reflect the ongoing investment cycle and meet management guidance

Revenues in the first six months were €10.8m, stable compared to H1 2021, with greater contribution to sales of Contract Manufacturing BU. Higher operating costs, especially energy, transportation and distribution, together with the planned different mix between CMO and Pharma sales and additional hires to prepare increase of production, influenced the operating results at €1m EBITDA (9% margin vs 17% in H1 2021) and €0.5m net loss (vs €0.7m net income in H1 2021). Net financial debt went up from €13.2m as of year-end 2021 to €16.5m as of June 2022, after €7.4m capital expenditure, mostly in production capacity extension.

Management sees H1 2022 actual figures consistent with their FY22 guidance of €25.2m revenues and €4.2m EBITDA (17% margin). We concur with the view that H1 2021 and H1 2022 breakeven performance, influenced also by expansion costs, is congruous with our mid-term estimates, that we thus confirm.

Target Price €0.327 per share (from €0.348), OUTPERFORM rating confirmed

We believe that Pierrel proven strategy remains on track and that its solid financial profile and growth opportunities may be underappreciated. Our updated valuation reflects operations growth perspective and the related financing needs for the short-term. Our valuation points to a target price of €0.327 per share (from €0.348) reflecting a rising Italian market risk and current outstanding debt. This is a 2022E EV/Revenues of 3.5x and EV/EBITDA of 21x, implying an upside of over 90% on current share price at €0.169. We confirm the OUTPERFORM rating on the stock.

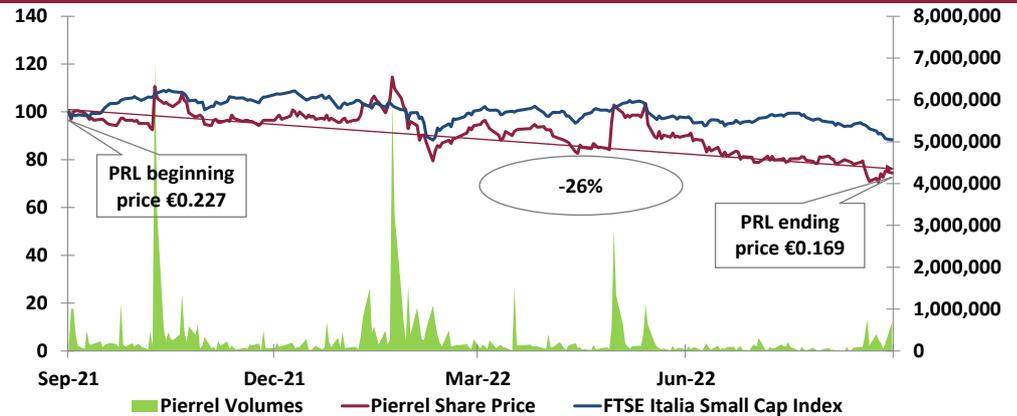
KEY FINANCIALS AND ESTIMATES

€m	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Revenues	20.4	21.9	18.3	23.8	25.2	30.2	39.3
YoY %	18%	8%	-17%	30%	6%	20%	30%
EBITDA	3.3	4.4	3.2	5.6	4.2	6.8	9.7
Margin	16%	20%	17%	23%	17%	22%	25%
EBIT	2.3	3.3	2.0	3.9	1.6	3.6	6.1
Margin	11%	15%	11%	17%	6%	12%	15%
Net Income	0.8	2.3	1.9	2.9	0.8	2.6	4.8
Net (Debt) Cash	(3.7)	(6.8)	(7.8)	(13.2)	(19.7)	(20.5)	(18.4)
Equity	11.3	13.5	15.4	18.4	19.1	21.8	26.6
KEY RATIOS	2018A	2019A	2020A	2021A	2022E	2023E	2024E
TWC/Revenues	13%	13%	27%	10%	9%	13%	13%
Net Debt/EBITDA	1.1x	1.6x	2.5x	2.4x	4.7x	3.0x	1.9x
Cash flow from P&L operations/EBITDA	87%	94%	99%	94%	99%	97%	96%
Operating leverage on EBITDA	3.3x	4.0x	-1.6x	2.5x	-4.2x	3.0x	1.5x
Basic EPS (€)	0.004	0.010	0.008	0.013	0.003	0.012	0.021

