

Company: **Nusco S.p.A.** Rating: **BUY** Target Price: **€2.2**

Sector: **Building Products**

## Outperforming and expansion in a slowing sector

October 18<sup>th</sup>, 2024 at 18:00

### Leading Italian manufacturer of Doors and Windows

Nusco S.p.A., headquartered in Nola (NA), is a prominent Italian manufacturer with over 60 years of expertise in producing and marketing interior doors and window frames across a range of materials, including wood, PVC, aluminum and iron, under the "NUSCO" brand. As the parent company of the Nusco Group, which also includes the Romanian subsidiary Pinum Doors & Windows S.r.l., Nusco holds a leading position in central and southern Italy. The Company operates through two core Business Units (BUs): the Doors BU, which produces and markets a variety of doors, including armored options, and the Windows BU, which focuses on windows, shutters and iron grilles. Nusco's diverse customer base includes construction companies, franchisees, authorized multi-brand resellers and private customers.

### 11% historical EBITDA margin and low debt; No slowdown in 1H24

After a significant surge in 2021-22, the sector is now experiencing a slowdown, with flat or potentially negative growth anticipated in the coming years. Nevertheless, Nusco is strategically positioned to outperform the broader Italian market, as demonstrated by its robust performance relative to competitors in 2023 and its strong results in 1H24. The Company's strategy focuses on strengthening its domestic presence while exploring opportunities for international expansion. In 1H24, Nusco achieved an 8.2% yoy increase in revenue, driven by organic growth, particularly in the Windows BU, which saw a 14.1% rise. EBITDA surged by 36.6% to €4.0mln, leading to a margin improvement of 310bps to 15.0% reflecting significant improvements in cost efficiency. From 2019 to 2023, Nusco experienced a robust CAGR of 30.7% for revenue and 27.9% for EBITDA, with an average margin of 10.9%. By the end of June, adj. Net Debt was recorded at €9.6mln, with the Net Debt/EBITDA ratio projected to improve to 1.1x by year-end, down from a historical average of 1.7x.

### FY24-26E: EBITDA CAGR at 16.7% fueled by margin expansion

Our FY24-26E projections indicate a 7.3% CAGR in production value. We anticipate the high-margin Windows BU to close the gap with the Doors BU, achieving near parity by 2026, with the Windows segment projected to account for 49% of total production value. EBITDA is projected to grow at a 16.7% CAGR, reaching €11.5mln by FY26, with margins improving to 16.5%. This expansion will be driven by ongoing cost rationalization initiatives, which are already evident in the 1H24 results, along with continued efforts to secure more favorable supply pricing without compromising product quality. CapEx is projected at €5.0mln, mainly in FY25E and FY26E, supported by a €3.7mln subsidy from the Italian Ministero delle Imprese e del Made in Italy. The funds will be used for renovating the PVC window frame production line, installing two automated vertical warehouses and digitizing the order management system to improve efficiency. Barring any extraordinary transactions, we anticipate a stable adj. Net Debt position (~1.0x EBITDA), underpinned by solid cash generation and continued efficient working capital management.

### Valuation: BUY; 12-month TP at €2.2/share

Our DCF estimates project cumulative FCFs of €17.4mln for 2025-28E and a WACC of 9.6%. The Terminal Value, derived using the average FCF over this period and a perpetual growth rate of 2%, is estimated at €57.6mln. These inputs yield a DCF-derived fair value of €2.2/share. For the relative valuation, the peer group's median EV/EBITDA multiple for FY25E is 5.0x, significantly higher than Nusco's current trading multiple of 2.8x (as of October 14<sup>th</sup>, 2024), leading to a fair value of €2.1/share. By averaging the DCF and market multiples approaches, we establish a 12-month Target Price (TP) at €2.2 per share. Given the significant upside potential from Nusco's current price, we initiate coverage with a BUY recommendation.

Company Profile				
Bloomberg	NUS IM			
FactSet	NUS-IT			
Stock exchange	Italian Stock Exchange			
Reference Index	FTSE Italia Growth Index			
Market Data				
Price (as of October 14 <sup>th</sup> , 2024)	€ 0.97			
Number of shares (mln)	19.9			
Market cap. (mln)	€ 19.3			
1-Year Performance				
Absolute	13.0%			
Max/Min	1.27/0.69			
(€/mln)	FY23	FY24E	FY25E	FY26E
<b>Value of Production</b>	<b>56.6</b>	<b>60.7</b>	<b>65.0</b>	<b>69.9</b>
<i>yoy</i>	<i>39.5%</i>	<i>7.3%</i>	<i>7.2%</i>	<i>7.4%</i>
<b>Adj. EBITDA</b>	<b>7.2</b>	<b>9.0</b>	<b>10.3</b>	<b>11.5</b>
<i>Adj. EBITDA margin</i>	<i>12.8%</i>	<i>14.9%</i>	<i>15.8%</i>	<i>16.5%</i>
<b>EBIT</b>	<b>4.3</b>	<b>6.4</b>	<b>7.6</b>	<b>8.6</b>
<i>EBIT margin</i>	<i>7.7%</i>	<i>10.5%</i>	<i>11.6%</i>	<i>12.3%</i>
<b>Net Income</b>	<b>2.2</b>	<b>3.2</b>	<b>3.9</b>	<b>4.5</b>
<i>Net Profit margin</i>	<i>3.9%</i>	<i>5.3%</i>	<i>6.0%</i>	<i>6.5%</i>
<b>Adj. Net Debt (Cash)</b>	<b>9.0</b>	<b>9.5</b>	<b>10.1</b>	<b>10.6</b>
Shareholders' equity	25.6	29.0	29.7	30.3
Net Operating Working Capital	16.5	18.1	19.1	20.4
CapEx	0.9	0.3	2.8	2.0
<b>Free Cash Flow</b>	<b>2.6</b>	<b>4.1</b>	<b>2.8</b>	<b>4.2</b>



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## SWOT analysis

### STRENGTHS

- Strong market position in central and southern Italy
- Geographical diversification
- A broad product portfolio
- Broad-based organic growth across all sales channels
- Low debt

### WEAKNESSES

- High exposure to raw material costs
- High financing costs due to current interest rate environment

### OPPORTUNITY

- Green and sustainable building trends
- Technological advancements
- International expansion
- M&A or strategic partnerships

### THREATS

- Intensified competition
- Economic downturns
- Currency fluctuations

## Contents

SWOT analysis .....	2
The reference industry .....	4
The construction sector in Italy .....	4
The window and curtain wall market in Italy .....	5
Competitive arena .....	12
History, structure and people .....	15
Company's evolution .....	15
Group structure .....	16
Key people .....	17
Nusco Business Model .....	19
Factory and production process .....	19
Customer base .....	20
Suppliers .....	21
Product range .....	22
Historical financial performance .....	25
Main operating and financial data FY19-1H24 .....	25
2024E-26E Strategy and Estimates .....	33
Strategic guidelines .....	33
Our FY24E-26E estimates .....	34
Key Risk .....	41
Valuation .....	43
DCF valuation .....	43
Market multiples .....	44
Disclaimer .....	47

## The reference industry

### Nusco at a glance

Nusco S.p.A., based in Nola (NA), is a leading Italian company with over 60 years of experience in producing and marketing interior doors and window frames in wood, PVC, aluminium and iron under the "NUSCO" brand. As the parent company of the Nusco Group, which includes the Romanian subsidiary Pinum Doors & Windows S.r.l., Nusco is a market leader in central and southern Italy. The Company operates through two Business Units (here on "BU"): the Doors BU, responsible for producing and marketing doors, including armored options, and the Windows BU, focused on windows, shutters and iron grilles. Nusco serves a diverse clientele, including construction companies, franchisees, authorized multi-brand resellers and private customers.

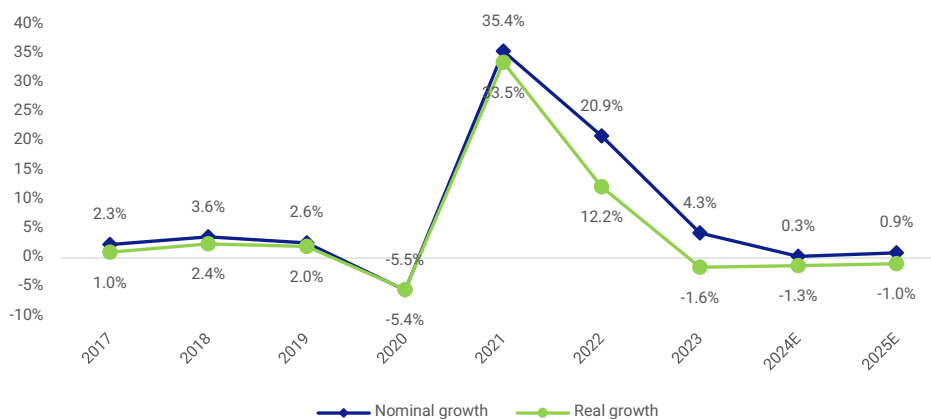
### The construction sector in Italy

The primary driver of the door and window industry is the construction sector. Key factors influencing demand include new construction projects, renovations or upgrades of existing housing and the replacement of windows and doors.

### Construction sector growth slows to 4.3% in 2023

According to UNICMI<sup>1</sup>, in 2023, the construction sector experienced a sharp slowdown compared to the robust growth of 2021-22. Despite this, the sector still achieved a growth rate of 4.3%, driven by increased infrastructure investments and the continued strength of the residential renovation segment, supported by tax incentives. Looking ahead, a moderately positive outlook is anticipated for 2024-25, with growth primarily fueled by public infrastructure projects and new non-residential construction.

Figure 1: Construction sector growth, 2017-25E



Source: UNICMI (July 2024), *Il mercato dell'involucro edilizio*

### Italian construction sector to hit €178bn in 2024

UNICMI projects the total value of the Italian construction sector to €178bn in 2024, with the residential segment commanding €116bn (-2.8% yoy) and non-residential contributing €62bn (+2.8% yoy).

This breakdown highlights the ongoing significance of the residential segment, which continues to exert substantial influence, representing around 65% of the overall market. However, as tax incentives are scaled back, growth in the residential segment is likely to taper off. In contrast, the non-residential sector is expected to benefit from robust investment, particularly in public buildings, advanced tertiary developments and logistics infrastructure. These areas are poised to offset some of the residential slowdown, providing a more balanced growth outlook for the sector in the coming years.

<sup>1</sup> Unione Nazionale delle Industrie delle Costruzioni Metalliche dell'Involucro e dei Serramenti

Figure 2: Residential construction investment trend 2017-25E (%)

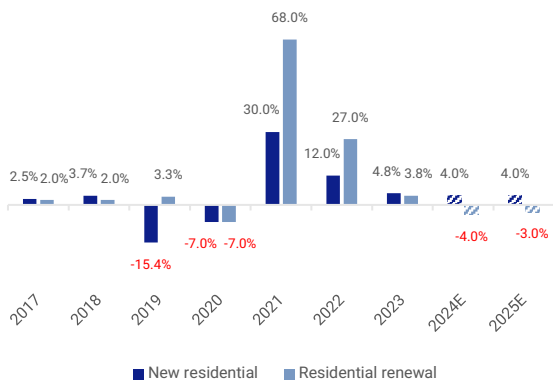
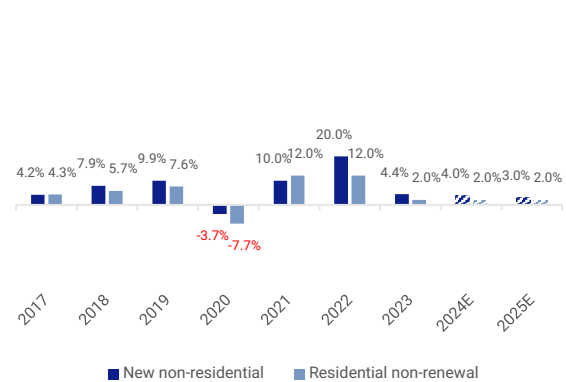


Figure 3: Non-residential construction investment trend 2017-25E (%)



Source: UNICMI (July 2024), Il mercato dell'involucro edilizio

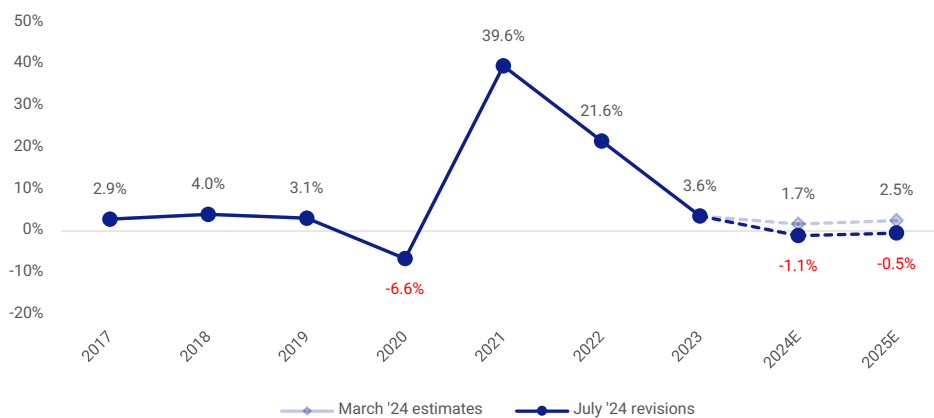
Within this broader landscape, the window and façades market is expected to reach €7.7bn, reflecting a split of €5.1bn for residential and €2.6bn for non-residential properties. Notably, the residential market remains heavily driven by renovations (€4.4bn), while new constructions account for just €0.7bn. In the non-residential sector, renovations are similarly dominant at €1.8bn, with €0.7bn tied to new builds.

### The window and curtain wall market in Italy

**Sector faces slowdown, with revised growth projections**

In 2023, the Italian window and curtain wall sector experienced a sharp slowdown compared to the robust growth seen in 2021-22. Despite this, the sector still posted positive growth of 3.6%. Demand for windows and doors in the residential sector surpassed €5bn, while demand in the non-residential sector, including windows, doors and facades, exceeded €2.5bn. In March, recognizing the slowdown primarily caused by the expiration of fiscal incentives, the Economic Studies Office of UNICMI projected modest nominal growth for the next two years, 1.7% in 2024 and 2.5% in 2025, while noting that inflation would likely erode incremental demand. However, by July, UNICMI revised its forecasts, now predicting a negative outlook: a contraction of 1.1% in 2024, followed by a slight improvement in 2025, though still a decline of 0.5%.

Figure 4: Nominal revenue growth trend in fixture and curtain wall sector 2017-25E

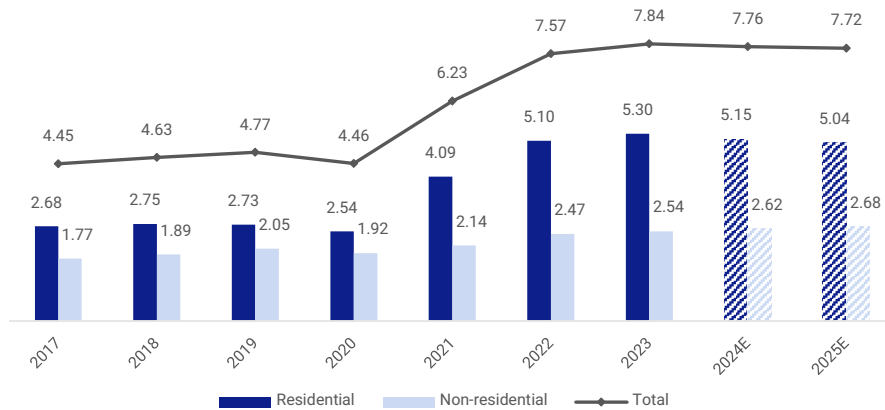


Source: UNICMI (July 2024), Il mercato dell'involucro edilizio

**Revised demand forecasts: residential sees decline, non-residential remains stable**

The downward revision is primarily due to lower demand forecasts in the residential sector, which is now expected to decline from the level reached in 2023. The new estimates project €5,146mIn in 2024, a 4.2% decrease from the March estimate of €5,373mIn, and €5,043mIn in 2025, an 8.2% drop from the previous estimate of €5,495mIn. Conversely, the non-residential sector estimates remain largely unchanged, with €2,615mIn forecasted for 2024, a slight 0.4% increase from the March estimate of €2,604mIn, and €2,679mIn for 2025, matching the March estimate.

**Figure 5: Demand for fixtures and curtain walls 2017-25E (€/bn)**

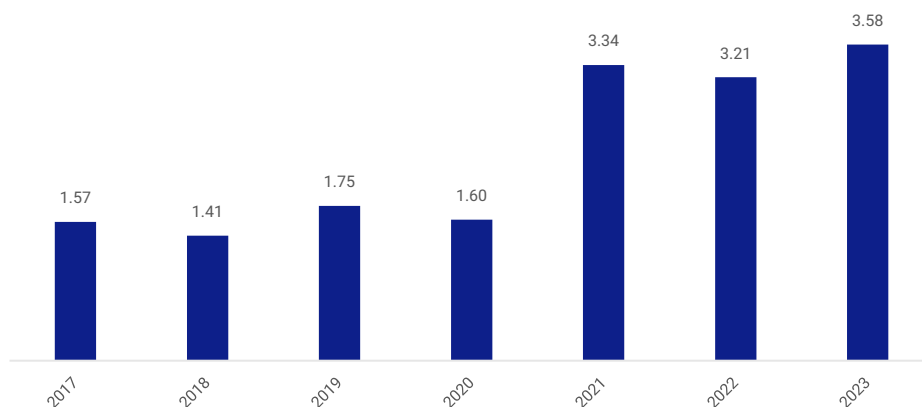


Source: UNICMI (July 2024), Il mercato dell'involucro edilizio

**Tax incentives drive record demand in 2023**

Provisional projections for 2023 indicate that tax incentives for energy-efficient building upgrades have significantly bolstered demand for windows and doors, generating a turnover of €3.576bn in a total market valued at just under €8bn. This marks the highest revenue achieved since the introduction of initial incentives for these products. Notably, these figures do not account for the "Superbonus condomini," which exerts a substantial influence on demand. As the tax incentive landscape evolves, a recalibration of demand is expected; however, this adjustment can only be partially offset by growth driven by overall economic performance.

**Figure 6: Demand for windows and doors generated by tax incentives 2017-23 (€/bn)**



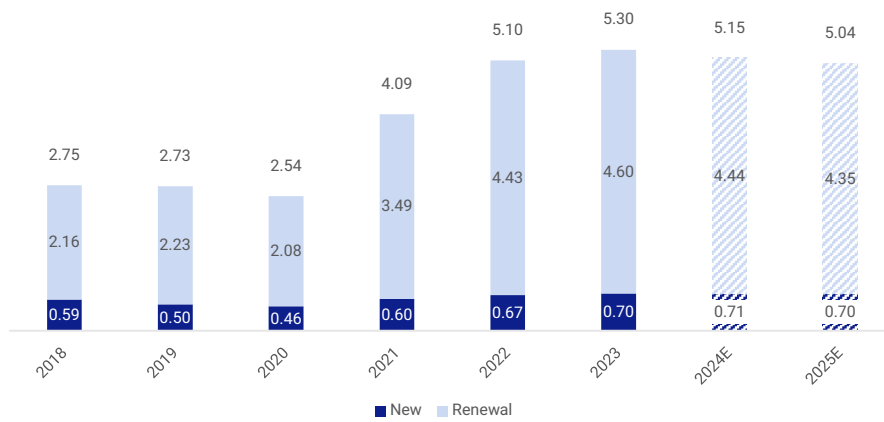
Source: UNICMI (March 2024), Rapporto sul mercato dell'involucro edilizio

**Renewal demand dominates in residential**

In the residential segment, the renewal market dominated demand for windows and doors in 2023, generating €4,598mIn, while the new construction segment contributed only €704mIn. Over the next two years, a gradual decline in units sold within the renewal market is expected,

with the latest estimates projecting €4,436mIn in 2024, a 3.5% yoy decrease, and €4,347mIn in 2025, a further 2.0% decline.

**Figure 7: Demand for fixtures and curtain walls in Residential - New and Renewal 2018-25E (€/bn)**



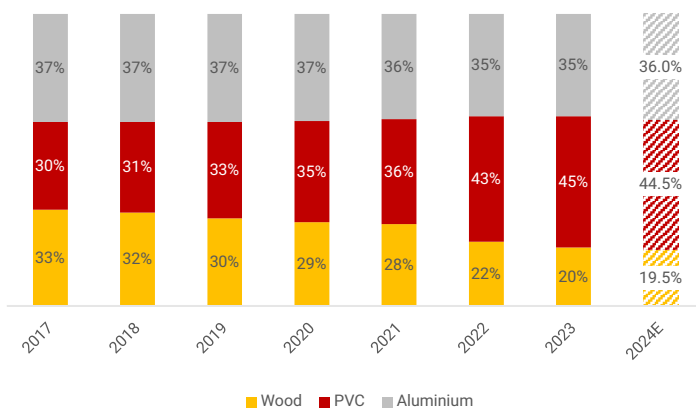
Source: UNICMI (July 2024), Il mercato dell'involucro edilizio

**PVC dominates window and door market as aluminum gains traction**

The market dynamics surrounding the three primary materials, aluminum, wood, and PVC, used in window and door production (excluding curtain walls), has led to a progressive increase in the share of PVC windows and doors that reach a value of 45% of the market in 2023. Looking ahead, wooden windows are projected to maintain a steady 20% market share, while aluminum windows and doors are expected to experience growth in 2024. This growth is fueled by major Italian PVC manufacturers' increasing adoption of aluminum, alongside robust demand in the non-residential and new residential construction sectors, areas where aluminum is traditionally preferred. Additionally, aluminum's rising popularity in the premium segment for both new builds and renovations further supports this trend.

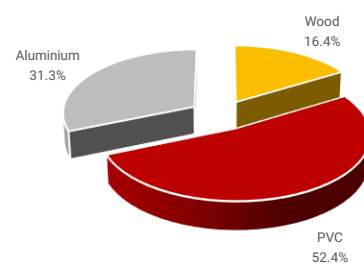
Volume analysis corroborates these findings, revealing that PVC windows and doors lead the market with a 52% share of total units sold in 2023, followed by aluminum windows at 31% and wooden windows at approximately 16%.

**Figure 8: Market share trends (by value) in Italy's window and door industry 2017-24E**



Source: UNICMI (July 2024), Il mercato dell'involucro edilizio

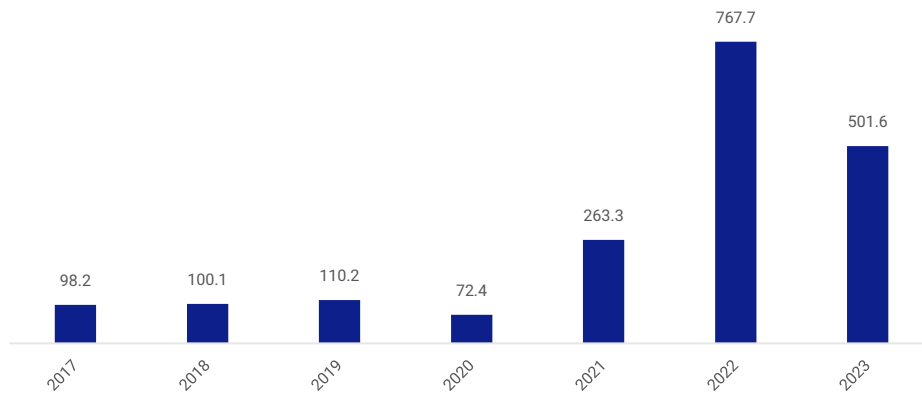
**Figure 9: 2023 market share (by units sold) in Italy's window and door industry**



**PVC fixtures imports**

Imports of PVC windows and doors continue to grow at record rates. In 2022 imports reached a record value of €767mIn, in 2023 imports dropped to €501mIn, however these are provisional figures, subject to revision (certainly increasing) when ISTAT will be in possession of the complete information.

Figure 10: Imports of PVC frames 2017-23 (€/mln)



Source: UNICMI (July 2024), Il mercato dell'involucro edilizio

**Poland is the top importer**

Main exporting countries are Poland, Austria and Germany. Poland recorded the most significant long-term growth, with a 2016-23 CAGR of 33.72%. Imports are calculated on wholesale prices, therefore, UNICMI suggests that this value needs to be multiplied by about 2.5 to get an idea of the actual impact that imports have on the total (installed) value of the Italian market. We can estimate the impact on market value (final retail price of installed windows and doors) at about €1,919mln in 2022 (2.5\*€767.7mln), equal to about 38% of the total value of the window and door market in the residential sector (€5,102mln in 2022).

Figure 11: Top importers of PVC frames 2017-23 (€/mln)

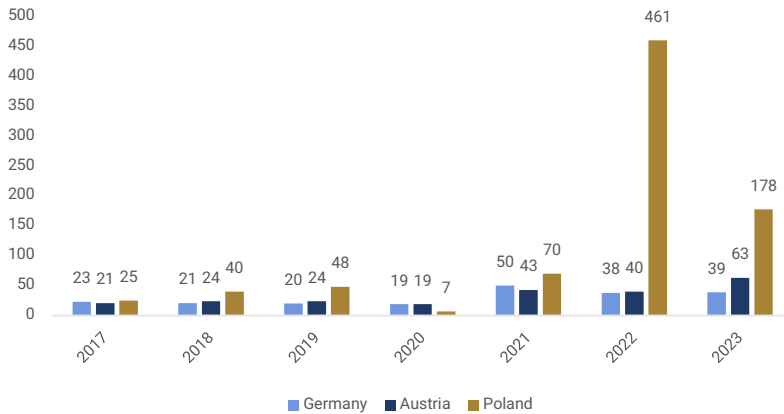


Table 1: Average growth rates of PVC frame imports by country

2016 – 23 CAGR	
Poland	33.72%
Austria	18.59%
Germany	10.80%

Source: UNICMI (March 2024), Rapporto sul mercato dell'involucro edilizio

**Metal windows and doors market on an upward trend**

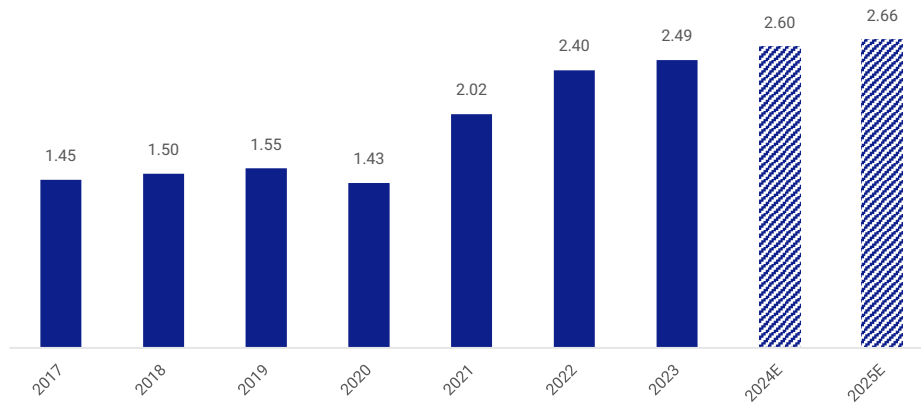
The Italian market for metal windows and doors continues to exhibit a growth trajectory, with a 3.6% increase in 2023, resulting in a turnover of €2.49bn.

This upward trend is expected to persist over the next two years, with projected growth rates of 4.5% in 2024 and 2.4% in 2025, pushing the market value for metal windows and doors beyond €2.6bn.

Notably, aluminum is anticipated to outpace the overall growth of the window and door sector in 2024, thereby enhancing its market share in both residential and non-residential segments.



Figure 12: Market value of metal windows and doors in Italy 2017-25E (€/bn)



Source: UNICMI (March 2024), Rapporto sul mercato dell'involucro edilizio

**Residential sales drive metal fixture and curtain wall sector**

For companies in the metal fixture and curtain wall sector, the majority of turnover is represented by sales in the residential channel, which alone accounts for 56.4% of total sales. In particular, the residential renewal segment accounts for 39.2%, followed by the new residential segment with 17.2% of total sales.

Overall, the replacement segment (residential, commercial and tertiary) accounts for about 52% of sales, confirming the segment's leading role in sales.

In 2023 the reference customers are private individuals, who purchase directly (36.3%) and indirectly through showrooms (18.2%), followed by large companies (24.4%).

Figure 13: 2023 sales breakdown by market segment

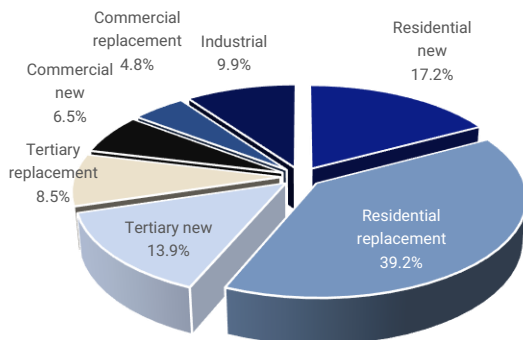
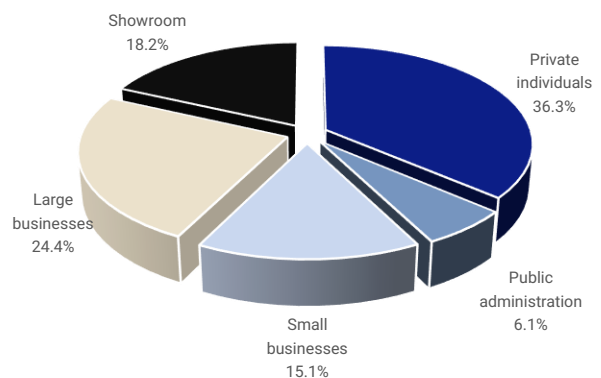


Figure 14: 2023 sales breakdown by customer type

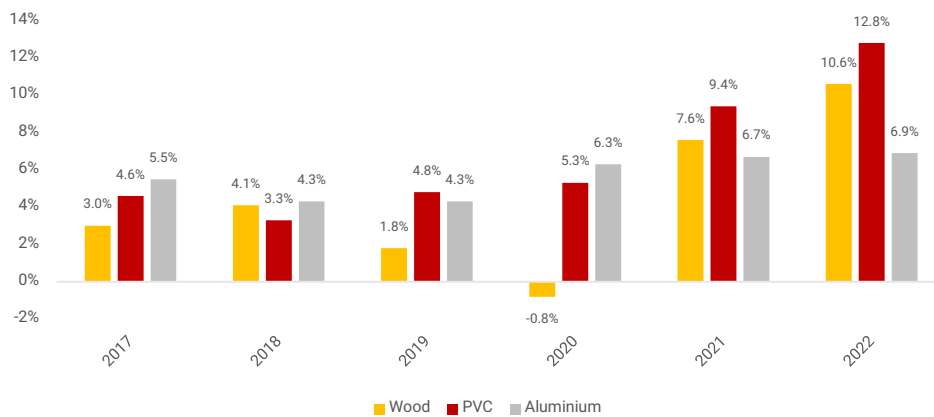


Source: UNICMI (March 2024), Rapporto sul mercato dell'involucro edilizio

**Record high ROS achieved across all segments in 2022**

According to UNICMI, in 2022, there was an increase in margins of all segments: PVC had the highest Return on Sales (ROS) levels of the period considered (12.8%), the wood segment confirms its excellent performance in terms of profitability with a record value of 10.6% (after the 2020 figure had been penalized by companies in crisis, which have now left the sector) and aluminium is close to 7%, the highest values in the period under review.

Figure 15: Historical Italian fixture manufacturers ROS by material 2017-22

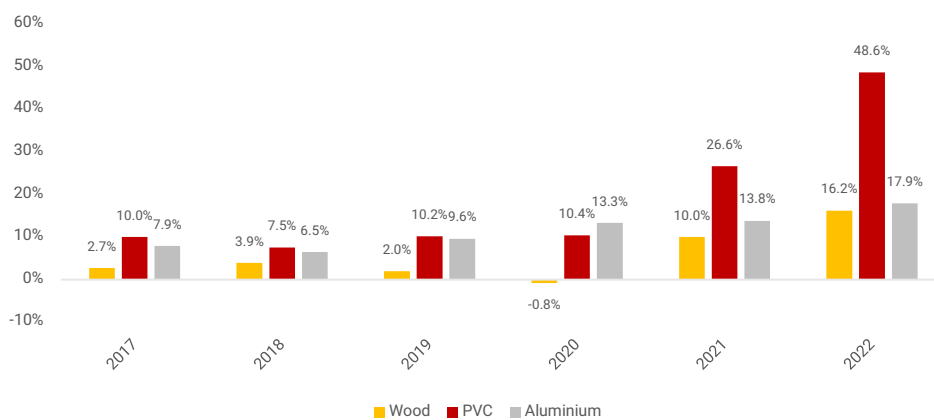


Source: UNICMI (March 2024), Rapporto sul mercato dell'involucro edilizio

**ROIC also at record levels**

With reference to the ROIC in 2022, the good performance of all the segments analysed is confirmed, with PVC window manufacturers reaching particularly high values due to the presence of trading companies (which import windows and doors from abroad and have very little invested capital). It should be noted that manufacturers of aluminium window and door manufacturers achieved the highest ROIC value in the period under consideration (17.9%), returning after more than 10 years to double-digit profitability. Wooden window manufacturers also performed very well (ROIC of 16.2%), albeit with a reduced market share.

Figure 16: Historical Italian fixture manufacturers ROIC by material 2017-22



Source: UNICMI (March 2024), Rapporto sul mercato dell'involucro edilizio

**Outlook 2024E-25E**

Current trends in the order book indicate a stable outlook for 2024, with a sample of UNICMI member companies interviewed at the end of 2023 reporting healthy order portfolios for both windows and doors, as well as curtain walls. The sentiment appears particularly favourable for the windows and doors sector, which experienced a surge in orders during the last quarter of 2023, driven by anticipatory demand ahead of expected changes to tax incentives.

Pricing dynamics also remain robust, with the windows and doors segment demonstrating notable resilience in the face of market fluctuations. The year 2023 has been confirmed as a period of growth, largely attributed to tax incentives that have not only boosted turnover but also led to a substantial recovery in profitability. Companies have reported strong earnings performance and a marked improvement in asset values.

Looking ahead to 2024, growth in the residential segment is expected to primarily benefit new construction. Meanwhile, the non-residential sector should see increased demand driven by

public construction projects funded by the National Recovery Plan (NRP) and private investments, bolstered by expectations of declining interest rates.

However, the forecasts for 2024-2025, particularly in the residential segment, are contingent on the trajectory of tax incentive legislation. A significant overhaul of these incentives could jeopardize growth projections, especially if demand in the new construction sector fails to offset declines in the renovation market, potentially leading to reduced turnover across the sector.

Additionally, there remains uncertainty surrounding the prices of construction components, including windows, doors and facades. Although prices are currently elevated, any shifts in market sentiment or growth expectations could trigger a rapid downward adjustment, further impacting overall turnover.

## Competitive arena

### Italian market positioning

Nusco operates in a highly competitive Italian market, where it faces strong competition from several prominent private companies specializing in the manufacturing and installation of doors and windows.

### Nusco outperformed its peers

In recent years, Nusco has outperformed its peers in growth across both business units. While 2022 saw a notable increase due to the consolidation of Pinum Doors & Windows S.r.l., the growth achieved in 2023 and sustained through the first half of 2024 has been entirely organic. This underscores the company's strong operational momentum and ability to drive expansion without relying on acquisitions.

### Margins in line

Nusco's EBITDA margin aligns with the sector average in Italy. Notably, in 2023, the margin for the Doors BU improved significantly, surpassing that of its peers. In contrast, the margin for the Windows BU remained stable, whereas many competitors in this segment saw substantial margin growth during the same period.

**Table 2: Italian interior door manufacturers: revenue growth and EBITDA margin**

Company	Sales growth (yoy)				EBITDA margin			
	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23
Bertolotto SpA	-0.9%	41.0%	24.7%	1.0%	10.6%	13.7%	14.2%	18.2%
La Venus Srl	1.1%	24.1%	26.7%	-5.7%	6.4%	5.8%	5.6%	6.1%
Garofoli SpA	-10.5%	26.1%	6.8%	-6.4%	5.6%	7.0%	9.9%	10.6%
Viemme Porte Srl	-7.3%	34.9%	17.1%	8.8%	16.1%	16.1%	14.9%	16.7%
Effebiquattro Spa	-7.1%	33.4%	8.4%	0.2%	2.6%	5.2%	1.6%	6.3%
Gidea Srl	-8.8%	23.7%	4.0%	-3.2%	5.6%	8.1%	12.2%	5.8%
Ferrerolegno SpA	-8.7%	26.9%	7.2%	-14.8%	10.1%	12.2%	15.8%	11.0%
Pail Serramenti Srl	-14.8%	21.5%	28.3%	-3.3%	2.9%	0.3%	6.8%	10.0%
Saba Srl	5.7%	10.8%	27.4%	-2.1%	5.3%	6.5%	6.0%	8.4%
Lualdi SpA	-9.0%	2.7%	39.7%	-18.4%	20.1%	8.9%	7.6%	-0.7%
<b>Trimmed mean</b>	<b>-6.4%</b>	<b>25.2%</b>	<b>18.3%</b>	<b>-4.3%</b>	<b>7.8%</b>	<b>8.4%</b>	<b>9.6%</b>	<b>9.4%</b>
<b>Median</b>	<b>-8.0%</b>	<b>25.1%</b>	<b>20.9%</b>	<b>-3.2%</b>	<b>6.0%</b>	<b>7.5%</b>	<b>8.8%</b>	<b>9.2%</b>
<b>Nusco SpA (Doors BU)</b>	<b>-23.3%</b>	<b>47.9%</b>	<b>58.1%</b>	<b>47.1%</b>	<b>7.7%</b>	<b>6.5%</b>	<b>6.3%</b>	<b>10.1%</b>

Source: Banca Profilo elaborations on AIDA and Company data

**Table 3: Italian window manufacturers: revenue growth and EBITDA margin**

Company	Sales growth (yoy)				EBITDA margin			
	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23
Sciuker Frames SpA	89.8%	280.5%	77.7%	27.7%	40.2%	39.5%	32.5%	19.9%
Piva Group SpA	0.0%	41.8%	26.5%	2.9%	7.6%	6.6%	13.9%	20.5%
Internorm Italia Srl	-15.2%	73.8%	62.8%	7.0%	3.2%	9.3%	11.0%	9.2%
Tecnoplast SpA	8.2%	53.3%	72.6%	26.0%	14.7%	11.2%	16.5%	19.5%
New Time SpA	46.1%	38.9%	52.6%	46.8%	11.2%	10.7%	13.7%	18.5%
Agostini Group Srl	-3.8%	42.1%	48.1%	29.7%	13.6%	18.3%	22.9%	34.2%
Fossati Serramenti Srl	-9.6%	82.2%	56.5%	-24.0%	15.3%	23.0%	31.7%	26.2%
Biemme Finestre Srl	-0.1%	96.4%	56.0%	21.6%	7.0%	8.3%	7.8%	10.1%
Kompany Srl	2.6%	67.5%	42.9%	-4.2%	11.6%	10.7%	10.5%	19.3%
Nobento SpA	18.0%	20.6%	67.4%	2.2%	6.4%	5.8%	7.7%	5.4%
<b>Trimmed mean</b>	<b>7.7%</b>	<b>62.0%</b>	<b>57.4%</b>	<b>14.1%</b>	<b>13.1%</b>	<b>14.3%</b>	<b>16.8%</b>	<b>18.3%</b>
<b>Median</b>	<b>1.3%</b>	<b>60.4%</b>	<b>56.3%</b>	<b>14.3%</b>	<b>11.4%</b>	<b>10.7%</b>	<b>13.8%</b>	<b>19.4%</b>
<b>Nusco SpA (Windows BU)</b>	<b>-15.1%</b>	<b>80.6%</b>	<b>67.4%</b>	<b>32.8%</b>	<b>11.3%</b>	<b>15.2%</b>	<b>14.1%</b>	<b>13.9%</b>

Source: Banca Profilo elaborations on AIDA and Company data

### Listed peers

Our focused selection of publicly listed companies operates in the broader window and door manufacturing sector, which aligns with Nusco's business. Our peer group includes industry players with comparable operations: Inwido AB (Sweden), JELD-WEN Holding (US), Deceuninck NV (Belgium), Eurocell Plc (UK) and Sciuker Frames (Italy). These companies provide valuable context for benchmarking Nusco's performance and strategic positioning within the sector.