Source: Company data 2018-21A, EnVent Research 2022-24E

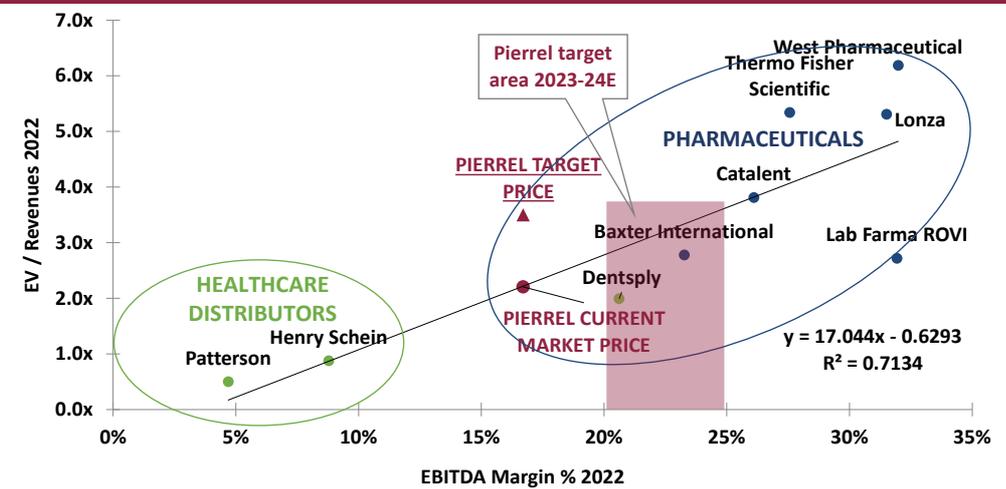
Market update

Pierrel - 1Y Share price performance and trading volumes



Source: EnVent Research on S&P Capital IQ - Note: 27/09/2021=100

Peer group - Regression analysis and Pierrel target positioning



Source: EnVent Research on S&P Capital IQ, 23/09/2022

Investment case

Pierrel is a global supplier of dental anaesthetics and related products, specialized in Contract Manufacturing - CMO of injectable products under their proprietary brands or distributor-branded products. The CMO BU provides manufacturing services of injectable formulations for pharmaceutical companies that outsource their production process. The Pharma BU manages the registration and marketing of proprietary dental anesthetics branded Pierrel, manufactured in-house, as well as the development and marketing of innovative medical devices and new drugs. Pierrel flagship dental anesthetic Orabloc® has, consistently over time, a market share of 23% in the dental anesthetics market based on Articaine in the USA. Pierrel, as one of the largest global producers of Articaine and Lidocaine and the only FDA authorized outside the USA, is a first-choice supplier for North American and international dental products distributors.

Over 70 years in the pharma industry

Production site EMA and FDA approved

Marketing authorizations in over 40 countries

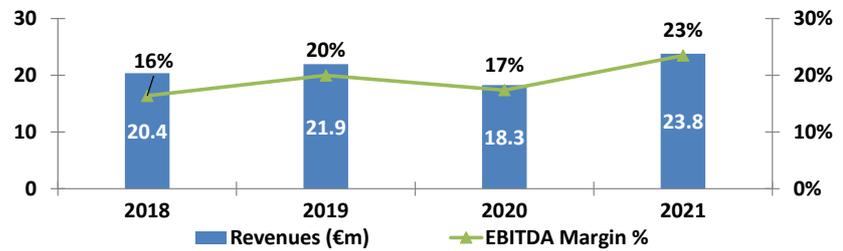
Pierrel’s business model implies top line visibility, driven by sales of large and well-established distributors to end-customers. Major distribution contracts last several years, with an history of recurring and growing orders.