Nusco's strong growth trajectory is further validated in this comparison, with the Company consistently outperforming its peers. While margins were below industry standards in 2022,

they showed significant improvement in 2023, and this positive trend is expected to continue in the coming years.

**Table 4: Public peers' revenue growth and EBITDA margin**

Company	Currency	Market Cap (mln)	Enterprise Value (mln)	Sales growth (yoy)				EBITDA margin			
				FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E
14/10/2024											
Inwido AB	Swedish Krona	10,625	11,998	23.6%	-6.0%	-3.2%	7.6%	14.0%	14.5%	13.6%	14.9%
JELD-WEN Holding, Inc.	U.S. Dollar	1,304	2,396	-4.8%	-5.3%	-9.1%	3.2%	6.4%	8.2%	8.7%	9.5%
Deceuninck nv	Euro	353	437	16.2%	-11.1%	-4.4%	4.9%	9.5%	10.7%	14.3%	14.9%
Eurocell Plc	British Pounds	180	238	12.2%	-4.4%	-2.0%	4.4%	14.2%	11.7%	13.5%	14.1%
Sciucker Frames SpA	Euro	46	159	88.3%	-38.6%	12.3%	17.5%	21.7%	27.7%	18.1%	20.2%
<b>Mean</b>				<b>27.1%</b>	<b>-13.1%</b>	<b>-1.3%</b>	<b>7.5%</b>	<b>13.2%</b>	<b>14.6%</b>	<b>13.6%</b>	<b>14.7%</b>
<b>Median</b>				<b>16.2%</b>	<b>-6.0%</b>	<b>-3.2%</b>	<b>4.9%</b>	<b>14.0%</b>	<b>11.7%</b>	<b>13.6%</b>	<b>14.9%</b>
<b>Nusco SpA</b>	<b>Euro</b>	<b>19.3</b>	<b>28.3</b>	<b>62.2%</b>	<b>39.5%</b>	<b>7.3%</b>	<b>7.2%</b>	<b>10.0%</b>	<b>12.8%</b>	<b>14.9%</b>	<b>15.8%</b>

Source: Banca Profilo elaborations on FactSet data and Banca Profilo estimates

**Inwido AB (SE):**

**FY23 sales**

**SEK8.97bn; EBITDA margin 14.5%**

Inwido AB is a leading building materials company specializing in windows and doors. The company operates through 34 business units across 12 countries, employing around 4,700 people. It operates through three primary sales channels: manufacturers of prefabricated homes, construction companies, and direct-to-consumer sales. Inwido markets products under corporate brands like Elitfonster and Tiivi, with most of its revenue generated in Sweden. The company also offers innovative "smart windows" featuring antibacterial glass, integrated camera surveillance and mobile-controlled locks. Inwido's operations are divided into four segments: Scandinavia, Eastern Europe, e-Commerce and Western Europe, with the Scandinavia segment contributing the largest share of revenue. The company has been listed on Nasdaq Stockholm since 2014.

In FY23 the Company reported revenue of SEK8.97bn (-6.0% yoy) and EBITDA of SEK1.32bn, with margin of 14.7%.

**JELD-WEN Inc (US):**

**FY23 sales \$4.30bn; EBITDA margin 8.2%**

JELD-WEN is a prominent global designer, manufacturer and distributor of high-performance interior and exterior doors, windows and related building products, catering to both new construction and repair and remodeling sectors. The company's diverse product offerings include aluminium, vinyl and wood windows, as well as folding and sliding patio doors, door frames and moldings. Globally recognized under the JELD-WEN brand, its products are also marketed as LaCantina and VPI in North America, and Swedoor, DANA and Kellpex in Europe. Established in 1960, JELD-WEN operates approximately 85 manufacturing facilities across 15 countries, with the majority of its revenue generated in the United States.

In FY23 the Company reported revenue of \$4.30bn (-5.3% yoy) and EBITDA of \$355mln, with margin of 8.2%.

**Deceuninck NV (BE):**

**FY23 sales €866mln; EBITDA margin 10.7%**

Deceuninck NV designs and manufactures PVC systems and accessories for residential and light commercial buildings. Its product offerings include PVC systems for windows, doors, sliding windows and doors, roller shutters and louver shutters. Additionally, the company provides outdoor living solutions such as terrace and fencing systems, along with wall cladding, roofline systems, wall and ceiling coverings, and window boards. Deceuninck operates across three geographical segments: Europe (its main revenue source), North America and Turkey & Emerging Markets.

In FY23 the Company reported revenue of €866mln (-11.1% yoy) and EBITDA of €93mln, with margin of 10.7%.

**Eurocell Plc (UK):**

**FY23 sales £365mln; EBITDA margin 11.7%**

Eurocell PLC is a manufacturer, distributor and recycler of Unplasticized PVC (UPVC), a type of building plastic. The company offers a range of products, including UPVC windows, doors, conservatories, skylights, roofs and roofline systems, as well as various interior and outdoor living solutions. Eurocell is organized into two divisions: Profiles and Building Plastics. The Profiles segment manufactures and sells window, door and conservatory profiles to

fabricators, who then supply the final products to installers, retail outlets and home-builders. The Building Plastics division sells and distributes Eurocell-branded roofline products and third-party related items to installers, small builders and roofing contractors. Eurocell operates mainly in the United Kingdom.

In FY23 the Company reported revenue of £365mIn (-4.4% yoy) and EBITDA of £43mIn, with margin of 11.7%.

**Sciuker Frames (IT):**  
**FY23 VoP €119mIn;**  
**EBITDA margin 27.7%**

Sciuker Frames SpA is an Italian company specializing in the design, development, production, and marketing of windows made from natural wood-aluminum materials and structural wood-glass. The company's product range includes structural glass wood windows, Isik aluminum wooden windows, Stratek 80 aluminum wooden windows, Stratek City aluminum wooden windows and aluminum shutters. Sciuker Frames operates in Italy.

In FY23 the Company reported revenue of €119mIn (-4.4% yoy) and EBITDA of €33mIn, with margin of 27.7%.

**Nusco's strong profitability and undervaluation**

A key highlight is Nusco's superior profitability, with a FY23 return on equity (ROE) of 8.6%, nearly double the peer average. This is coupled with a profit margin of 3.9%, which compares favourably to its competitors.

Nusco's current valuation also underscores its relative attractiveness, as it trades at a significant discount with a price-to-book ratio (P/BV) of less than 1.0x, suggesting the market has yet to fully reflect its improving fundamentals.

**Table 5: Peers' key ratios**

Company	Dividend yield	P/BV	ROE	Leverage (A/E)	Net debt/ EBITDA	Net Income margin
	FY22	FY23	FY23	FY23	FY23	FY23
<i>14/10/2024</i>						
Inwido AB	4.8%	1.5x	12.9%	1.9x	1.0x	7.6%
JELD-WEN Holding, Inc.	0.0%	1.9x	3.0%	3.5x	3.1x	0.6%
Deceuninck nv	2.5%	1.0x	3.1%	2.3x	0.8x	1.1%
Eurocell Plc	4.2%	1.3x	8.4%	2.0x	1.4x	2.6%
Sciuker Frames SpA	0.0%	1.3x	-4.6%	4.8x	3.4x	-2.0%
<b>Mean</b>	<b>2.3%</b>	<b>1.4x</b>	<b>4.6%</b>	<b>2.9x</b>	<b>1.9x</b>	<b>2.0%</b>
<b>Median</b>	<b>2.5%</b>	<b>1.3x</b>	<b>3.1%</b>	<b>2.3x</b>	<b>1.4x</b>	<b>1.1%</b>
<b>Nusco SpA</b>	<b>0.0%</b>	<b>0.9x</b>	<b>8.6%</b>	<b>2.4x</b>	<b>1.3x</b>	<b>3.9%</b>

Source: Banca Profilo elaborations on FactSet data and Banca Profilo estimates

**Median FY25 EV/EBITDA at 5.0x**

The selected panel trades at a median FY25E EV/EBITDA of 5.0x, with a 1.4x Net Debt/EBITDA.

**Table 6: Peers' multiples**

Company	EV/EBITDA			
	<i>14/10/2024</i>	FY23	FY24E	FY25E
Inwido AB		9.2x	10.2x	8.6x
JELD-WEN Holding, Inc.		6.8x	7.0x	6.3x
Deceuninck nv		4.7x	3.7x	3.4x
Eurocell Plc		5.6x	4.9x	4.5x
Sciuker Frames SpA		4.8x	6.6x	5.0x
<b>Mean</b>		<b>6.2x</b>	<b>6.5x</b>	<b>5.6x</b>
<b>Median</b>		<b>5.6x</b>	<b>6.6x</b>	<b>5.0x</b>
<b>Nusco SpA</b>		<b>3.9x</b>	<b>3.1x</b>	<b>2.8x</b>

Source: Banca Profilo elaborations on FactSet data and Banca Profilo estimates

## History, structure and people

### Company's evolution

#### From family craftsmanship to international player

Founded in 1968 by Mario Nusco, the Company began as a humble craft business, steeped in the rich traditions of woodworking that had been passed down through generations. From its inception, Nusco focused on producing high-quality interior doors, a niche that showcased the family's dedication to craftsmanship. However, it wasn't long before the vision expanded beyond its local roots.

In 1993, Nusco took a significant step into the international arena with the establishment of Nusco European Doors Snc. This pivotal move marked the beginning of a transformative journey that would see the Company evolve into Nusco Porte S.p.A. in 2001, and later into Nusco S.p.A. in 2011. Each of these transitions not only reflected the growth of the brand but also underscored its ambition to become a recognized player in the global market.

#### 2007: entering the window market

2007 marked another turning point for Nusco as the Company ventured into the window market. With the opening of a new production facility in Nola, the Company began crafting wood and aluminum windows, developed in collaboration with Modo S.r.l. These products were marketed under the "NUSCO" brand, further diversifying the Company's offerings. This strategic expansion was driven by a commitment to innovation and quality, principles that have always been at the core of Nusco's operations.

#### 2011: Nusco S.p.A. and franchising

By 2011, as Nusco S.p.A. took shape, the Company embraced a franchising model that allowed it to reach new customers and markets. The inaugural franchises opened in Salerno and Avellino, laying the groundwork for a robust network that would flourish in the years to come.

#### 2012-2015: PVC windows and iron shutters

The introduction of a PVC window line in 2012 and the production of iron shutters and grates in 2015 solidified Nusco's reputation for adaptability and responsiveness to market demands.

#### 2019: National franchise network expansion

The franchise network saw significant growth in 2019, with the debut of stores in Rome and a burgeoning presence across various regions. This momentum was pivotal as Nusco aimed to enhance its brand visibility and accessibility in an increasingly competitive landscape.

#### 2021: Initial Public Offering (IPO)

A landmark moment arrived in August 2021 when Nusco was listed on AIM Italia, subsequently transitioning to Euronext Growth Milan. This move was more than just a financial maneuver; it represented Nusco's commitment to fueling its growth trajectory and securing the necessary resources to innovate and expand.

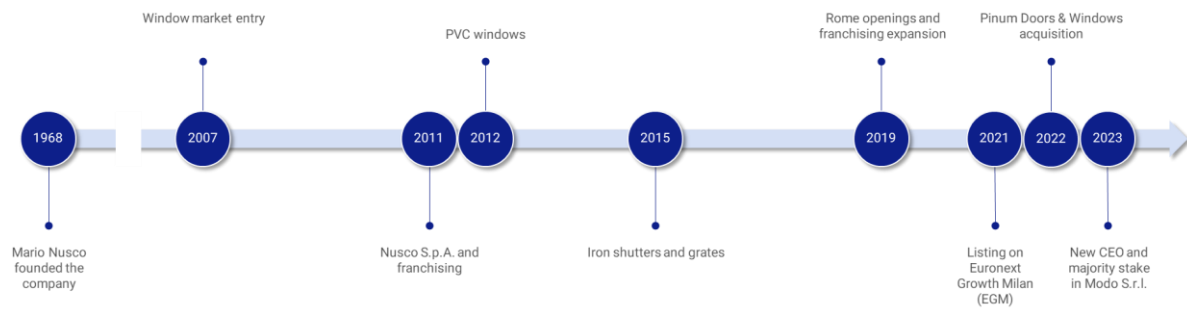
#### 2022: Pinum Doors & Windows acquisition to boost international growth

The strategic acquisition of Pinum Doors & Windows S.r.l. in 2022 further solidified Nusco's competitive position. This Romanian-based company, also under the Nusco family umbrella, offered a diverse product range that enriched Nusco's portfolio. Integrating Pinum not only broadened Nusco's international reach but also improved control over its value chain, enhancing operational efficiency and access to essential raw materials.

#### 2023: New CEO and stake in Modo S.r.l.

In September 2023, Nusco welcomed Guerino Luciano Vassalluzzo as its new BoD Chairman and CEO, signaling a new era of leadership and vision. Later that year, the Company took another significant step by acquiring 44.17% of Modo S.r.l., reinforcing its strategic alliance with a Company recognized for its expertise in wooden windows and doors. This investment is set to enhance Nusco's production flexibility, expand its range of customized offerings, and improve quality, all while creating operational synergies through greater vertical integration.

Figure 17: Nusco timeline from 1968 to 2023



Source: Banca Profilo elaborations on Company data

**Group structure**

**Nusco Invest is the largest shareholder**

Nusco S.p.A. operates with a solid financial foundation, boasting a share capital of €22.5mln, divided into 19,945,325 ordinary shares. The Company's ownership structure reflects the strong commitment from its primary stakeholders. Nusco Invest S.r.l., a holding company, commands a significant 58.29% stake, underscoring the family legacy that has guided Nusco since its inception. Parfin S.r.l. further consolidates this commitment with a 21.07% holding.

**Free float equal to 20%**

The free float stands at a 20.15%, providing a balanced opportunity for external investors to engage with the Company, while a modest 0.49% is retained as treasury shares.

**Nusco expands Its reach with two subsidiaries**

Nusco S.p.A. has two subsidiaries:

- Nusco Energy S.r.l., established in October 2021, is a new venture aimed to position itself as a general contractor specializing in energy efficiency upgrades, specifically targeting projects eligible for Italy's 110% Superbonus incentive. However, as of June 30, 2024, Nusco Energy has yet to commence its operations;
- Pinum Doors & Windows S.r.l., acquired in July 2022, was previously owned by the Nusco family and is based in Romania. This subsidiary operates within the same sector as Nusco S.p.A. and offers a wide and diversified product range, enhancing Nusco's portfolio and expanding its reach in Eastern Europe.

Figure 18: Nusco S.p.A. shareholder structure

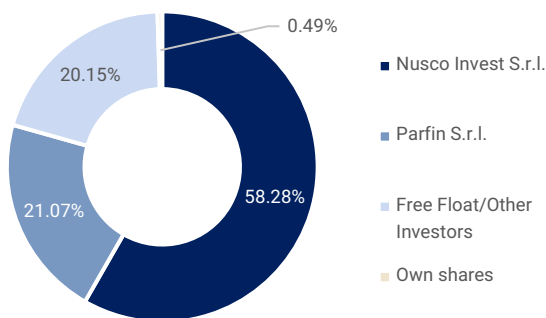
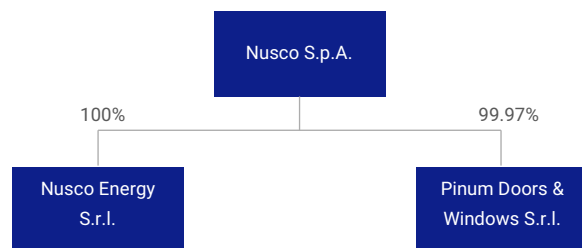


Figure 19: Nusco S.p.A. structure



Source: Banca Profilo elaborations on Company data



**Key people**

**Guerino Luciano Vassalluzzo: the CEO and Chairman**

Born on July 28, 1964, in San Paolo Bel Sito (NA), he holds a degree in Economics and Commerce. He joined the Nusco Group in 2004 as Administrative Director and became Chairman and CEO in 2023. With two decades of experience at the company, he has significantly contributed to Nusco’s management and growth, holding top positions that focus on corporate strategy and organizational development. As Chairman of the Board, he has legal representation, while as Managing Director, he oversees banking relationships, personnel management, and other operational responsibilities.

**Marco Nardi: the CFO**

Marco Nardi was born in Naples on January 22, 1991. He holds a degree in Business Administration with a specialization in Management and Business Control, and he completed a Master’s in Administration, Finance, and Control at the 24Ore Business School. Since 2019, he has been a certified public accountant and statutory auditor. In 2021, he joined the Nusco Group, and in September 2023, he assumed the critical roles of CFO and Investor Relator.

As CFO, Marco Nardi oversees the company’s financial management, focusing on strategic planning, resource optimization, and risk management. His efficiency-driven approach has led to a significant improvement in the Group’s financial performance. As Investor Relator, he is responsible for maintaining and strengthening relationships with investors, presenting the company’s strategy and financial results with transparency and clarity, thereby contributing to the consolidation of stakeholder trust.

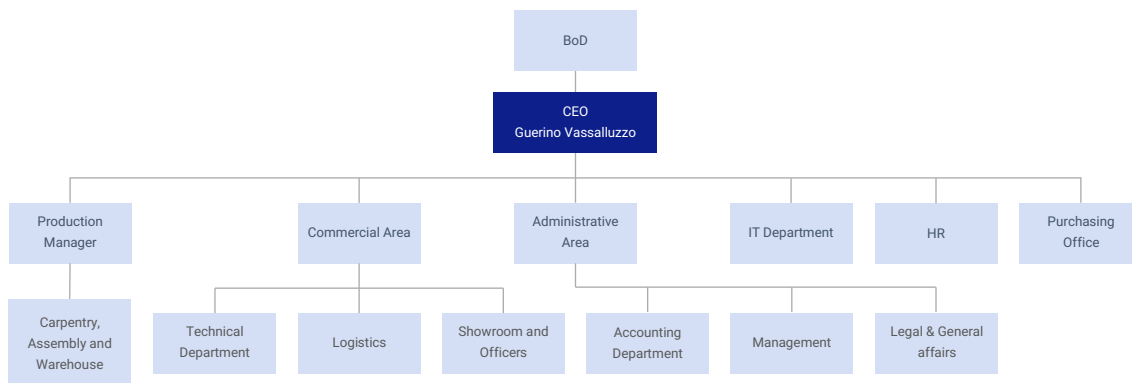
**Nello Lucio: the Commercial director**

Nello Lucio, born in Nola (NA) on April 6, 1967, joined the Nusco Group in 1989 and has held the position of Commercial Director since 1999. With over three decades of experience within the company, Nello Lucio has played a pivotal role in driving Nusco’s commercial growth, leading sales strategies with expertise and vision.

Thanks to his deep market knowledge and exceptional relationship-building skills, he has strengthened and expanded the company’s commercial network, significantly contributing to revenue growth and the expansion of the Nusco brand. His leadership has fostered strong, long-lasting client relationships, ensuring a stable and competitive presence in the industry. His dedication and innovative spirit have been key to the company’s success, positioning Nusco as a reference point in the Italian doors and windows market.

As of June 30, 2024, the Group’s workforce comprised 254 employees and collaborators, reflecting an increase of 13 individuals compared to the end of 2023.

**Figure 20: Nusco organizational chart**



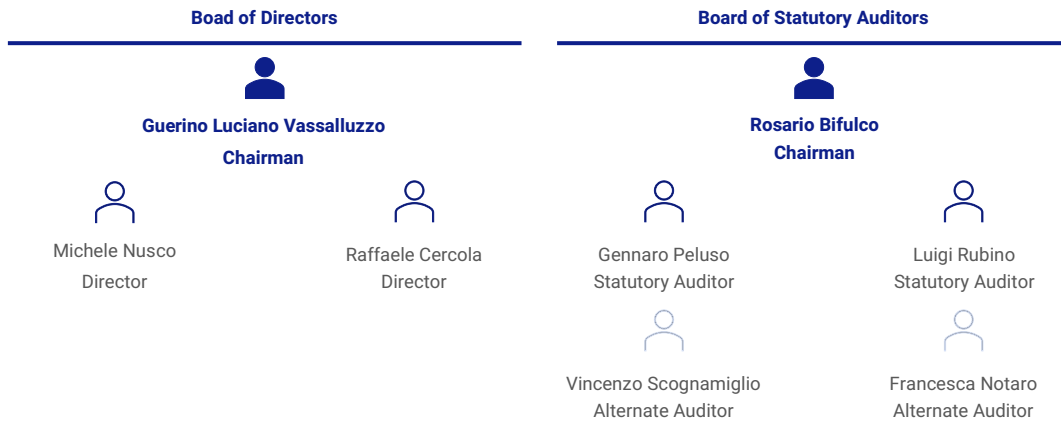
*Source: Company data (as of December 31, 2023)*

**Board of Director and Board of Statutory Auditors**

Governance at Nusco S.p.A. is managed by a dedicated Board of Directors, consisting of three experienced members, including one independent director, and complemented by a Board of Statutory Auditors that includes three regular and two alternate members.

Appointed during the Shareholders' Meeting on April 29, 2024, this governance structure is designed to uphold transparency and accountability. The current board will serve until the approval of the financial statements for the year ending December 31, 2026, ensuring continuity in leadership as Nusco navigates its growth trajectory in the competitive market landscape.

**Figure 21: BoD and Board of Statutory composition**



Source: Banca Profilo elaborations on Company data

## Nusco Business Model

### Factory and production process

Nusco Group grows to 22 subsidiaries, leading in Building products and Real Estate

Nusco Group has transformed into a powerhouse, boasting a robust network of 22 subsidiaries spanning across Italy and Romania. Its core competencies lie in the production and marketing of doors and windows, as well as the development, management, and valorization of real estate. In Italy, the Group's real estate operations are helmed by Nusco Immobili Industriali S.r.l., while the manufacturing arm is led by Nusco S.p.A.

Its position within the Nusco Group allows Nusco S.p.A. to focus on its specialty, door production, while also tapping into complementary offerings crafted by other Group companies. This symbiotic relationship fosters a comprehensive product portfolio that includes not just standard doors, but also armored doors, iron shutters, grilles and window frames.

Nusco S.p.A. headquartered in Nola

The heart of Nusco's operations lies in Nola (NA), where the Company boasts a sprawling production area that spans over 40,000 square meters with a production capacity of 500 units per day, translating to an annual output potential of 120,000 doors and 90,000 window frames.

At this strategic location, Nusco operates four production plants dedicated to the manufacturing of doors and frames. The headquarters of Nusco S.p.A. focuses primarily on the production of interior doors, while three additional plants run by Modo S.r.l. specialize in producing fixtures crafted from PVC, wood and aluminum, alongside a range of shutters and grilles.

In addition to its extensive operations in Italy, Nusco has established a significant presence in Romania with a production plant located in Pipera, an industrial area in Bucharest.

Figure 22: Nusco headquarter in Nola



Source: Company data

Two Business Units:  
Doors and Windows

Nusco S.p.A. operates through two primary Business Units (BU):

1. Doors BU fully internalizes the manufacturing of doors and related operations. It comprises two key production facilities, one at the Nola headquarters dedicated to various types of wooden doors and another in Pipera, Romania, focused on the same. This unit also includes armored doors, exclusively marketed by Nusco S.p.A. The doors division achieved an impressive annual output of 83,000 doors by 2023, a testament to its efficient operations and market demand.
2. Windows BU is tasked with the production and commercialization of PVC, wood, wood/aluminum and aluminum windows. Since 2019, it has expanded to include iron shutters and grilles, addressing rising consumer concerns regarding home security.

The window manufacturing is distributed across four plants: three operated by Modo S.r.l. exclusively for Nusco S.p.A. and one owned by the subsidiary Pinum in Romania. By 2023, this division reached an annual output of 135,000 window frames.

#### Doors' production process

Nusco's door production process begins with the retrieval of panels from the warehouse, followed by a meticulous assembly phase where Anuba hinges are inserted using advanced machinery. Panels are drilled to create postholes for lock insertion, while frames undergo similar machining. After ensuring all components meet stringent quality standards, the doors undergo final finishing processes including sanding, painting, assembling and packing. Beyond just manufacturing, Nusco distinguishes itself by offering a suite of after-sales services, installations, repairs, inspections, and dedicated customer care.

### Customer base

#### Extensive sales network fuels Nusco's growth in Italy and beyond

Nusco's commercial reach within Italy is extensive, supported by a sales network of around 1,000 authorized independent resellers, alongside 57 single-brand shops and two Group-owned showrooms located in Nola and Cinisello Balsamo (MI). These showrooms serve as vital retail spaces for B2C interactions, showcasing the breadth of Nusco's offerings.

In Romania, Pinum is establishing its market presence with two showrooms in Bucharest and eight mono-brand shops strategically distributed across the country. The Group's ambitions also extend to international markets, with commercial establishments in Kuwait, Azerbaijan, Dubai and Libya. The recent inauguration of its first single-brand store in Dubai marks a significant milestone in Nusco's growth trajectory, aligning with its strategic objectives to fortify its sales network and cement its footprint in global markets.

#### Nusco's franchise model

Nusco's franchise network represents a strategic advantage that fosters growth and success for entrepreneurs within its reputable brand ecosystem. By adopting a proven franchise business model, Nusco provides franchisees with a cohesive brand identity and comprehensive marketing strategies, bolstered by the company's extensive commercial and technological expertise. This framework significantly reduces both investment and time requirements, as evidenced by the successful establishment of showrooms in major Italian cities such as Naples, Milan, and Rome. As the sole general contractor, Nusco simplifies the supply chain by delivering a complete range of high-quality products, including doors, frames, shutters, security grilles and armored doors, allowing franchisees to focus on their core operations. In addition, Nusco equips franchisees with continuous training in product knowledge, sales strategies, and business operations, alongside technical assistance and tailored strategic advice.

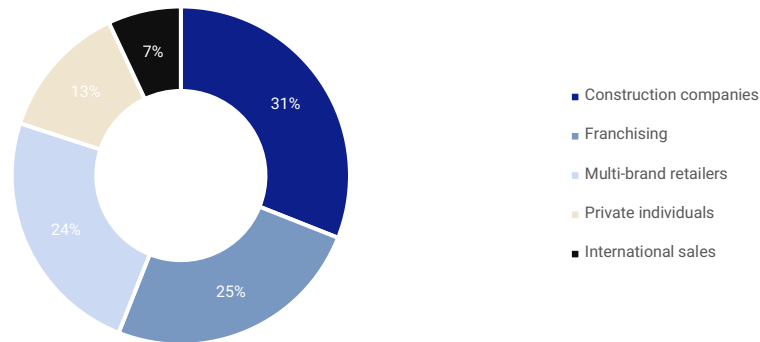
#### Strong diversification across sales channels

In 2023, Nusco achieved a diversified sales distribution across various channels, with construction companies remaining the primary driver, accounting for approximately 31% of total sales. Here is a breakdown of each channel's contribution:

- Construction companies: Nusco's strong foothold in the construction sector is evident, with this channel representing about one-third of total sales;
- Franchising: representing 25% of sales, the franchising channel has been a key growth factor, enabling Nusco to expand its territorial presence through a well-established, qualified network;
- Multi-brand retailers: contributing 24%, multi-brand retailers play a crucial role in reaching a wide customer base and boosting Nusco's brand visibility;
- Private individuals: sales to private customers, accounting for 13%, highlight the strong consumer trust in Nusco's products and represent a notable share of the Company's business;

- International sales: overseas sales, making up 7%, offer Nusco an opportunity to further expand its customer base and diversify revenue streams, showcasing strong potential for future growth.

**Figure 23: 2023 revenue distribution by sales channel (%)**



Source: Banca Profilo elaborations on Company data

## Suppliers

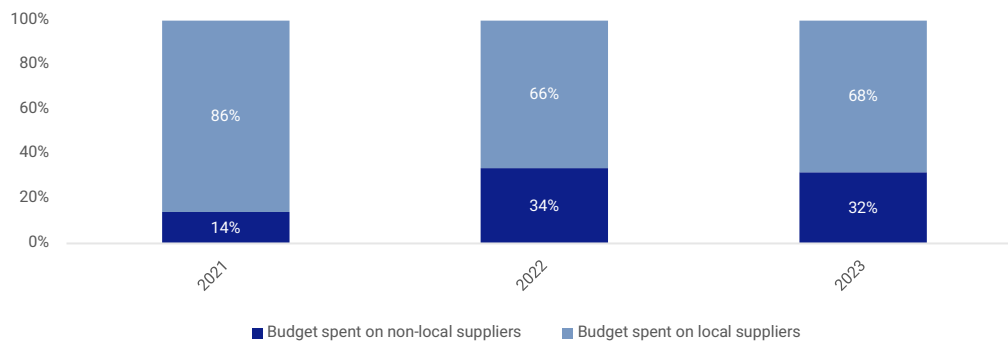
### Robust supply network with significant focus on local suppliers

Nusco has built a robust network of suppliers, securing high-quality raw materials like wood, iron, glass and aluminum. Through its market positioning, the Company has forged advantageous agreements with major national and international suppliers, which positively impact final product costs. Supplier selection remains central to its strategy, prioritizing partners who align with Nusco's values and guarantee top-quality materials.

In 2023, Nusco's supplier spending rose by 7.3% to €20.7m, with local suppliers from Campania accounting for 68% of total expenditure, reflecting a 10.1% increase yoy and a strong focus on supporting the regional economy. Furthermore, in response to the broader economic climate of uncertainty and raw material price volatility, Nusco's management took a proactive stance in 2023 by implementing a forward-thinking supply chain strategy. Recognizing the risk of potential cost inflation, the company locked in raw material prices through advance payments. This pre-emptive measure was designed to safeguard against future price hikes, ensuring price stability and cost predictability across the supply chain, a critical factor in maintaining competitiveness and protecting margins.

As part of its broader market diversification strategy, Nusco has selectively outsourced more complex production tasks. For instance, the production of PVC window frames has been delegated to other Group companies like Modo S.r.l., from which Nusco directly purchases semi-finished or finished products. Similarly, it sources primarily semi-finished goods from Pinum Doors & Windows S.r.l. This outsourcing strategy allows Nusco to streamline its operations, focusing on core production activities while leveraging the specialized capabilities of its sister companies to enhance product offerings and optimize production efficiency.

Figure 24: Supplier expenditure breakdown (%)



Source: Banca Profilo elaborations on Company data

## Product range

### Interior and security doors

Nusco offers a diverse portfolio of interior doors that combine craftsmanship, innovation, and design flexibility, allowing customers to tailor their choices according to their unique preferences and functional requirements.

At the pinnacle of its product range is the Platinum line, Nusco's premium offering. Crafted from high-quality solid oak or walnut, these doors exemplify luxury with their rich design elements and intricate detailing. Available in a variety of finishes, the Platinum line offers a high degree of customization, enabling customers to personalize their doors with different styles, coverings, and frames. This adaptability makes it a versatile choice, seamlessly fitting into both classic and contemporary interiors.

In addition to its premium collection, Nusco showcases an impressive array of lacquered, pantographed, and engraved doors, each distinguished by its distinctive design features. Using precision mechanical cutters, these doors are enhanced with intricate patterns and line motifs, brought to life with modern lacquer finishes in a broad spectrum of colours. This collection caters to those with a penchant for contemporary aesthetics, offering striking visual appeal while maintaining durability and function.

One of Nusco's standout innovations is the Piego system, which marries design and functionality. This clever solution addresses common spatial challenges, such as where traditional door openings become obstacles. The Piego system is an elegant space-saving option, providing both style and practicality in compact environments.

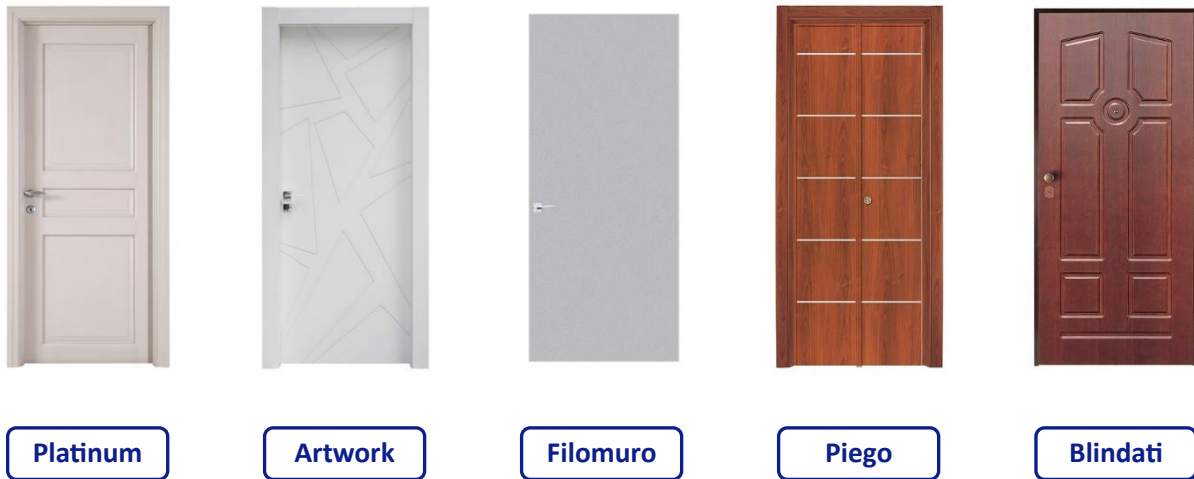
Similarly, Rever by Nusco is a unique product with reversibility as its key feature. Its reversible design allows users to change the door's opening direction with a simple flipping mechanism, offering flexibility without compromising style.

Beyond traditional door models, Nusco has developed a line of glass doors, designed to maximize natural light in spaces that would otherwise be dim. These glass doors not only enhance room brightness but also add a sleek, modern element to the interiors.

For minimalistic, space-conscious needs, Nusco offers Flush Frame and Sliding systems, designed to integrate seamlessly with the surrounding walls, creating a clean, contemporary aesthetic. These systems are ideal for areas requiring space-saving solutions, such as under-stair storage or compact rooms. A notable innovation in this category is the Magic system, which reimagines the sliding door concept with a modern, hidden mechanism that elevates both form and function. The Magic system offers a sophisticated alternative to traditional sliding doors, delivering enhanced practicality while maintaining an elegant appearance.

Furthermore, Nusco offers a diverse selection of armored doors, including entry doors and gates, certified as class 3 burglar-resistant. This certification ensures that, even if an intruder attempts to breach the security door with tools such as a screwdriver, hammer, drill, or crowbar, it will withstand the attack for a minimum of 20 minutes. This delay is often sufficient to deter most would-be burglars, providing homeowners with peace of mind.

**Figure 25: Samples of Nusco's doors**



*Source: Company data*

**Window frames**

Nusco presents an extensive and diverse selection of windows, featuring a range of materials such as PVC, aluminum, wood and wood-aluminum. This variety not only ensures that customers can find the perfect fit for their stylistic preferences but also addresses the practical requirements of modern living.

One of Nusco's standout features is its commitment to preserving architectural integrity in renovation and restoration projects, particularly in historical areas where safeguarding the building's heritage is paramount. To meet these unique challenges, Nusco has engineered a range of patented windows and doors that combine advanced technology with traditional aesthetics. These products are designed to deliver superior thermal and acoustic insulation without sacrificing the visual appeal required for historical settings.

**Figure 26: Samples of Nusco's windows**



*Source: Company data*

**Shutters: security and style in iron and aluminium**

Nusco offers a diverse range of shutters that balance security, style, and durability, categorized mainly into the Iron series and the Aluminium series.

The Iron series is crafted from high-quality steel and features class 3 anti-burglary certification, providing exceptional security without sacrificing aesthetics. With options for fixed and adjustable slats and a wide array of finishes—including matte, textured, gothic, and wood-effect sublimations—these shutters enhance urban architecture while ensuring robust resistance against the elements.

Conversely, the Aluminium series embodies modern design, characterized by clean lines and a refined look. These lightweight yet durable shutters offer strength and reliability, making them a secure choice for homeowners. Their versatility allows them to adapt to various living contexts, maintaining both functionality and visual appeal with minimal maintenance required.

Overall, Nusco's shutters cater to a range of preferences and needs, ensuring that security and elegance go hand in hand.

**Figure 27: Samples of Nusco's shutters**



**Iron**



**Aluminum**

*Source: Company data*



## Historical financial performance

### Main operating and financial data FY19-1H24

VoP grew from €19.4m in FY19 to €56.6m in FY23 with a 24% CAGR

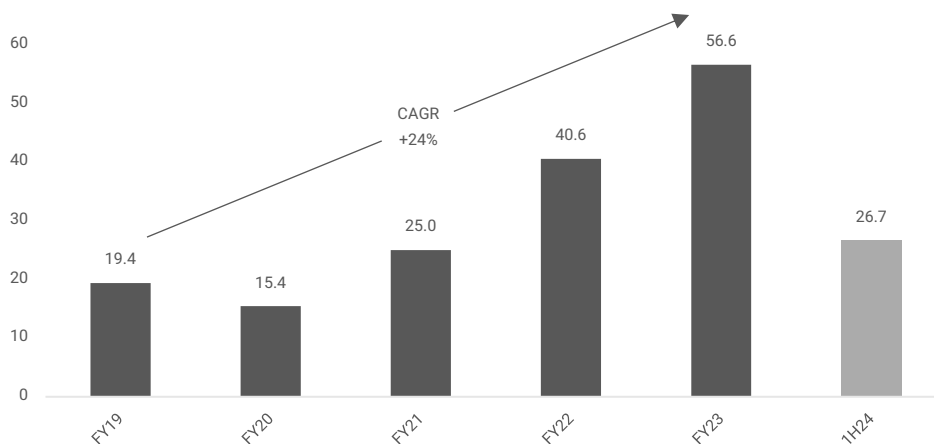
In 2023, the Group achieved a Value of Production (hereon “VoP”) of €56.6m, marking a 39.5% yoy increase from €40.6m in FY22. Even when compared to the pro forma FY22 figure of €51.0m, the 2023 result reflects an 10.9% yoy growth, underscoring the Group’s strong performance during its first full year of consolidation.