Major targets:

Strategy

- Support demand from the largest global distributors of dental care products through the ongoing investment program
- In the CMO BU growth in the volume of cartridges and new pharmaceutical specialties on the North American market
- In the Pharma BU, growth in sales of Orabloc® through agreements with the largest global US and European dental care distributors; launch of products in new markets (Far East, Middle East, CIS regions, Africa) where marketing authorizations have been already obtained

Historical Revenues and EBITDA



Source: Company data

Industry and Company drivers

- Dental anesthesia market steadily growing, with geographical coverage showing room for growth
- CMO on the rise on the tail of pharma trend, with product efficiency and service quality assurance driving demand
- One-stop full-service provider, with reliable manufacturing capabilities and high product quality combined with strong FDA and EMA record
- Long-term relationships with main industry distributors, leading to high revenue visibility
- Established presence in Europe and USA and potential expansion into countries with rapid growth

Challenges

- Revenue concentration
- Fulfil of production capacity
- Reliance on key suppliers
- Execution delivery risk

Sales breakdown, 2021



Source: Company data

H1 2022 results

Consolidated Profit and Loss

€m	H1 2021	H1 2022
Revenues	10.8	10.8
YoY %	5.7%	0.0%
COGS	(3.9)	(3.7)
Gross profit	6.9	7.1
Margin	64.2%	65.6%
Personnel	(2.9)	(3.5)
G&A	(1.3)	(1.7)
Marketing & sales	(0.3)	(0.4)
Other operating costs	(0.6)	(0.6)
EBITDA	1.9	1.0
Margin	17.3%	9.0%
D&A	(0.7)	(0.9)
EBIT	1.1	0.1
Margin	10%	1%
Interest	(0.3)	(0.6)
EBT	0.8	(0.5)
Margin	7.5%	-4.3%
Income taxes	(0.1)	0.0
Net Income (Loss)	0.7	(0.5)
Margin	6.5%	-4.3%

Source: Company data

Consolidated Balance Sheet

€m	H1 2021	2021	H1 2022
Inventory	3.7	4.1	5.2
Trade receivables	1.0	2.6	1.6
Trade payables	(3.9)	(4.4)	(6.9)
Trade Working Capital	0.8	2.3	(0.1)
Other assets (liabilities)	(3.7)	(3.4)	(4.7)
Net Working Capital	(2.9)	(1.1)	(4.7)
Intangible assets	3.6	3.9	5.7
Property, plant and equipment	16.9	23.6	28.5
Deferred tax assets	5.3	5.3	5.3
Non-current assets	25.7	32.9	39.4
Provisions	(0.3)	(0.3)	(0.3)
Net Invested Capital	22.5	31.5	34.5
Net Debt (Cash)	6.4	13.2	16.5
Equity	16.1	18.4	18.0
Sources	22.5	31.5	34.5

Consolidated Cash Flow

€m	H1 2021	H1 2022
EBIT	1.1	0.1
Current taxes	(0.1)	0.0
D&A	0.7	0.9
Cash flow from P&L operations	1.8	0.9
Trade Working Capital	4.1	2.3
Other assets and liabilities	(1.0)	1.3
Capex	(3.1)	(7.4)
Operating cash flow after WC and capex	1.7	(2.8)
Interest	(0.3)	(0.6)
Capital increase / equity adjustments	0.0	0.1
Net cash flow	1.4	(3.3)
Net (Debt) Cash - Beginning	(7.8)	(13.2)
Net (Debt) Cash - End	(6.4)	(16.5)
Change in Net (Debt) Cash	1.4	(3.3)

Source: Company data

Ratio analysis

KPIs	H1 2021	H1 2022
ROE	7%	10%
ROS (EBIT/Revenues)	10%	1%
DOI	61	87
DSO	15	24
DPO	62	73
TWC/Revenues	4%	0%
NWC/Revenues	-15%	-20%
Net Debt / EBITDA	2.2x	3.5x
Net Debt / Equity	0.3x	0.4x
Cash flow from P&L operations / EBITDA	94%	96%
FCF / EBITDA	90%	neg