In Italy, the Group’s revenue growth was significantly bolstered by the favorable dynamics of the construction market, largely fueled by public incentives like the 110% Superbonus and Ecobonus, as well as strong organic growth across all sales channels. Meanwhile, in Romania, growth was primarily driven by a resurgence in the construction sector, which has been a crucial contributor to the country’s overall economic recovery.

Taking a broader perspective, the Group’s VoP grew from €19.4m in 2019 to €56.6m in 2023, representing a remarkable CAGR of 24% over the period.

In 1H24, VoP reached €26.7m (+7.5% yoy).

Figure 28: VoP FY19–1H24 (€/m)



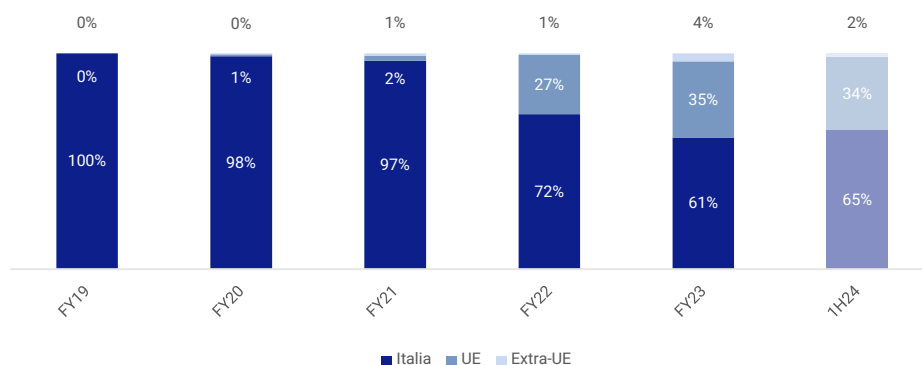
Source: Banca Profilo elaborations on Company data

FY23 revenue: Italy (61%), EU (35%) and Extra-EU (4%)

The Company has a well-balanced and strategic geographical distribution of revenue, with the majority (61%) concentrated in Italy and exports making up 39%, largely focused on the EU (35%), indicating strong potential for future growth abroad.

In H1 2024, Italy contributed 65% to revenue, the EU 34% and extra-EU markets 2%.

Figure 29: Revenue breakdown by geographic area FY19-1H24 (%)



Source: Banca Profilo elaborations on Company data

**FY23 VoP:**

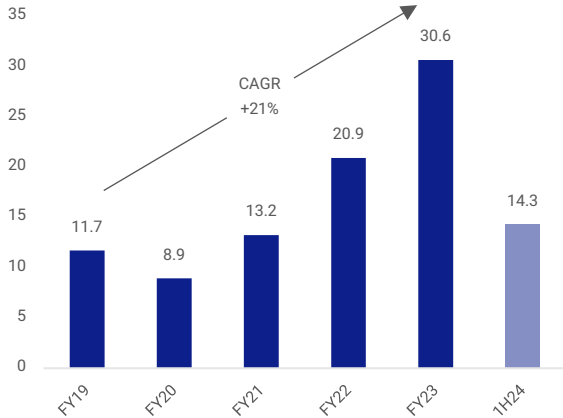
**Doors BU VoP at €30.6mIn (+3% yoy)**

**Windows BU VoP at €25.9mIn (+22% yoy)**

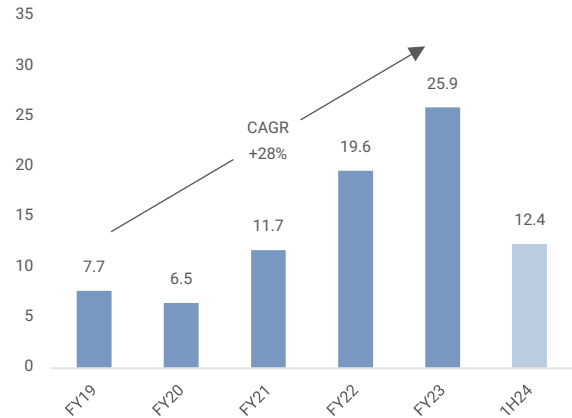
In 2023, the VoP generated by the Doors BU amounted to €30.6mIn (+46.5% compared to the FY22 result of €20.9mIn and +2.7% compared to the pro forma FY22 figure of €29.8mIn), while the VoP of the Windows BU amounted to €25.9mIn (+32.0% compared to the FY22 result of €19.6mIn and +22.4% compared to the pro forma FY22 figure of €21.2mIn).

In 1H24, VoP of the Doors BU reached €14.3mIn (+3.6% yoy) and VoP of the Windows BU reached €12.4mIn (+14.1% yoy).

**Figure 30: Doors BU VoP FY19–1H24 (€/mIn)**



**Figure 31: Windows BU VoP FY19–1H24 (€/mIn)**



Source: Banca Profilo elaborations on Company data

**FY23 revenue breakdown:**

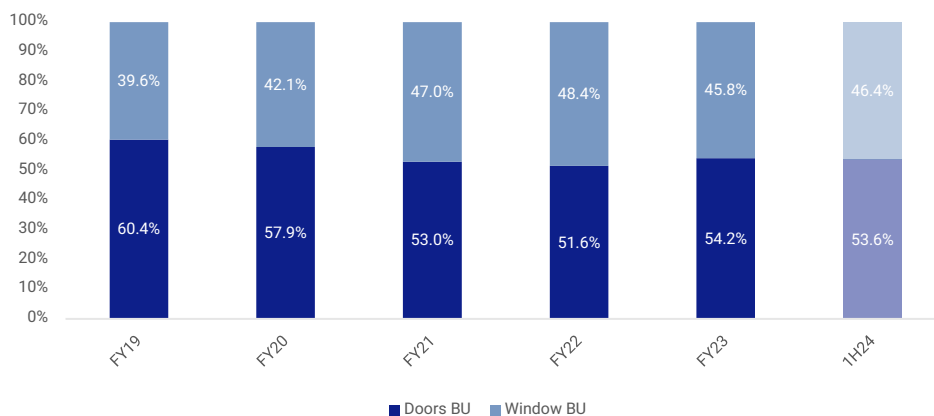
**Doors BU (54%)**

**Windows BU (46%)**

In recent years, the share of production value from Windows BU has increased, driven by public incentives. However, with the end of these incentives last year, this trend halted, with the production value from the Windows BU stabilizing at 45.8%, leaving 54.2% to the Doors BU, historically the main revenue driver.

Looking at the long-term trend, the production value of the Windows BU grew at a CAGR of 28% in 2019-23, while the Doors BU saw a CAGR of 21% over the same period.

**Figure 32: VoP breakdown by BU FY19–1H24 (%)**



Source: Banca Profilo elaborations on Company data

**Raw material and production costs dominate cost structure**

Direct materials and production costs (“Raw materials and production” in the figure below), despite reductions over the years, remain the largest expense for both business units: 70.6% for the Doors BU and 85.1% for the Windows BU in 2023. The difference is due to the fact that Windows BU’s production costs mainly include expenses related to the associated company, Modo S.r.l., which manufactures various types of windows. This significant difference in the business model also affects the second major cost category, labour costs, which stood at 18.6% for the Doors BU and 6.9% for the Windows BU in 2023. Services and other costs,

including transport, marketing and leasing, are generally similar between the two BUs at around 10% of the VoP.

Figure 33: Doors BU costs as a % of VoP FY19–1H24

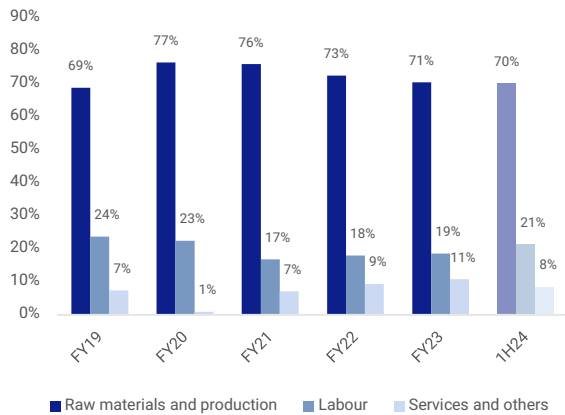
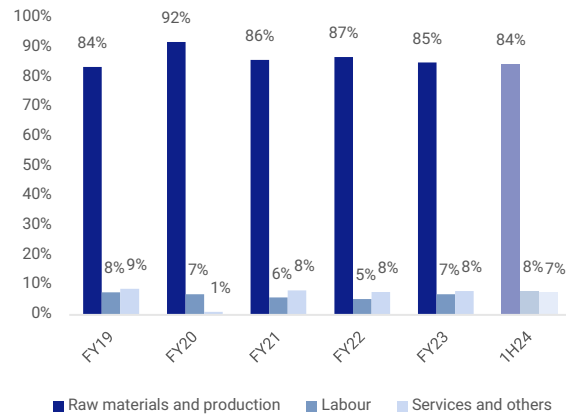


Figure 34: Windows BU costs as a % of VoP FY19–1H24



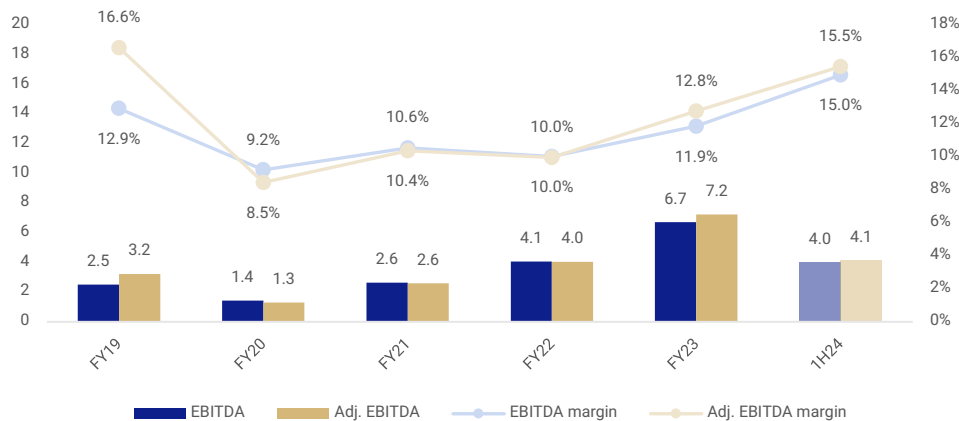
Source: Banca Profilo elaborations on Company data

**FY23 EBITDA margin at 11.9%**

In 2023, EBITDA surged to €7.2m, representing an impressive yoy growth of 79.0% from the FY22 figure of €4.0m. Even when compared to the pro forma FY22 result of €5.2m, this reflects a substantial increase of 39.1%. The EBITDA margin also improved significantly, rising by 190bps from 10.0% to 11.9%, primarily driven by enhanced marginality in the Doors BU.

In 1H24, EBITDA reached €4.0m (+36.6% yoy) and EBITDA margin increased by a further 310bps to reach 15.0%.

Figure 35: EBITDA (€/m) and EBITDA margin (%) FY19-1H24



Source: Banca Profilo elaborations on Company data

**FY23 EBITDA margin: Doors BU at 10.1% and Windows BU at 13.9%**

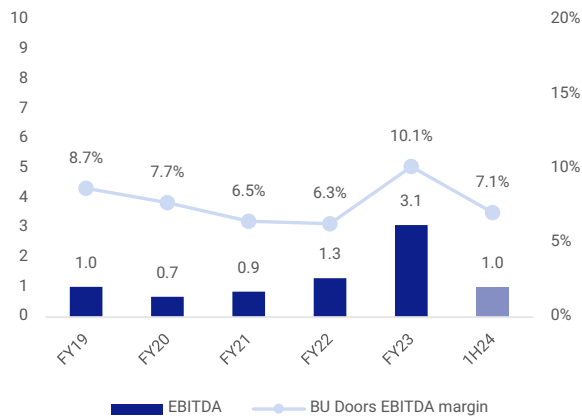
In FY23, the EBITDA margin for the Doors BU surged to €3.1m, (+46.5% compared to the FY22 result of €20.9m and +2.7% compared to the pro forma FY22 figure of €29.8m) and the margin also expanded by 385bps to 10.1%, primarily driven by reduced raw material costs resulting from enhanced supply conditions.

The EBITDA margin for the Windows BU grew to €3.6m, (+31.0% compared to the FY22 result of €2.8m and +12.8% compared to the pro forma FY22 figure of €3.2m) and the margin remained stable at 13.9%.

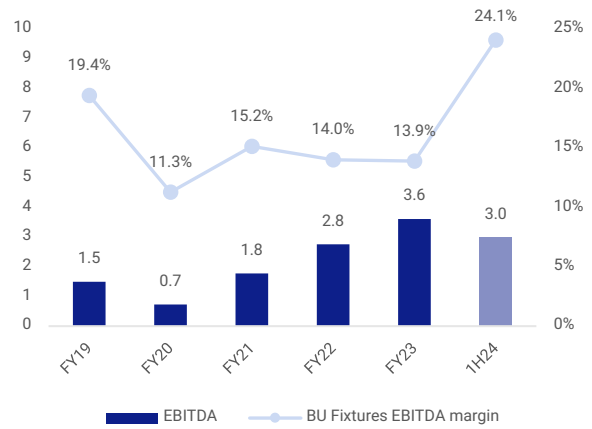
In 1H24, EBITDA of the Doors BU reached €1.0m (+26.3% yoy) with a margin of 7.1% (+130bps yoy) and EBITDA of the Windows BU reached €3.0m (+40.5% yoy) with a margin of 24.1% (+450bps yoy). While the Doors BU margin saw a decline compared to FY23 levels,

management anticipates a recovery in the second half of the year, aiming to approach last year's performance.

**Figure 36: Doors BU EBITDA (€/mln) and EBITDA margin (%) FY19-1H24**



**Figure 37: Windows BU EBITDA (€/mln) and EBITDA margin (%) FY19-1H24**



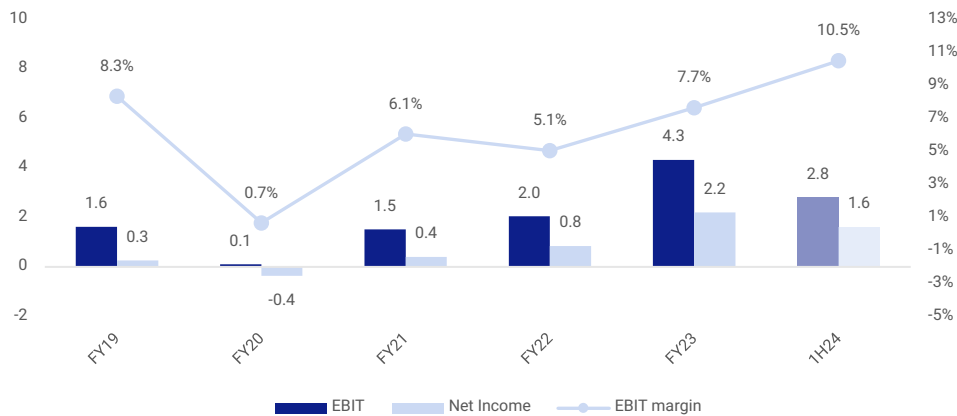
Source: Banca Profilo elaborations on Company data

**Solid EBIT (€4.3mln in FY23) and Net Income (€2.2mln in FY23)**

In 2023, EBIT rose to €4.3mln, with a margin of 7.7%, reflecting a strong improvement compared to the previous year's figures of €2.0mln (€2.5mln pro forma) and a margin of 5.0%. This growth was primarily driven by the turnover growth and a significant enhancement in the EBITDA margin. Net income also saw a substantial increase, jumping 162.2% yoy from €0.8mln in 2022 (€1.1mln pro forma, +94.6% yoy) to €2.2mln in 2023.

In 1H24, EBIT reached €2.8mln (+35.0% yoy) with a margin of 10.5% (+210bps yoy) and Net income reached €1.6mln (+52.3% yoy).

**Figure 38: EBIT, Net Profit (€/mln) and EBIT margin (%) FY19-1H24**



Source: Banca Profilo elaborations on Company data

Table 7: Income Statement FY19-1H24 (€/mln)