Note: H1 KPIs calculated on LTM economics

Business update and period facts

- Pharma BU revenues were €7.2m, 67% of total revenues, -17% vs H1 2021, profitability at 14%; Contract Manufacturing BU revenues were €3.5m, 32% of total revenues, +69% vs H1 2021, profitability at 3%. The different sales mix is evaluated as expected and temporary by management.
- Application for registration of Lidocaine in the USA (€1.7m investment)
- The ongoing investment program to expand the production capacity has been carried forward in H1 2022 investing roughly additional €5m

Investment program update

Financial projections

Profit and Loss							
€m	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Revenues	20.4	21.9	18.3	23.8	25.2	30.2	39.3
YoY %	18%	8%	-17%	30%	6%	20%	30%
COGS	(7.4)	(7.6)	(5.9)	(7.6)	(8.8)	(9.7)	(13.0)
Gross profit	12.9	14.4	12.4	16.1	16.4	20.6	26.3
Margin	63.5%	65.5%	67.8%	67.9%	65.0%	68.0%	67.0%
Personnel	(5.8)	(6.1)	(5.5)	(6.5)	(7.4)	(8.6)	(9.4)
G&A	(2.6)	(2.5)	(2.7)	(2.7)	(3.0)	(3.3)	(3.7)
Marketing & sales	(0.5)	(0.6)	(0.5)	(0.6)	(0.8)	(0.9)	(2.0)
Other operating costs	(0.7)	(0.8)	(0.5)	(0.8)	(1.0)	(1.0)	(1.5)
EBITDA	3.3	4.4	3.2	5.6	4.2	6.8	9.7
Margin	16.4%	20.0%	17.4%	23.5%	16.7%	22.4%	24.8%
D&A	(1.0)	(1.1)	(1.2)	(1.6)	(2.6)	(3.1)	(3.6)
EBIT	2.3	3.3	2.0	3.9	1.6	3.6	6.1
Margin	11.2%	14.9%	10.8%	16.6%	6.2%	12.0%	15.5%
Interest	(0.9)	(0.8)	(0.0)	(0.7)	(0.7)	(0.7)	(0.8)
Non-recurring items	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0
EBT	1.1	2.5	1.9	3.2	0.8	2.9	5.3
Margin	5.5%	11.3%	10.6%	13.6%	3.3%	9.6%	13.4%
Income taxes	(0.3)	(0.2)	(0.0)	(0.3)	(0.1)	(0.3)	(0.5)
Net Income	0.8	2.3	1.9	2.9	0.8	2.6	4.8
Margin	4.2%	10.3%	10.4%	12.4%	3.0%	8.8%	12.2%

Source: Company data 2018-21A, EnVent Research 2022-24E - Note: consolidated figures until 2021A

Balance Sheet							
€m	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Inventory	3.8	3.3	4.1	4.1	4.1	4.6	5.9
Trade receivables	3.3	2.4	3.7	2.6	2.8	3.4	4.4
Trade payables	(4.5)	(3.0)	(2.8)	(4.4)	(4.7)	(4.0)	(5.0)
Trade Working Capital	2.6	2.8	4.9	2.3	2.2	3.9	5.3
Other assets (liabilities)	(4.0)	(2.4)	(4.7)	(3.4)	(3.4)	(3.4)	(3.4)
Net Working Capital	(1.4)	0.3	0.2	(1.1)	(1.1)	0.6	1.9
Intangible assets	2.0	2.3	3.2	3.9	4.4	4.5	4.5
Property, plant and equipment	9.5	12.7	14.9	23.6	30.6	32.3	33.7
Deferred tax assets	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Non-current assets	16.8	20.3	23.3	32.9	40.2	42.1	43.5
Provisions	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)
Net Invested Capital	15.0	20.3	23.2	31.5	38.8	42.3	44.9
Net Debt (Cash)	3.7	6.8	7.8	13.2	19.7	20.5	18.4
Equity	11.3	13.5	15.4	18.4	19.1	21.8	26.6
Sources	15.0	20.3	23.2	31.5	38.8	42.3	44.9