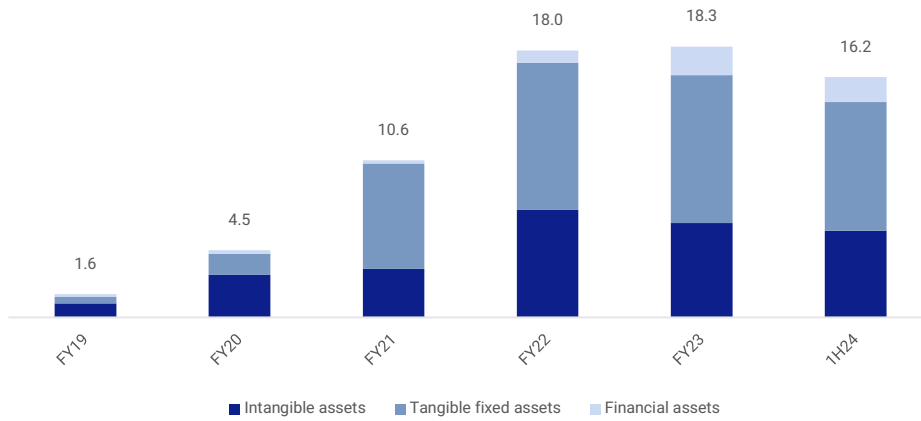
		Profit & Loss (€/mln)					
		FY19	FY20	FY21	FY22	FY23	1H24
Doors BU		11.6	8.9	13.2	20.9	30.7	14.2
	% on Revenue	60.4%	57.9%	53.0%	51.6%	54.1%	53.7%
Windows BU		7.6	6.5	11.7	19.6	26.0	12.2
	% on Revenue	39.6%	42.1%	47.0%	48.4%	45.9%	46.3%
<b>Revenue</b>		<b>19.3</b>	<b>15.4</b>	<b>24.9</b>	<b>40.5</b>	<b>56.7</b>	<b>26.5</b>
	yoy	7.4%	-20.1%	61.6%	62.5%	40.2%	7.5%
Change in finished product inventories		0.1	0.0	0.1	0.1	(0.2)	0.2
	% on VoP	0.6%	0.1%	0.4%	0.2%	-0.3%	0.8%
<b>Value of Production</b>		<b>19.4</b>	<b>15.4</b>	<b>25.0</b>	<b>40.6</b>	<b>56.6</b>	<b>26.7</b>
	yoy	8.1%	-20.5%	62.1%	62.2%	39.5%	8.2%
Raw materials		(10.5)	(9.0)	(15.5)	(25.1)	(32.4)	(16.0)
	% on VoP	54.2%	58.3%	61.9%	61.8%	57.2%	60.1%
<b>Material Profit</b>		<b>8.9</b>	<b>6.4</b>	<b>9.5</b>	<b>15.5</b>	<b>24.2</b>	<b>10.6</b>
	% on VoP	45.8%	41.7%	38.1%	38.2%	42.8%	39.9%
Production costs		(1.8)	(3.0)	(3.0)	(4.4)	(6.4)	(1.5)
	% on VoP	9.3%	19.6%	12.0%	10.8%	11.2%	5.7%
Direct labour costs		(1.4)	(1.0)	(0.9)	(2.1)	(2.6)	(1.5)
	% on VoP	7.2%	6.5%	3.8%	5.1%	4.7%	5.6%
<b>Contribution margin</b>		<b>5.7</b>	<b>2.4</b>	<b>5.6</b>	<b>9.0</b>	<b>15.2</b>	<b>7.6</b>
	% on VoP	29.3%	15.6%	22.4%	22.3%	26.8%	28.6%
Sales transport costs		(0.3)	(0.2)	(0.3)	(0.4)	(0.6)	(0.3)
	% on VoP	1.4%	1.5%	1.3%	1.1%	1.0%	1.0%
<b>Margin after sales costs</b>		<b>5.4</b>	<b>2.2</b>	<b>5.3</b>	<b>8.6</b>	<b>14.6</b>	<b>7.4</b>
	% on VoP	27.9%	14.1%	21.1%	21.3%	25.8%	27.6%
Marketing costs		(0.5)	(0.4)	(0.5)	(0.6)	(0.8)	(0.3)
	% on VoP	2.8%	2.8%	2.0%	1.5%	1.4%	1.2%
<b>Margin after specific costs</b>		<b>4.9</b>	<b>1.7</b>	<b>4.8</b>	<b>8.0</b>	<b>13.8</b>	<b>7.1</b>
	% on VoP	25.1%	11.3%	19.1%	19.7%	24.5%	26.5%
Operating costs		(0.7)	(0.7)	(1.0)	(3.0)	(4.8)	(4.2)
	% on VoP	3.5%	4.9%	3.8%	7.3%	8.5%	15.9%
Costs for use of third-party assets		(0.1)	(0.2)	(0.5)	(0.4)	(0.7)	(0.3)
	% on VoP	0.3%	1.1%	2.0%	0.9%	1.2%	1.2%
Other operating costs		(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
	% on VoP	2.1%	0.8%	0.3%	0.3%	0.2%	0.3%
Indirect labour costs		(1.1)	(1.0)	(1.2)	(1.8)	(3.1)	(1.6)
	% on VoP	5.9%	6.3%	5.0%	4.4%	5.5%	6.2%
Other revenue		0.6	1.6	0.6	1.3	2.1	3.4
	% on VoP	3.3%	10.2%	2.4%	3.2%	3.8%	12.6%
<b>Adj. EBITDA</b>		<b>3.2</b>	<b>1.3</b>	<b>2.6</b>	<b>4.0</b>	<b>7.2</b>	<b>4.1</b>
	Adj. EBITDA margin	16.6%	8.5%	10.4%	10.0%	12.8%	15.5%
<b>EBITDA</b>		<b>2.5</b>	<b>1.4</b>	<b>2.6</b>	<b>4.1</b>	<b>6.7</b>	<b>4.0</b>
	EBITDA margin	12.9%	9.2%	10.6%	10.0%	11.9%	15.0%
D&A		(0.9)	0.0	(0.7)	(1.6)	(1.8)	(0.9)
	% on VoP	4.6%	0.0%	3.0%	3.9%	3.1%	3.3%
Provisions and write-downs		0.0	(1.3)	(0.4)	(0.4)	(0.6)	(0.3)
	% on VoP	0.0%	8.5%	1.5%	1.1%	1.1%	1.1%
<b>EBIT</b>		<b>1.6</b>	<b>0.1</b>	<b>1.5</b>	<b>2.0</b>	<b>4.3</b>	<b>2.8</b>
	EBIT margin	8.3%	0.7%	6.1%	5.1%	7.7%	10.5%
Financial income and expenses		(0.2)	(0.2)	(0.7)	(0.6)	(0.9)	(0.5)
	% on VoP	1.2%	1.1%	3.0%	1.5%	1.6%	1.8%
<b>EBT</b>		<b>1.4</b>	<b>(0.1)</b>	<b>0.8</b>	<b>1.5</b>	<b>3.5</b>	<b>2.3</b>
	Pretax margin	7.2%	-0.4%	3.1%	3.6%	6.1%	8.7%
Taxes		(1.1)	(0.3)	(0.4)	(0.6)	(1.2)	(0.7)
	Tax rate	81.2%	-506.5%	47.3%	42.3%	36.2%	30.6%
<b>Net Income</b>		<b>0.3</b>	<b>(0.4)</b>	<b>0.4</b>	<b>0.8</b>	<b>2.2</b>	<b>1.6</b>
	Net Profit margin	1.3%	-2.4%	1.6%	2.1%	3.9%	6.0%

Source: Banca Profilo elaborations on Company data

**Fixed assets at €16.2mln**

As of June 2024, Fixed Assets totaled €16.2mln, down from €18.3mln in December 2023. The notable rise in 2022 was primarily driven by the consolidation of Pinum Doors & Windows S.r.l. Within Intangible Assets, Goodwill, which stood at €4.3mln at the end of 2022, declined to €3.6mln by June 2024.

**Figure 39: Fixed assets FY19-1H24 (€/mln)**

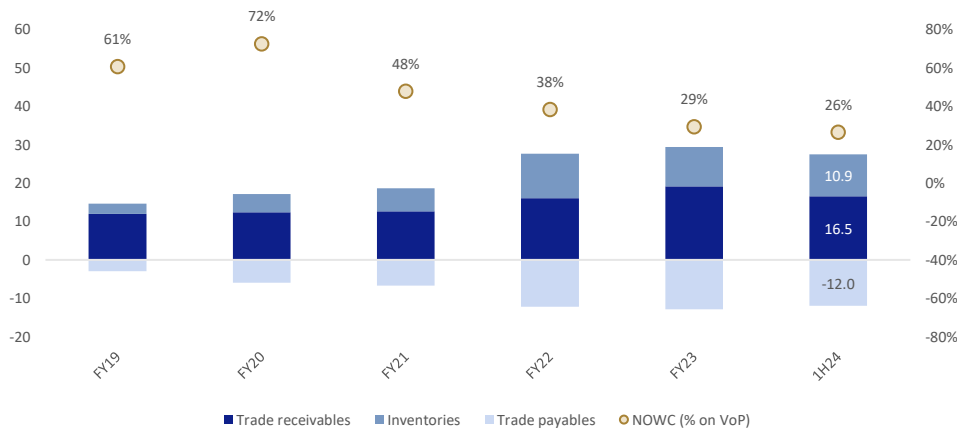


Source: Banca Profilo elaborations on Company data

**NOWC points out operational efficiency**

As of the end of June 2024, Nusco's Net Operating Working Capital (hereon "NOWC") stood at €15.5mln, down from €16.5mln at the end of 2023. This includes €16.5mln in Trade Receivables, €12.0mln in Trade Payables and €10.9mln in Inventories. The Company has demonstrated significant efficiency in managing its working capital over the years, as evidenced by the low level of VoP achieved, underscoring effective operational optimization.

**Figure 40: NOWC FY19-1H24 (€/mln)**

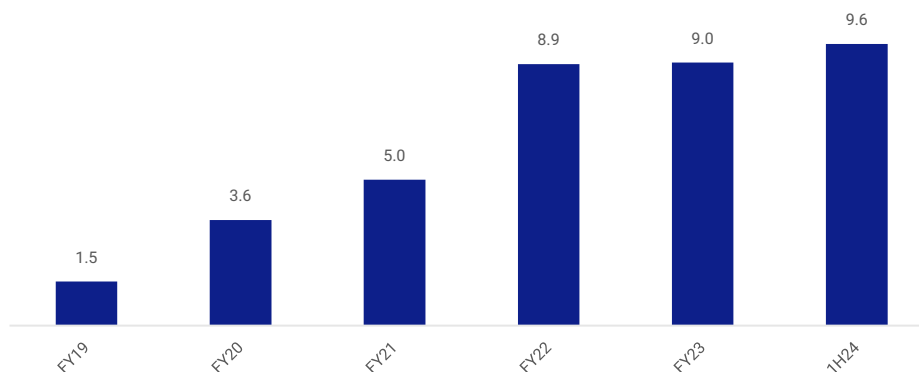


Source: Banca Profilo elaborations on Company data

**Adj. Net Debt at €9.6mln**

As of June 2024, reported Net Debt decreased to €1.1mln, down from €2.4mln at the end of 2023. In contrast, adj. Net Debt, which excludes tax receivables and payables, remains almost stable at €9.6mln (+7.1% yoy).

Figure 41: Adj. Net Debt (Cash) FY19-1H24 (€/mln)



Source: Banca Profilo elaborations on Company data

Table 8: Balance Sheet FY19-1H24 (€/mln)

Balance Sheet (€/mln)						
	FY19	FY20	FY21	FY22	FY23	1H24
Intangible assets	1.0	2.9	3.3	7.3	6.4	5.8
Tangible fixed assets	0.4	1.4	7.1	9.9	10.0	8.7
Financial assets	0.2	0.2	0.2	0.8	1.9	1.7
<b>Fixed Assets</b>	<b>1.6</b>	<b>4.5</b>	<b>10.6</b>	<b>18.0</b>	<b>18.3</b>	<b>16.2</b>
Inventories	2.7	4.7	6.0	11.6	10.3	10.9
<i>% on VoP</i>	<i>13.7%</i>	<i>30.6%</i>	<i>23.8%</i>	<i>28.7%</i>	<i>18.1%</i>	<i>18.6%</i>
Trade receivables	12.0	12.4	12.7	16.0	19.1	16.5
<i>% on VoP</i>	<i>61.9%</i>	<i>80.3%</i>	<i>50.7%</i>	<i>39.5%</i>	<i>33.8%</i>	<i>28.2%</i>
Trade payables	(2.9)	(5.9)	(6.7)	(12.2)	(12.9)	(12.0)
<i>% on COGS w/o labour cost</i>	<i>15.0%</i>	<i>37.2%</i>	<i>27.3%</i>	<i>30.1%</i>	<i>23.2%</i>	<i>21.0%</i>
<b>Net Operating Working Capital</b>	<b>11.8</b>	<b>11.2</b>	<b>11.9</b>	<b>15.5</b>	<b>16.5</b>	<b>15.5</b>
<i>% on VoP</i>	<i>60.6%</i>	<i>72.4%</i>	<i>47.7%</i>	<i>38.2%</i>	<i>29.2%</i>	<i>26.4%</i>
Other current assets	6.1	3.4	7.2	6.6	10.5	13.4
Other current liabilities	(1.7)	(4.4)	(4.4)	(6.3)	(8.5)	(6.5)
<b>Net Working Capital</b>	<b>16.2</b>	<b>10.2</b>	<b>14.7</b>	<b>15.7</b>	<b>18.5</b>	<b>22.3</b>
<i>% on VoP</i>	<i>83.5%</i>	<i>65.9%</i>	<i>58.8%</i>	<i>38.8%</i>	<i>32.8%</i>	<i>38.1%</i>
Non current assets	4.6	4.7	0.1	1.2	0.0	0.0
Non current liabilities	(6.1)	(3.1)	(2.8)	(2.4)	(2.2)	(1.6)
<b>Net Invested Capital</b>	<b>16.3</b>	<b>16.2</b>	<b>22.6</b>	<b>32.5</b>	<b>34.6</b>	<b>37.0</b>
Intangible	0.0	1.9	0.9	7.8	0.1	0.0
Tangible	0.0	1.0	5.9	10.9	0.8	(0.9)
<b>CapEx</b>	<b>0.0</b>	<b>2.9</b>	<b>6.8</b>	<b>18.7</b>	<b>0.9</b>	<b>(0.9)</b>
<i>% on VoP</i>	<i>0.0%</i>	<i>18.9%</i>	<i>27.2%</i>	<i>46.2%</i>	<i>1.6%</i>	<i>-3.5%</i>
Share capital	18.0	18.0	17.1	21.0	21.0	22.5
Reserves and retained earnings	(3.5)	(5.0)	0.1	1.7	2.4	3.2
Group Net Income	0.3	(0.4)	0.4	0.8	2.2	1.6
<b>Shareholders' equity</b>	<b>14.8</b>	<b>12.6</b>	<b>17.7</b>	<b>23.6</b>	<b>25.6</b>	<b>27.4</b>
<b>Adj. Net Financial Position (Cash)</b>	<b>1.5</b>	<b>3.6</b>	<b>5.0</b>	<b>8.9</b>	<b>9.0</b>	<b>9.6</b>
<b>Reported Net Financial Position (Cash)</b>	<b>(2.6)</b>	<b>1.8</b>	<b>5.6</b>	<b>7.4</b>	<b>2.4</b>	<b>1.1</b>

Source: Banca Profilo elaborations on Company data

Table 9: Free Cash Flows FY19-1H24 (€/mln)

	Free Cash Flow (€/mln)						
	FY19	FY20	FY21	FY22	FY23	1H24	
EBIT	1.6	0.1	1.5	2.0	4.3	2.8	
<i>Tax rate</i>	<i>81.2%</i>	<i>-506.5%</i>	<i>47.3%</i>	<i>42.3%</i>	<i>36.2%</i>	<i>30.6%</i>	
<b>NOPAT</b>	<b>0.3</b>	<b>0.6</b>	<b>0.8</b>	<b>1.2</b>	<b>2.8</b>	<b>1.9</b>	
D&A	0.9	0.0	0.7	1.6	1.8	0.9	
Changes in Operating NWC	(2.3)	0.6	(0.8)	(3.6)	(1.0)	1.0	
CapEx	0.0	(2.9)	(6.8)	(18.7)	(0.9)	0.9	
<b>Free Cash Flow</b>	<b>(1.1)</b>	<b>(1.7)</b>	<b>(6.0)</b>	<b>(19.6)</b>	<b>2.6</b>	<b>4.8</b>	

Source: Banca Profilo elaborations on Company data



## 2024E-26E Strategy and Estimates

### Strategic guidelines

#### Strengthening competitive position through innovation and sustainability

The results achieved by Nusco S.p.A. to date confirm the robustness of its business model, establishing a strong foundation for further enhancing its competitive position both in Italy and in international markets.

The company aims to increase sales by focusing on products that maintain high levels of profitability and quality. Concurrently, Nusco will continue to invest in research and development activities aimed at innovation and the implementation of new production techniques.

Nusco's commitment to innovation is closely tied to its focus on sustainability. The Company intends to develop energy-efficient solutions that not only meet market demands but also align with global sustainability goals, anticipating the needs of increasingly eco-conscious customers. Optimizing the cost structure will remain a priority, pursued through careful planning and monitoring of individual expense items. Current growth prospects are bolstered by favourable trends in the industry, particularly regarding the objectives of the "Agenda 2030" for energy efficiency in both residential and commercial buildings.

#### Strategic initiatives for growth

The Group's growth objectives will be pursued through a series of strategic initiatives, including:

- expanding the number of Nusco-branded franchise stores;
- diversifying and personalizing its commercial offerings;
- creating production and commercial synergies with complementary businesses and engaging in co-marketing initiatives with retailers;
- enhancing certification activities and technological development to improve product quality standards and introduce new solutions and production processes;
- expanding into high-potential foreign markets;
- streamlining internal production processes through investments in technology development and digitalization, supported by the "Piano Nazionale Transizione 5.0";
- Developing and integrating the business of its subsidiary Pinum, with the goal of strengthening the Group's international presence and further diversifying revenue sources to reduce reliance on the Italian market.

#### Prioritizing foreign market expansion in emerging regions

Foreign market expansion will continue to be a priority for Nusco, with particular attention given to emerging markets such as the Middle East and Asia, where the demand for high-quality, low-environmental-impact products is rapidly growing.

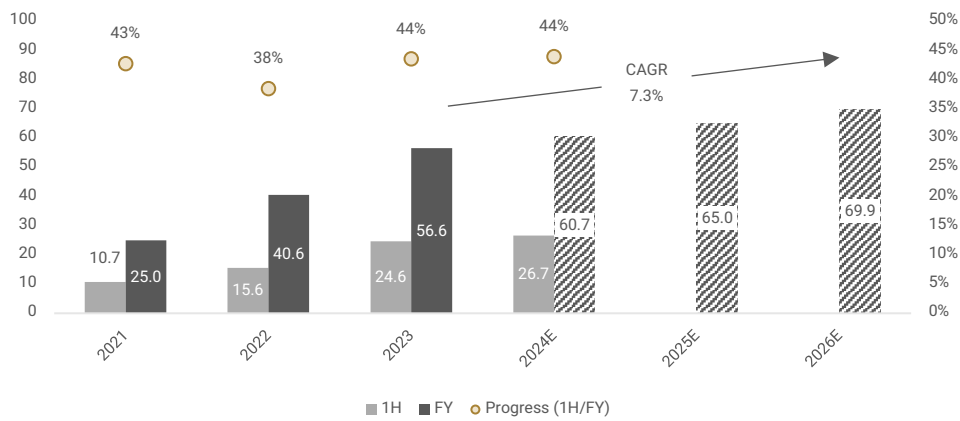
**Our FY24E-26E estimates**

**VoP to grow at a CAGR of 7% in FY23-26E**

Despite the sector’s sharp slowdown, we believe that Nusco’s recent outperformance in terms of growth is likely to continue in the coming years, driven primarily by international growth and expansion in the high-margin window segment. This division, with its higher value-added, will contribute to a significant margin improvement, as already seen in the first half of 2024. We project overall revenue growth with a CAGR of 7.3% over the next few years, reaching nearly €70m by 2026.

In 1H24, Nusco’s VoP increased by 8.2% yoy, rising from €24.6m to €26.7m, representing 44% of our FY24 estimate of €60.7m. This performance aligns with the Company’s historical mid-year progress.

**Figure 42: VoP 2021–26E (€/m)**

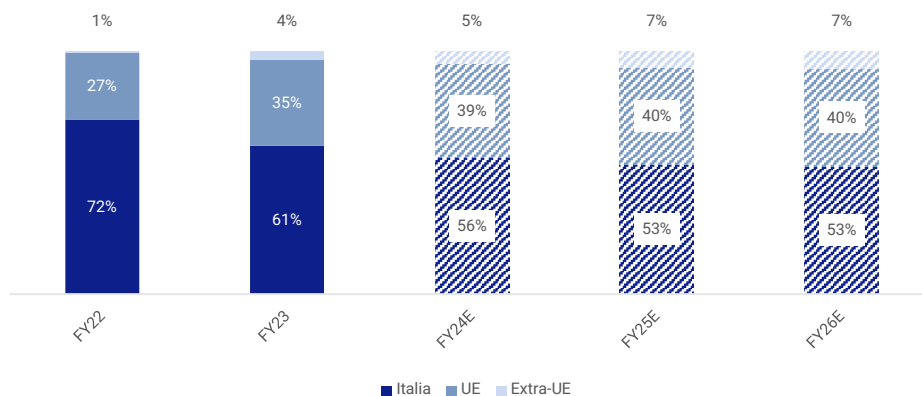


Source: Banca Profilo elaborations and estimates on Company data

**Foreign sales up**

We anticipate an increase in revenue from international markets, with turnover generated outside Italy expected to reach 47% by 2026, driven primarily by growing sales within the EU. This geographical diversification should play a key role in Nusco’s overall expansion strategy.