Source: Company data 2018-21A, EnVent Research 2022-24E - Note: consolidated figures until 2021A

Cash Flow							
€m	2018A	2019A	2020A	2021A	2022E	2023E	2024E
EBIT	2.3	3.3	2.0	3.9	1.6	3.6	6.1
Current taxes	(0.3)	(0.2)	(0.0)	(0.3)	(0.1)	(0.3)	(0.5)
D&A	1.0	1.1	1.2	1.6	2.6	3.1	3.6
Provisions	(0.2)	(0.0)	(0.0)	(0.0)	0.0	0.1	0.0
Cash flow from P&L operations	2.9	4.1	3.1	5.3	4.2	6.6	9.3
Trade Working Capital	(1.4)	(0.2)	(2.2)	2.6	0.1	(1.7)	(1.3)
Other assets and liabilities	(0.0)	(1.6)	2.3	(1.4)	0.0	0.0	0.0
Capex	(0.8)	(4.6)	(4.2)	(11.2)	(10.0)	(5.0)	(5.0)
Operating cash flow after WC and capex	0.7	(2.2)	(1.0)	(4.7)	(5.8)	(0.1)	3.0
Interest	(0.9)	(0.8)	(0.0)	(0.7)	(0.7)	(0.7)	(0.8)
Non-recurring items	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0
Capital increase / equity adjustments	8.2	(0.1)	0.0	0.0	0.0	0.0	0.0
Net cash flow	7.8	(3.1)	(1.0)	(5.3)	(6.5)	(0.9)	2.2
Net (Debt) Cash - Beginning	(11.4)	(3.7)	(6.8)	(7.8)	(13.2)	(19.7)	(20.5)
Net (Debt) Cash - End	(3.7)	(6.8)	(7.8)	(13.2)	(19.7)	(20.5)	(18.4)
Change in Net (Debt) Cash	7.8	(3.1)	(1.0)	(5.3)	(6.5)	(0.9)	2.2

Source: Company data 2018-21A, EnVent Research 2022-24E

Ratio analysis							
KPIs	2018A	2019A	2020A	2021A	2022E	2023E	2024E
ROE	7%	17%	12%	16%	4%	12%	18%
ROS (EBIT/Revenues)	11%	15%	11%	17%	6%	12%	15%
ROIC (NOPAT/Invested Capital)	11%	11%	6%	9%	3%	6%	10%
DSO	49	33	60	33	33	33	33
DPO	nm	55	62	58	60	60	60
DOI	68	56	81	60	60	55	55
TWC/Revenues	13%	13%	27%	10%	9%	13%	13%
NWC/Revenues	-7%	1%	1%	-4%	-4%	2%	5%
Net Debt/EBITDA	1.1x	1.6x	2.5x	2.4x	4.7x	3.0x	1.9x
Cash flow from P&L operations/EBITDA	87%	94%	99%	94%	99%	97%	96%
FCF/EBITDA	21%	neg	neg	neg	neg	neg	31%
Degree of operating leverage on EBITDA	3.3x	4.0x	-1.6x	2.5x	-4.2x	3.0x	1.5x
Degree of operating leverage on EBIT	7.3x	5.6x	-2.4x	3.3x	-10.2x	6.6x	2.3x
Basic EPS (€)	0.004	0.010	0.008	0.013	0.003	0.012	0.021

Source: Company data 2018-21A, EnVent Research 2022-24E

Valuation

We have updated our valuation through DCF and market multiples.

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.5% (Italian 10-year government bonds interest rate - last 30 days average. Source: Bloomberg, September 2022)
- Market return: 13% (last 30 days average. Source: Bloomberg, September 2022)
- Market risk premium: 9.5%
- Beta: 0.85 (Median of industry peers. Source: Bloomberg, September 2022)
- Cost of equity: 11.6%
- Cost of debt: 3.0%

- Tax rate: 24% IRES
- 45% debt/(debt + equity)
- WACC calculated at 7.4%, according to above data
- Perpetual growth rate after explicit projections (G): 3%
- Terminal Value assumes EBITDA margin at 22.5%

DCF Valuation

€m	2018A	2019A	2020A	2021A	2022E	2023E	2024E	Perpetuity
Revenues	20.4	21.9	18.3	23.8	25.2	30.2	39.3	40.5
EBITDA	3.3	4.4	3.2	5.6	4.2	6.8	9.7	9.1
<i>Margin</i>	<i>16.4%</i>	<i>20.0%</i>	<i>17.4%</i>	<i>23.5%</i>	<i>16.7%</i>	<i>22.4%</i>	<i>24.8%</i>	<i>22.5%</i>
EBIT	2.3	3.3	2.0	3.9	1.6	3.6	6.1	8.1
<i>Margin</i>	<i>11.2%</i>	<i>14.9%</i>	<i>10.8%</i>	<i>16.6%</i>	<i>6.2%</i>	<i>12.0%</i>	<i>15.5%</i>	<i>20.0%</i>
Taxes	(0.7)	(0.9)	(0.6)	(1.1)	(0.5)	(1.1)	(1.8)	(2.3)
NOPAT	1.6	2.3	1.4	2.8	1.1	2.6	4.3	5.8
D&A	1.0	1.1	1.2	1.6	2.6	3.1	3.6	1.0
Provisions	(0.2)	(0.0)	(0.0)	(0.0)	0.0	0.1	0.0	0.0
Cash flow from P&L operations	2.5	3.4	2.6	4.4	3.8	5.8	8.0	6.8
Trade Working Capital	(1.4)	(0.2)	(2.2)	2.6	0.1	(1.7)	(1.3)	(1.0)
Other assets and liabilities	(0.0)	(1.6)	2.3	(1.4)	0.0	0.0	0.0	0.0
Capex	(0.8)	(4.6)	(4.2)	(11.2)	(10.0)	(5.0)	(5.0)	(1.0)
Yearly unlevered free cash flow	0.3	(3.0)	(1.5)	(5.5)	(6.1)	(0.9)	1.7	4.8
- H1 unlevered free cash flow					2.9			
Free cash Flow to be discounted					(3.3)	(0.9)	1.7	4.8
WACC	7.4%							
Long-term growth (G)	3.0%							
Discounted Cash Flows					(3.1)	(0.8)	1.4	
Sum of Discounted Cash Flows	(2.6)							
Terminal Value								108.9
Discounted TV	91.0							
Enterprise Value	88.4							
Net Debt as of 30/06/22	(16.5)							
Short-term tax relief	2.8							
Equity Value	74.7							
Equity Value per share (€)	0.327							

DCF - Implied multiples	2018A	2019A	2020A	2021A	2022E	2023E	2024E
EV/Revenues	4.3x	4.0x	4.8x	3.7x	3.5x	2.9x	2.2x
EV/EBITDA	26.5x	20.2x	27.9x	15.8x	21.0x	13.1x	9.1x
EV/EBIT	38.7x	27.0x	44.8x	22.4x	56.3x	24.4x	14.5x
P/E	88.4x	33.2x	39.3x	25.4x	98.8x	28.2x	15.6x
Discount of current valuation vs DCF	38%						
Current market price - Implied multiples	2018A	2019A	2020A	2021A	2022E	2023E	2024E
EV/Revenues	2.7x	2.5x	3.0x	2.3x	2.2x	1.8x	1.4x
EV/EBITDA	16.6x	12.6x	17.4x	9.9x	13.1x	8.2x	5.7x
EV/EBIT	24.1x	16.8x	27.9x	14.0x	35.1x	15.2x	9.1x
P/E	45.7x	17.2x	20.3x	13.2x	51.1x	14.6x	8.1x

Source: EnVent Research

Market multiples

We have applied to our 2022-23 estimates EV/Revenues and EV/EBITDA of the Core business peer group, using the median figure from 2Y analyst consensus.