**Figure 43: Revenue breakdown by geographic area FY22-26E (%)**



Source: Banca Profilo elaborations and estimates on Company data

**Windows BU to close gap with Doors BU by 2026, driven by 9.7% CAGR**

We project the BU Windows’ VoP to grow at a CAGR of 9.7% in FY23-26E to reach €34.2m in FY26E, steadily increasing its share of Nusco’s total production value and nearing parity with the more mature Doors BU by 2026. Based on these assumptions, we estimate the Doors BU, a more established segment, to achieve a CAGR of 5.2% over the same period to reach €35.6m in FY26E.

In 1H24, the Doors BU reported a 3.6% yoy increase in VoP, rising from €13.8m to €14.3m, while the Windows BU saw a stronger growth of 14.1% yoy, reaching €12.37m compared to €10.84m in 1H23. These results are in line with our FY24E projections and consistent with the Company's typical mid-year performance trends.

Figure 44: Doors BU VoP 2021–26E (€/mln)

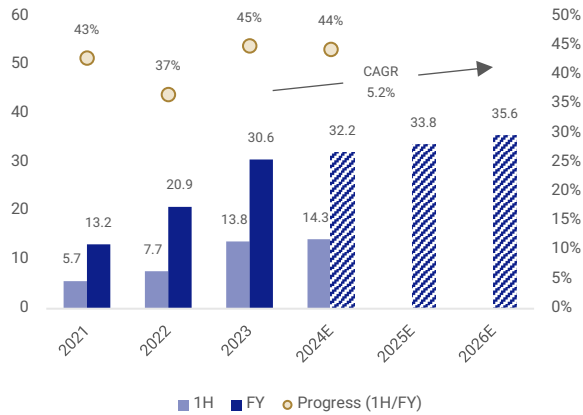
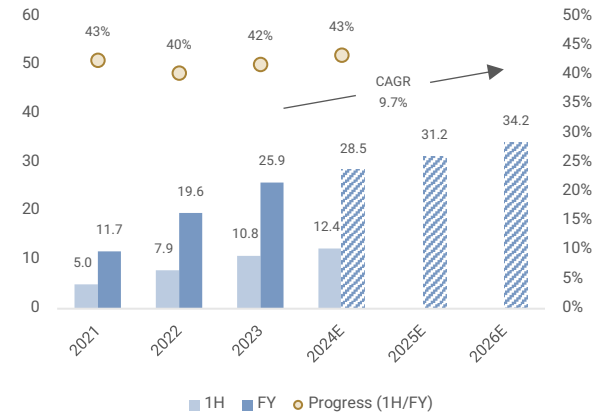
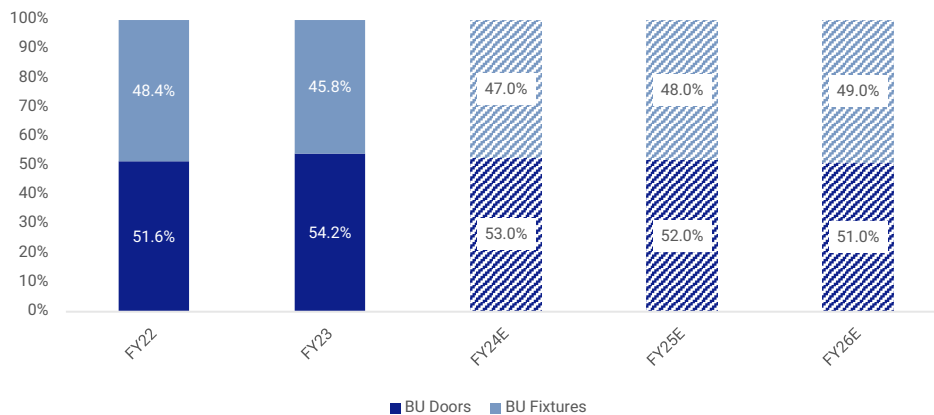


Figure 45: Windows BU VoP 2021–26E (€/mln)



Source: Banca Profilo elaborations and estimates on Company data

Figure 46: VoP breakdown by BU FY22–26E (%)



Source: Banca Profilo elaborations and estimates on Company data

**In-housing fixture production aims for cost reductions**

Overall, we anticipate a cost structure that aligns with previous years. We believe there is still potential for margin recovery through ongoing efforts to reduce raw material costs and optimize the supply chain.

In conjunction with the approval of its 1H24 financial report, Nusco announced the termination of its subcontracting agreement with related party Modo S.r.l., transitioning 112 employees and their associated contracts directly to Nusco. This strategic move aims to maintain production capacity and ensure timely order fulfillment. By integrating Modo's workforce, Nusco anticipates increased production flexibility, reduced costs and enhanced competitiveness in the market.

While the addition of newly hired employees will lead to an increase in direct labor costs, this will be offset by substantial reductions in production expenses within the Windows BU. Management anticipates that the overall impact will result in annual cost savings of €0.3m for Nusco. Additionally, the transfer will not involve any immediate financial outlay for the Company.

Figure 47: Doors BU costs as a % of VoP FY22–26E

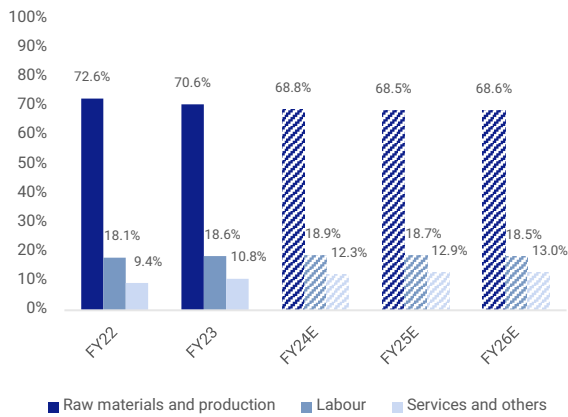
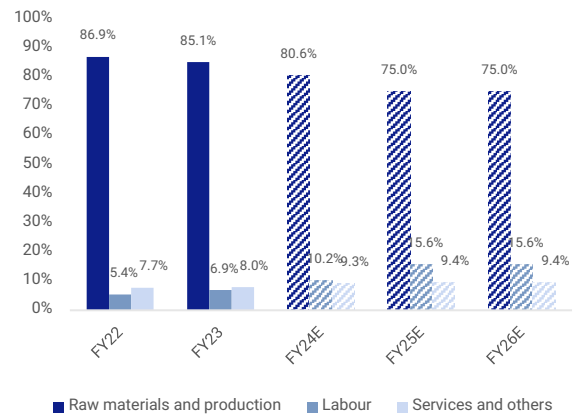


Figure 48: Windows BU costs as a % of VoP FY22–26E



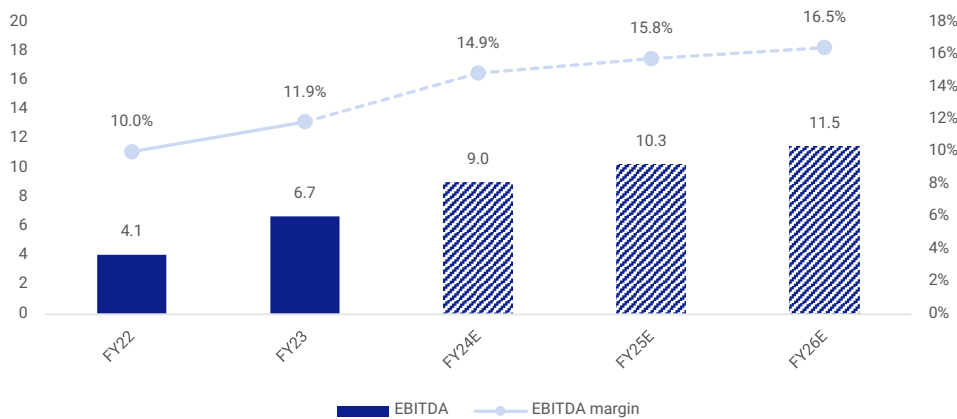
Source: Banca Profilo elaborations and estimates on Company data

**EBITDA growth of 16.7% CAGR, Driven by Windows BU and cost rationalization**

We project EBITDA to grow at a CAGR of 16.7% over the next three years, reaching €11.5mln in FY26E, primarily driven by the Windows BU. Significant margin improvements are anticipated due to cost rationalization efforts implemented last year, which are already reflected in the half-year results.

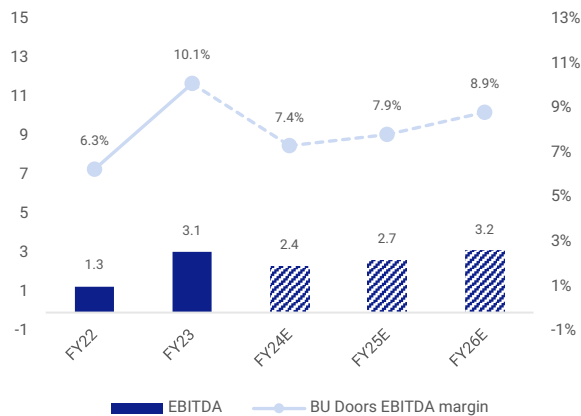
In 1H24, Nusco reported an EBITDA of €4.0mln, representing a 36.6% yoy increase, with the EBITDA margin surpassing 15%. Specifically, the Doors BU contributed €1.01mln in EBITDA, achieving a 7.1% margin, while the Windows BU delivered €2.98mln in EBITDA, boasting a robust 24.1% margin. It's important to note that these elevated margins were supported by other revenues, including accepted payments in tax credits that provided a 20% premium over cash payments; however, management believes it can replicate these results moving forward.

Figure 49: EBITDA (€/mln) and EBITDA margin (%) FY22-26E

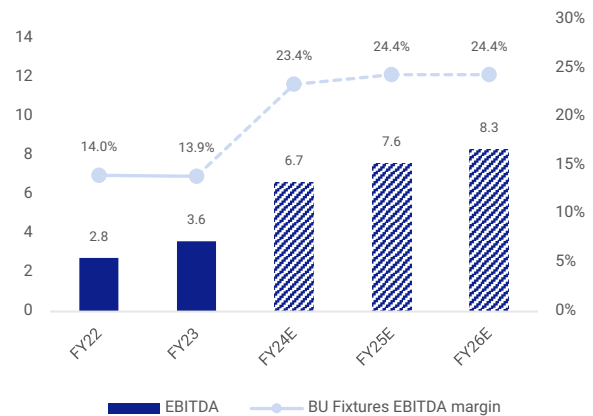


Source: Banca Profilo elaborations and estimates on Company data

**Figure 50: Doors BU EBITDA (€/mln) and EBITDA margin (%) FY22-26E**



**Figure 51: Windows BU EBITDA (€/mln) and EBITDA margin (%) FY22-26E**



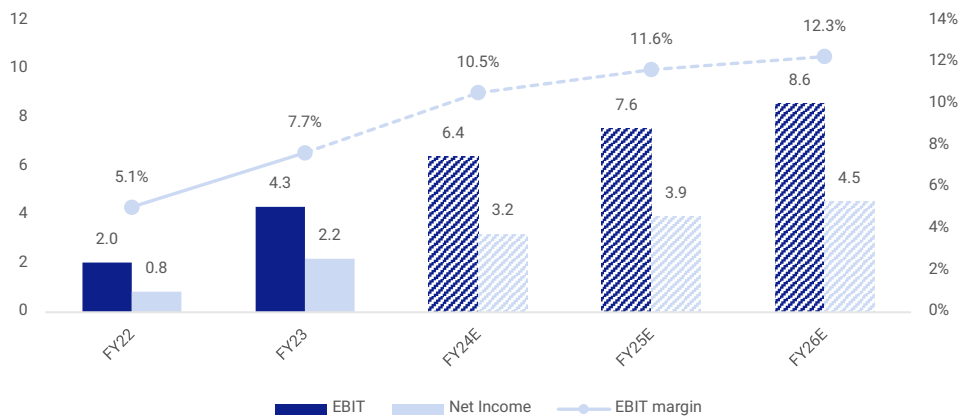
Source: Banca Profilo elaborations and estimates on Company data

**Rising EBIT and Profit**

We end with a Net Income CAGR of 31.5% over FY23-26E: it is expected to rise from €2.2mln in 2023 to €5.0mln in FY26E. This growth is underpinned by a robust EBIT margin and strategically managed debt levels, despite the current environment of high borrowing costs. Additionally, we anticipate that Nusco will not distribute any dividends during this period.

In 1H24, Nusco reported a net profit of €1.6mln, +52.3% yoy.

**Figure 52: EBIT, Net Profit (€/mln) and EBIT margin (%) FY22-26E**



Source: Banca Profilo elaborations and estimates on Company data

Table 10: Pro Forma Income Statement FY23-26E (€/mln)

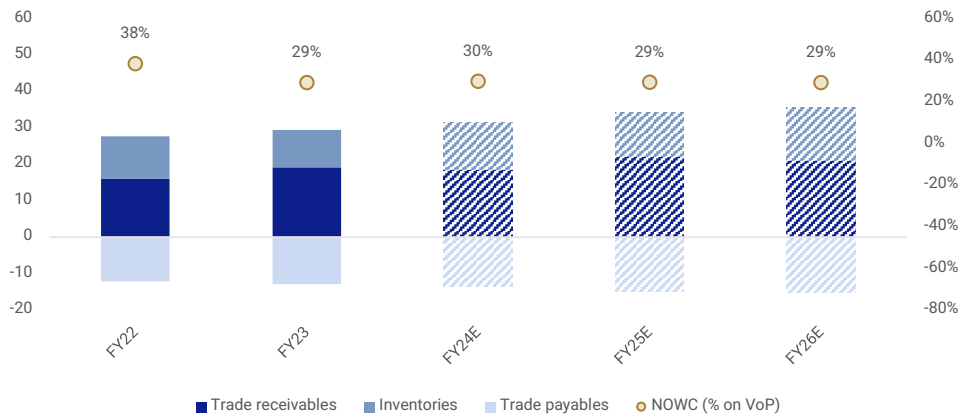
Profit & Loss (€/mln)		FY23	FY24E	FY25E	FY26E
Doors BU		30.7	32.1	33.8	35.6
	% on Revenue	54.1%	53.0%	52.0%	51.0%
Window BU		26.0	28.5	31.2	34.2
	% on Revenue	45.9%	47.0%	48.0%	49.0%
<b>Revenue</b>		<b>56.7</b>	<b>60.6</b>	<b>65.0</b>	<b>69.8</b>
	yoy	40.2%	6.9%	7.2%	7.4%
Change in finished product inventories		(0.2)	0.0	0.0	0.1
	% on VoP	-0.3%	0.1%	0.1%	0.1%
<b>Value of Production</b>		<b>56.6</b>	<b>60.7</b>	<b>65.0</b>	<b>69.9</b>
	yoy	39.5%	7.3%	7.2%	7.4%
Raw materials		(32.4)	(35.0)	(37.3)	(39.8)
	% on VoP	57.2%	57.7%	57.4%	57.0%
<b>Material Profit</b>		<b>24.2</b>	<b>25.6</b>	<b>27.7</b>	<b>30.0</b>
	% on VoP	42.8%	42.3%	42.6%	43.0%
Production costs		(6.4)	(3.9)	(2.6)	(2.8)
	% on VoP	11.2%	6.4%	4.1%	4.1%
Direct labour costs		(2.6)	(3.6)	(4.9)	(5.1)
	% on VoP	4.7%	5.9%	7.5%	7.3%
<b>Contribution margin</b>		<b>15.2</b>	<b>18.2</b>	<b>20.2</b>	<b>22.1</b>
	% on VoP	26.8%	30.0%	31.0%	31.6%
Sales transport costs		(0.6)	(0.6)	(0.6)	(0.7)
	% on VoP	1.0%	0.9%	0.9%	1.0%
<b>Margin after sales costs</b>		<b>14.6</b>	<b>17.6</b>	<b>19.6</b>	<b>21.4</b>
	% on VoP	25.8%	29.0%	30.1%	30.7%
Marketing costs		(0.8)	(0.8)	(0.9)	(1.0)
	% on VoP	1.4%	1.4%	1.4%	1.4%
<b>Margin after specific costs</b>		<b>13.8</b>	<b>16.8</b>	<b>18.7</b>	<b>20.5</b>
	% on VoP	24.5%	27.6%	28.7%	29.3%
Operating costs		(4.8)	(7.4)	(6.0)	(6.4)
	% on VoP	8.5%	12.1%	9.3%	9.2%
Costs for use of third-party assets		(0.7)	(0.7)	(0.8)	(0.9)
	% on VoP	1.2%	1.2%	1.2%	1.2%
Other operating costs		(0.1)	(0.1)	(0.1)	(0.1)
	% on VoP	0.2%	0.2%	0.2%	0.2%
Indirect labour costs		(3.1)	(3.3)	(3.5)	(3.8)
	% on VoP	5.5%	5.5%	5.4%	5.4%
Other revenue		2.1	3.8	2.1	2.2
	% on VoP	3.8%	6.2%	3.2%	3.2%
<b>Adj. EBITDA</b>		<b>7.2</b>	<b>9.0</b>	<b>10.3</b>	<b>11.5</b>
	Adj. EBITDA margin	12.8%	14.9%	15.8%	16.5%
<b>EBITDA</b>		<b>6.7</b>	<b>9.0</b>	<b>10.3</b>	<b>11.5</b>
	EBITDA margin	11.9%	14.9%	15.8%	16.5%
D&A		(1.8)	(2.0)	(2.0)	(2.2)
	% on VoP	3.1%	3.3%	3.0%	3.1%
Provisions and write-downs		(0.6)	(0.7)	(0.7)	(0.8)
	% on VoP	1.1%	1.1%	1.1%	1.1%
<b>EBIT</b>		<b>4.3</b>	<b>6.4</b>	<b>7.6</b>	<b>8.6</b>
	EBIT margin	7.7%	10.5%	11.6%	12.3%
Financial income and expenses		(0.9)	(1.2)	(1.2)	(1.2)
	% on VoP	1.6%	1.9%	1.8%	1.7%
<b>EBT</b>		<b>3.5</b>	<b>5.2</b>	<b>6.4</b>	<b>7.4</b>
	Pretax margin	6.1%	8.6%	9.8%	10.6%
Taxes		(1.2)	(2.0)	(2.4)	(2.8)
	Tax rate	36.2%	38.4%	38.4%	38.4%
<b>Net Income</b>		<b>2.2</b>	<b>3.2</b>	<b>3.9</b>	<b>4.5</b>
	Net Profit margin	3.9%	5.3%	6.0%	6.5%

Source: Banca Profilo elaborations and estimates on Company data

**Stable NOWC**

We anticipate that the NOWC will maintain stability as a percentage of VoP, while also achieving sufficient growth to support the anticipated increase in revenue over the coming years.