Company	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E		
	2021	2022E	2023E	2021	2022E	2023E	2021	2022E	2023E	2021	2022E	2023E
Core business peers												
Lonza	10.4x	5.3x	4.7x	46.4x	16.9x	14.6x	66.5x	23.4x	20.0x	19.2x	29.4x	24.8x
Catalent	6.3x	3.8x	3.4x	26.4x	14.6x	12.7x	37.8x	18.4x	16.3x	39.1x	21.4x	19.9x
West Pharmaceutical	12.1x	6.2x	5.8x	38.7x	19.4x	17.9x	44.9x	22.4x	20.7x	52.5x	27.2x	25.9x
Lab Farma ROVI	6.3x	2.7x	2.6x	20.8x	8.5x	8.6x	22.6x	9.4x	9.5x	27.0x	12.2x	12.2x
Baxter International	4.6x	2.8x	2.7x	19.6x	11.9x	11.3x	27.9x	16.1x	14.9x	33.5x	15.1x	14.3x
Thermo Fisher Scientific	7.5x	5.3x	5.2x	23.0x	19.4x	18.6x	28.8x	21.2x	20.5x	34.0x	22.5x	21.5x
Mean	7.9x	4.4x	4.1x	29.1x	15.1x	13.9x	38.1x	18.5x	17.0x	34.2x	21.3x	19.7x
Median	6.9x	4.6x	4.1x	24.7x	15.7x	13.6x	33.3x	19.8x	18.1x	33.8x	21.9x	20.7x
Customers/Distributors												
Patterson	0.6x	0.5x	0.5x	12.4x	10.7x	8.6x	17.0x	12.0x	9.9x	19.5x	12.7x	11.0x
Henry Schein	1.1x	0.9x	0.8x	12.3x	10.0x	9.5x	15.4x	12.2x	11.6x	16.9x	13.7x	12.9x
Dentsply	3.3x	2.0x	1.9x	14.3x	9.7x	8.9x	22.1x	11.4x	10.3x	29.0x	12.4x	11.3x
Mean	1.7x	1.1x	1.1x	13.0x	10.1x	9.0x	18.1x	11.9x	10.6x	21.8x	12.9x	11.7x
Median	1.1x	0.9x	0.8x	12.4x	10.0x	8.9x	17.0x	12.0x	10.3x	19.5x	12.7x	11.3x
Pierrel	2.7x	2.2x	1.8x	11.4x	13.2x	8.2x	16.1x	35.4x	15.3x	17.1x	51.7x	14.8x
Discount on median	-61%	-52%	-55%	-54%	-16%	-40%	-52%	79%	-16%	-49%	136%	-29%

Source: EnVent Research on S&P Capital IQ, 23/09/2022

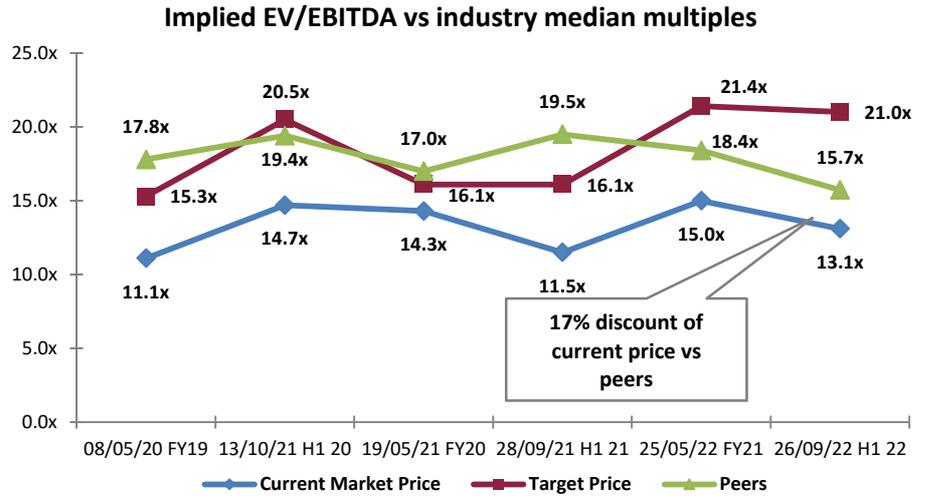
Multiples application

€m							
Multiples Valuation			Multiple	EV	Net Debt	Equity Value	
2022E Revenues	25.2	Median	4.6x	114.9	(16.5)	98.4	
2023E Revenues	30.2	Median	4.1x	122.8	(16.5)	106.3	
Mean				118.9		102.4	
2022E EBITDA	4.2	Median	15.7x	66.2	(16.5)	49.7	
2023E EBITDA	6.8	Median	13.6x	92.4	(16.5)	75.9	
Mean				79.3		62.8	

Source: EnVent Research

As advisable in a framework of financial instability on a global scale, and given the wide range coming from multiples application, we rely primarily on the outcome of the analytical valuation.

Target Price



Source: EnVent Research on S&P Capital IQ, 26/09/2022

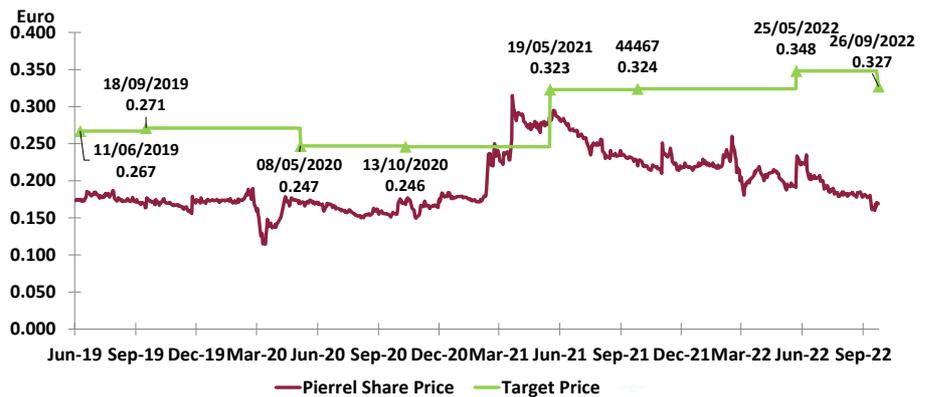
The updated DCF valuation yields a Target Price of €0.327 per share, from €0.348 of our last note, implying a 93% potential upside on current price. We confirm the OUTPERFORM rating on the stock.

Please refer to important disclosures at the end of this report.

Pierrel Price per Share	€
Target Price	0.327
Current Share Price (26/09/2022)	0.169
Premium (Discount)	93%

Source: EnVent Research

Pierrel Share Price vs EnVent Target Price



Source: EnVent Research, 26/09/2022

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Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks are among the least attractive in a peer group, with the target price 10% below the current market price;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

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The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 26/09/2022 h. 6.35pm

Date and time of Distribution: 26/09/2022 h. 6.40pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
13/09/2018	NOT RATED	n.a.	0.154
11/06/2019	OUTPERFORM	0.267	0.175
18/09/2019	OUTPERFORM	0.271	0.164
08/05/2020	OUTPERFORM	0.247	0.170
13/10/2020	OUTPERFORM	0.246	0.286
19/05/2021	NEUTRAL	0.323	0.281
28/09/2021	OUTPERFORM	0.324	0.220
25/05/2022	OUTPERFORM	0.348	0.218
26/09/2022	OUTPERFORM	0.327	0.169

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Number of companies covered:	21	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
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