**Figure 53: NOWC FY22-26E (€/mln)**



Source: Banca Profilo elaborations and estimates on Company data

**€5.0mln CapEx plan focused on tangible assets**

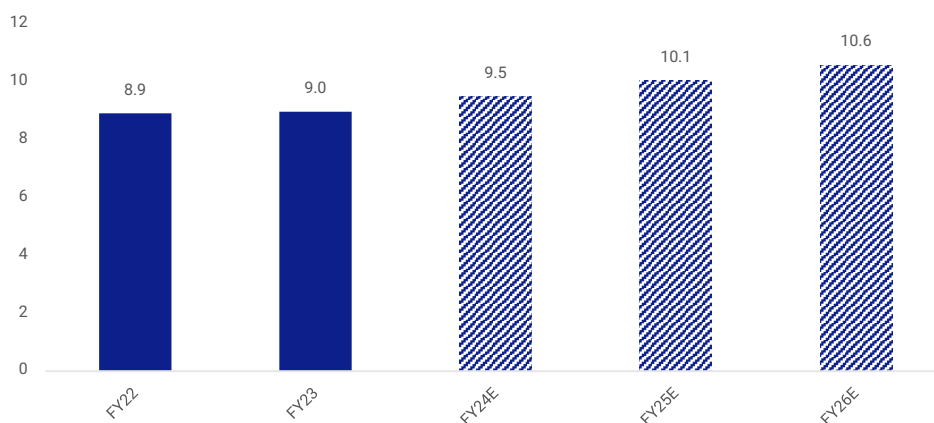
We project cumulative CapEx of €5.0mln from 2024 to 2026, primarily focused on tangible assets to be grounded in 2025. These investments will be concentrated in the Nola production facility and include the renovation of a production line for PVC window frames, the installation of two fully automated vertical warehouses and the digitization of the order management system. Against this investment programme amounting to €4.9mln, Nusco was granted by the Ministero delle Imprese e del Made in Italy a total subsidy of €3.7mln covering a nominal percentage equal to 75% of the admitted investment, of which €1.9mln in the form of a grant for plants and €1.7mln in the form of subsidised financing to be repaid in 7 years.

More specifically, we forecast €0.3mln of CapEx in 2024, €2.8mln in 2025 and €2.0mln in 2026 related only to ordinary maintenance.

**Adj. Net Debt under control**

We anticipate a stable adj. Net Debt over the next three years. The estimate may prove conservative if the tax credits associated with the accumulated 110% Superbonus are rapidly and successfully collected.

**Figure 54: Adj. Net Debt (Cash) FY22-26E (€/mln)**



Source: Banca Profilo elaborations and estimates on Company data

Table 11: Pro Forma Balance Sheet FY23-26E (€/mln)

Balance Sheet (€/mln)				
	FY23	FY24E	FY25E	FY26E
Intangible assets	6.4	5.5	5.3	5.0
Tangible fixed assets	10.0	9.2	10.1	10.2
Financial assets	1.9	1.7	1.7	1.7
<b>Fixed Assets</b>	<b>18.3</b>	<b>16.3</b>	<b>17.1</b>	<b>16.9</b>
Inventories	10.3	13.1	11.9	14.6
<i>% on VoP</i>	<i>18.1%</i>	<i>21.7%</i>	<i>18.4%</i>	<i>20.9%</i>
Trade receivables	19.1	18.4	22.2	21.1
<i>% on VoP</i>	<i>33.8%</i>	<i>30.4%</i>	<i>34.1%</i>	<i>30.2%</i>
Trade payables	(12.9)	(13.5)	(15.0)	(15.3)
<i>% on COGS w/o labour cost</i>	<i>23.2%</i>	<i>23.0%</i>	<i>23.7%</i>	<i>22.7%</i>
<b>Net Operating Working Capital</b>	<b>16.5</b>	<b>18.1</b>	<b>19.1</b>	<b>20.4</b>
<i>% on VoP</i>	<i>29.2%</i>	<i>29.8%</i>	<i>29.4%</i>	<i>29.2%</i>
Other current assets	10.5	11.1	10.6	10.6
Other current liabilities	(8.5)	(4.9)	(4.9)	(4.9)
<b>Net Working Capital</b>	<b>18.5</b>	<b>24.3</b>	<b>24.8</b>	<b>26.1</b>
<i>% on VoP</i>	<i>32.8%</i>	<i>40.1%</i>	<i>38.2%</i>	<i>37.4%</i>
Non current assets	0.0	0.0	0.0	0.0
Non current liabilities	(2.2)	(2.2)	(2.2)	(2.2)
<b>Net Invested Capital</b>	<b>34.6</b>	<b>38.5</b>	<b>39.7</b>	<b>40.9</b>
Intangible	0.1	0.1	0.8	0.6
Tangible	0.8	0.2	2.0	1.4
<b>CapEx</b>	<b>0.9</b>	<b>0.3</b>	<b>2.8</b>	<b>2.0</b>
<i>% on VoP</i>	<i>1.6%</i>	<i>0.4%</i>	<i>4.2%</i>	<i>2.9%</i>
Share capital	21.0	22.5	22.5	22.5
Reserves and retained earnings	2.4	3.2	3.2	3.2
Group Net Income	2.2	3.2	3.9	4.5
<b>Shareholders' equity</b>	<b>25.6</b>	<b>29.0</b>	<b>29.7</b>	<b>30.3</b>
<b>Adj. Net Financial Position (Cash)</b>	<b>9.0</b>	<b>9.5</b>	<b>10.1</b>	<b>10.6</b>

Source: Banca Profilo elaborations and estimates on Company data

Positive FCFs over the period

Cumulatively, for the period of 2024-26E, FCFs are projected at €11.1mln, including €5.0mln of CapEx and an increase in NOWC amounting to €3.9mln.

Table 12: Pro Forma Free Cash Flows FY23-26E (€/mln)

Free Cash Flow (€/mln)				
	FY23	FY24E	FY25E	FY26E
EBIT	4.3	6.4	7.6	8.6
<i>Tax rate</i>	<i>36.2%</i>	<i>38.4%</i>	<i>38.4%</i>	<i>38.4%</i>
<b>NOPAT</b>	<b>2.8</b>	<b>3.9</b>	<b>4.7</b>	<b>5.3</b>
D&A	1.8	2.0	2.0	2.2
Changes in Operating NWC	(1.0)	(1.6)	(1.1)	(1.3)
CapEx	(0.9)	(0.3)	(2.8)	(2.0)
<b>Free Cash Flow</b>	<b>2.6</b>	<b>4.1</b>	<b>2.8</b>	<b>4.2</b>

Source: Banca Profilo elaborations and estimates on Company data



## Key Risk

	TYPE OF RISK	DESCRIPTION
EXTERNAL CONTEXT	<i>Geopolitical:</i> - high likelihood - low impact	The Group faces geopolitical risks due to escalating tensions between Russia and Ukraine and their potential global economic impact. However, it has no significant exposure to these countries regarding management, key suppliers, or financial flows in Russian or Ukrainian currencies. Furthermore, the Group has taken necessary measures to mitigate potential negative effects, particularly concerning rising raw material costs, especially for energy.
	<i>Interest rate:</i> - medium likelihood - medium-low impact	The Group is exposed to interest rate risk, as its financial debt is almost entirely at variable rates. Future increases in interest rates could lead to higher financial costs associated with this variable-rate debt. However, due to the Group's low overall indebtedness to the financial system, any potential rise in interest rates is not expected to significantly impact its operational activities or growth prospects.
	<i>Exchange rate:</i> - medium likelihood - medium impact	The Group is exposed to potential risks associated with fluctuations in exchange rates with foreign suppliers, which may arise from changes in the major currencies used in international transactions. These exchange rate fluctuations could affect the costs of procuring goods and services from abroad, impacting operational margins. However, the Group's current geographical diversification of activities and its ability to negotiate favorable agreements with suppliers help mitigate the potential impact of currency fluctuations on its overall economic and financial situation.
BUSINESS & STRATEGY EXECUTION	<i>Obsolescence:</i> - medium-low likelihood - medium impact	The Group is exposed to the risk of technological obsolescence, particularly concerning its production systems. If the Group is unable to promptly update its systems to keep pace with technological advancements in its market, this could have negative effects on its economic, asset and financial position.
	<i>Competitive pressure:</i> - medium likelihood - high impact	The Group operates in a highly competitive environment. Competitive pressure in its market is driven by larger players or those with specific competitive advantages in relevant sectors. An increase in the number of competitors, their economies of scale, or their competitive advantages compared to the Group could negatively impact the Group's market position, as well as its economic and financial situation.
	<i>Liquidity:</i> - low likelihood - high impact	The Group is exposed to liquidity risk, which is the possibility of facing difficulties in meeting its financial obligations, particularly those related to liabilities. To manage this risk, the Group continuously monitors its financial position and implements prudent policies to maintain a proper balance between liability maturities and its ability to generate cash. This approach ensures the Group can confidently address its immediate and medium-to-long-term financial needs while minimizing the impact of unforeseen events on cash requirements.
	<i>Credit risk:</i> - low likelihood - high impact	The Group faces credit risk, which refers to the potential losses arising from counterparties, both commercial and financial, failing to meet their obligations. Insolvent positions are promptly handled by the Group's legal team, and for certain clients, risk is mitigated through additional guarantees, such as pledges and sureties.

**Table 13: Risk matrix**

<b>Impact</b>	Very high					
	High	Liquidity; Credit		Competitive pressure		
	Medium		Obsolescence	Exchange rate		
	Medium-Low			Interest rate		
	Low				Geopolitical risk	
<b>Potential impact on the business VS likelihood of occurrence</b>		Low	Medium-Low	Medium	High	Very high
		<b>Likelihood</b>				

Source: Banca Profilo elaborations on Company data

## Valuation

### DCF method and market multiples

Given Nusco's projected cash generation, the DCF method is well-suited for valuation. Additionally, we have identified a sample of listed comparables to provide a relevant peer group for relative valuation using market multiples.

In both valuation methods, we utilize the estimated net debt as of year-end 2024.

### DCF valuation

€17.4mln of cumulated FCFs in FY25-28E and Terminal Value at €4.4mln

To run the DCF model, we used our projections of FCFs for the 2025-28E explicit period: €17.4mln of cumulated FCFs. We would consider the average FCF over the period of €4.4mln as the Terminal Value cash flow.

9.6% WACC

We would use a 9.6% WACC, derived from:

- a risk-free rate at 4.32%, as implicitly expected by consensus on the 30Y Italian BTP yield curve (100 days Moving Average);
- a market risk premium equal to 5.5%;
- a levered beta of 1.08 coming from the average of chosen listed peers;
- a cost of debt of 9.3%;
- a target Debt-to-Equity (D/E) ratio of 25%;
- a perpetual growth rate of 2%.

Table 14: WACC calculation

WACC Calculation	
Perpetual growth rate	2.0%
<b>WACC</b>	<b>9.6%</b>
Risk free rate (30Y)	4.32%
Equity risk premium	5.5%
Beta	1.08
<b>KE</b>	<b>10.3%</b>
Cost of debt	9.3%
Tax rate	27.9%
<b>KD</b>	<b>6.7%</b>

Table 15: DCF valuation

	DCF Valuation (€/mln)					Over
	FY24E	FY25E	FY26E	FY27E	FY28E	
<b>Free Cash Flow</b>	<b>4.1</b>	<b>2.8</b>	<b>4.2</b>	<b>4.5</b>	<b>5.9</b>	<b>4.4</b>
Years		1	2	3	4	
Discount factor		0.91	0.83	0.76	0.69	
NPV Free Cash Flows		2.6	3.5	3.4	4.1	
Sum of NPVs						13.6
Terminal Value						57.6
NPV Terminal Value						39.9
<b>Enterprise Value</b>						<b>53.5</b>
Net Debt as of end 2024						9.5
<b>Equity Value</b>						<b>44.0</b>
Number of shares (mln)						19.9
<b>Per share value (€)</b>						<b>2.21</b>
Current price (€)						0.97

Source: Banca Profilo elaborations and estimates on Company data

DCF valuation:  
€2.2/share

The DCF method leads us to an Enterprise Value of €53.5mln and to an Equity Value of €44.0mln showing a fair value of €2.2/share.

## Market multiples

### EV/EBITDA multiples

The selected sample for assessing Nusco's relative valuation using the market multiples approach includes Inwido AB (SE), JELD-WEN Inc. (US), Deceuninck NV (BE), Eurocell Plc (UK), and Sciuker Frames (IT).

**Table 16: Market multiples**

Company	EV/EBITDA			
	14/10/2024	FY23	FY24E	FY25E
Inwido AB		9.2x	10.2x	8.6x
JELD-WEN Holding, Inc.		6.8x	7.0x	6.3x
Deceuninck nv		4.7x	3.7x	3.4x
Eurocell Plc		5.6x	4.9x	4.5x
Sciuker Frames SpA		4.8x	6.6x	5.0x
<b>Mean</b>		<b>6.2x</b>	<b>6.5x</b>	<b>5.6x</b>
<b>Median</b>		<b>5.6x</b>	<b>6.6x</b>	<b>5.0x</b>
<b>Nusco SpA</b>		<b>3.9x</b>	<b>3.1x</b>	<b>2.8x</b>

**Table 17: Relative valuation**

Valuation on EV/EBITDA market multiples (€/mln)	
	FY25E
<b>EV/EBITDA</b>	<b>5.0x</b>
EBITDA	10.3
<b>Enterprise Value</b>	<b>51.5</b>
Net Debt as of end 2024	9.5
<b>Equity Value</b>	<b>42.0</b>
Number of shares (mln)	19.9
<b>Price per share (€)</b>	<b>2.10</b>
Current price (€)	0.97

Source: Banca Profilo elaborations and estimates on Company data (as of October 14<sup>th</sup>, 2024)

### Median FY25E EV/EBITDA at 5.0x

To compute valuation through market multiples, we use the median FY25 EV/EBITDA at 5.0x (as of October 14<sup>th</sup>, 2024).

### Market multiples valuation: €2.1/share

The relative valuation method results in an Enterprise Value of €51.5mln and to an Equity Value of €42.0mln, or €2.1/share.

### BUY with 12-month TP raised to €2.2/share

We calculated the target price (TP) of €2.2/share by taking the simple average of the DCF and multiple valuations. Considering the significant upside potential from Nusco's closing price as of October 14<sup>th</sup>, 2024, we are issuing a BUY recommendation.



## Nusco SpA ID Card

Recommendation

Target Price

Upside

**BUY****2.2 €****122%**

ott, 16 2024 - 17:00

### Company Overview

Nusco S.p.A., based in Nola (NA), is a leading Italian company with over 60 years of experience in producing and marketing interior doors and window frames in wood, PVC, aluminium and iron under the "NUSCO" brand. As the parent company of the Nusco Group, which includes the Romanian subsidiary Pinum Doors & Windows S.r.l., Nusco is a market leader in central and southern Italy. The Company operates through two Business Units: the Doors BU, responsible for producing and marketing doors, including armored options, and the Fixtures BU, focused on windows, shutters and iron grilles. Nusco serves a diverse clientele, including construction companies, franchisees, authorized multi-brand resellers and private customers.

The Company is listed on the Euronext Growth Milan segment of the Italian Stock Exchange and Virtutis Solaris S.r.l., a company related to the Nusco family, holds a 58.3% stake in the shares. Free Float stands at 20.2%.

### SWOT Analysis

#### Strengths

- Strong market position in central and southern Italy
- Geographical diversification
- A broad product portfolio
- Broad-based organic growth across all sales channels
- Low debt

#### Weaknesses

- High exposure to raw material costs
- High financing costs due to current interest rate environment

#### Opportunities

- Green and sustainable building trends
- Technological advancements
- International expansion
- M&A or strategic partnerships

#### Threats

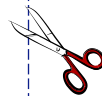
- Intensified competition
- Economic downturns
- Currency fluctuations

### Main catalysts

- New public incentives from the EU's Green Directive  
 M&A opportunities to enhance vertical integration or pursue international expansion in high-growth markets

### Main risks

- Rising price competition from rival companies  
 Highly cyclical sector



## Nusco SpA ID Card

Recommendation

**BUY**

Target Price

**2.2 €**

Upside

**122%**

ott, 16 2024 - 17:06

Main financial data					
(€/mln)	FY23	FY24E	FY25E	FY26E	
<b>Revenue</b>	<b>56.7</b>	<b>60.6</b>	<b>65.0</b>	<b>69.8</b>	
	<i>yoy</i>	40.2%	6.9%	7.2%	7.4%
<b>Value of Production</b>	<b>56.6</b>	<b>60.7</b>	<b>65.0</b>	<b>69.9</b>	
	<i>yoy</i>	39.5%	7.3%	7.2%	7.4%
<b>Adj. EBITDA</b>	<b>7.2</b>	<b>9.0</b>	<b>10.3</b>	<b>11.5</b>	
	<i>Adj. EBITDA margin</i>	12.8%	14.9%	15.8%	16.5%
<b>EBIT</b>	<b>4.3</b>	<b>6.4</b>	<b>7.6</b>	<b>8.6</b>	
	<i>EBIT margin</i>	7.7%	10.5%	11.6%	12.3%
<b>EBT</b>	<b>3.5</b>	<b>5.2</b>	<b>6.4</b>	<b>7.4</b>	
	<i>Pretax margin</i>	6.1%	8.6%	9.8%	10.6%
<b>Net Income</b>	<b>2.2</b>	<b>3.2</b>	<b>3.9</b>	<b>4.5</b>	
	<i>Net Profit margin</i>	3.9%	5.3%	6.0%	6.5%
<b>Adj. Net Financial Position (Cash)</b>	<b>9.0</b>	<b>9.5</b>	<b>10.1</b>	<b>10.6</b>	
Shareholders' equity	25.6	29.0	29.7	30.3	
Net Operating Working Capital	16.5	18.1	19.1	20.4	
CapEx	0.9	0.3	2.8	2.0	
<b>Free Cash Flow</b>	<b>2.6</b>	<b>4.1</b>	<b>2.8</b>	<b>4.2</b>	

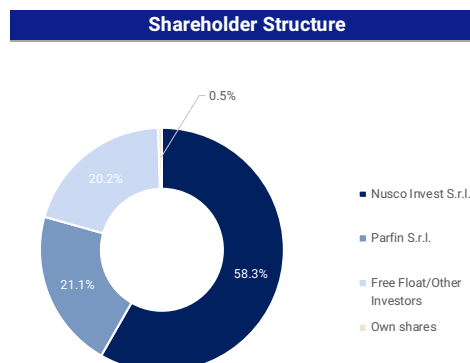
Activity ratios					
	FY23	FY24E	FY25E	FY26E	
Days of inventory On Hand (DOH)	70	70	70	69	
Days of Sales Outstanding (DSO)	113	113	114	113	
Days Payable Outstanding (DPO)	82	82	82	82	
Fixed Assets Turnover (FAT)	3.1	3.7	3.8	4.1	

Liquidity ratios					
	FY23	FY24E	FY25E	FY26E	
Current ratio	1.6	2.3	2.3	2.3	
Cash conversion cycle	101	101	102	100	

Solvency ratios					
	FY23	FY24E	FY25E	FY26E	
Net Debt (Cash)-to-Equity	0.1x	0.1x	0.1x	0.1x	
Net Debt (Cash)-to-EBITDA	1.3x	1.1x	1.0x	0.9x	
Interest Coverage ratio	4.9x	5.5x	6.4x	7.1x	

Profitability ratios					
	FY23	FY24E	FY25E	FY26E	
Return On Invested Capital (ROIC)	8.0%	10.2%	11.7%	12.9%	
Return On Capital Employed (ROCE)	4.9%	8.3%	9.3%	10.3%	

Company Description	
Company Sector	Building Products
Price (as of October 15, 2024)	€ 0.97
Number of shares (mln)	19.9
Market Cap (mln)	€ 19.3
Reference Index	FTSE Italia Growth Index
Main Shareholders	Nusco Invest S.r.l.
Daily Average Volumes	17,436
Sample of comparables	Inwido AB (SE), JELD-WEN Inc (US), Deceuninck NV (BE), Eurocell Plc (UK) and Sciucker Frames (IT)



Data of peers				
Median	FY22	FY23	FY24E	FY25E
Sales growth (yoy)	16.2%	-6.0%	-3.2%	4.9%
EBITDA margin	14.0%	11.7%	13.6%	14.9%

Multiples of peers			
Median	FY24E	FY25E	
EV/EBITDA	6.6x	5.0x	

Source: Bloomberg, Factset, Banca Profilo estimates and elaborations

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