

SERI INDUSTRIAL

BUY

Sector: Industrials

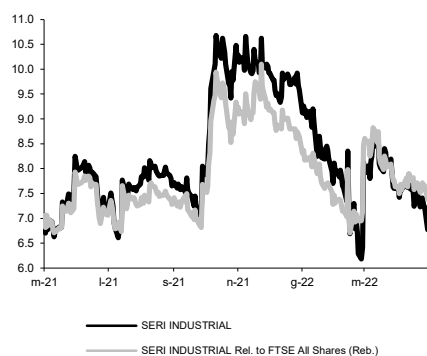
Price: Eu6.77 - Target: Eu12.80

Despite Some Delays, Still an Attractive New Energy Economy Play

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Stock Rating				
Rating:	Unchanged			
Target Price (Eu):	from 14.30 to 12.80			
	2022E	2023E	2024E	
Chg in Adj EPS	-59.1%	-20.8%	-3.8%	

SERI INDUSTRIAL - 12M Performance



Stock Data				
Reuters code:	SERK.MI			
Bloomberg code:	SERI IM			
Performance	1M	3M	12M	
Absolute	-10.9%	-16.5%	-5.4%	
Relative	-3.0%	-1.0%	2.1%	
12M (H/L)	10.68/6.18			
3M Average Volume (th):	135.36			

Shareholder Data	
No. of Ord shares (mn):	48
Total no. of shares (mn):	49
Mkt Cap Ord (Eu mn):	327
Total Mkt Cap (Eu mn):	327
Mkt Float - Ord (Eu mn):	129
Mkt Float (in %):	39.6%
Main Shareholder:	
Civittillo Family	60.4%

Balance Sheet Data	
Book Value (Eu mn):	126
BVPS (Eu):	2.58
P/BV:	2.6
Net Financial Position (Eu mn):	-111
Enterprise Value (Eu mn):	442

- 2021 results: as-is business exceeds expectations, but group results hit by delay at T1 plant.** In 2021, SERI reported positive results in the as-is business that exceeded expectations (both in plastic materials and lead acid batteries), although group results fell short of estimates as the T1 plant faced delays in completion of preparatory activities by a supplier. The as-is business benefitted from the recovery in demand and operating leverage, despite the negative impact of higher commodity and energy prices in the final part of the year, which will be recovered this year through price adjustments. In brief, group revenues were €177mn (+32% YoY, vs. €192mn exp.), entirely represented by the as-is business (vs. €165mn exp.). Adj. EBITDA was €20.5mn (vs. €21.7mn exp., €17.9mn for the as-is business) for an 11.6% margin, up 3x vs. 2020 and just 7% below 2019. Adj. EBIT was at break-even, but excluding D&A related to the T1 and T2 plants it would have been €10.3mn, a 5.8% margin. Net debt was €98mn, better than the €106mn expected thanks to lower NWC absorption.
- T1 update: awaiting newsflow.** As hinted above, SERI encountered delays in the fine-tuning of cell formation activities at the T1 plant due to the resurgence of Covid-19 that prevented the Japanese supplier to perform all the necessary activities. This prevented the company selling products in 4Q21. While this hurdle has now been cleared, with positive results from discharging tests, SERI is in the process of certifying the batteries before finally selling the products to customers. We remind SERI is adopting the LFP water-based technology for its soft-pouch lithium batteries which has superior environmental performance compared to other technologies such as NMC. Although management didn't provide specific guidance, we expect sales to commence in late 2Q or 3Q. We are therefore adjusting our forecast reflecting 50%/85% saturation (vs. 80%/100% prev.) of the 330MWh/year plant capacity in 2022/23, partly offset by a higher ASP due to the inflationary environment (€425/KWh vs. €400/KWh prev.).
- T2 update: concession decree issued; watching for next developments.** On 8th March, the Ministry for Economic Development issued the long-awaited concession decree that grants the company €417mn from the IPCEI fund (out of €505mn allocated). Thanks to this decree, the company can finally begin the investment phase relating to the Teverola 2 lithium battery project. As a result of technological improvements (higher cell performance), management upgraded the plant's capacity to 8/8.5GWh (7/8GWh previously), in line with our assumption, with ramp-up by mid-2024 (our assumption: mid-2025) and €1.5/1.6bn in revenue when it is fully up and running. We await project development phases, notably: i) a positive assessment by banks for the activation of a specific revolving credit facility in advance of the grants; ii) timely progress on CapEx deployment (formalisation of contracts, set-up of machinery).
- Change in estimates.** Despite a stronger as-is business, we are cutting our estimates due to a lower contribution of T1 in 2022/23 following the delay in the commercialization of batteries as outlined above.
- BUY; TP from €14.3 to €12.8.** While the as-is business showed positive results in 2021, the expected contribution from the T1 plant didn't materialise, although due to industry-wide reasons. Nevertheless, with the plant seemingly ready to produce its first results, we remain positive on SERI. We are also positive on the name due to the tremendous opportunity offered by the T2 plant, which is included in our valuation, albeit with more cautious operating assumptions than indicated by management and discounted at a start-up like cost of capital. As the new energy economy will create massive growth potential for lithium batteries, we remain positive on SERI. Our new TP goes to €12.8 from €14.3 on the back of a higher cost of capital (ERP +0.5pp, RF +0.5pp) and lower estimates.

Key Figures & Ratios	2020A	2021A	2022E	2023E	2024E
Sales (Eu mn)	134	177	266	311	332
EBITDA Adj (Eu mn)	5	21	34	49	55
Net Profit Adj (Eu mn)	-8	0	5	16	20
EPS New Adj (Eu)	-0.163	0.010	0.103	0.317	0.418
EPS Old Adj (Eu)	-0.163	-0.029	0.253	0.401	0.434
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	nm	21.8	13.1	8.8	7.5
EV/EBIT Adj	nm	nm	38.1	16.1	12.6
P/E Adj	nm	nm	65.5	21.3	16.2
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	19.5	4.8	3.3	2.0	1.4

SERI INDUSTRIAL – Key Figures						
Profit & Loss (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	157	134	177	266	311	332
EBITDA	19	2	20	34	49	55
EBIT	7	-11	-2	12	26	33
Financial Income (charges)	-3	-4	-4	-5	-5	-5
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	3	-15	-6	7	21	28
Taxes	-1	11	3	-2	-6	-8
Tax rate	43.4%	69.8%	53.9%	27.0%	27.0%	27.0%
Minorities & Discontinued Operations	-0	0	0	0	0	0
Net Profit	2	-4	-3	5	16	20
EBITDA Adj	22	5	21	34	49	55
EBIT Adj	10	-6	-1	12	26	33
Net Profit Adj	5	-8	0	5	16	20
Per Share Data (Eu)	2019A	2020A	2021A	2022E	2023E	2024E
Total Shares Outstanding (mn) - Average	47	47	48	49	49	49
Total Shares Outstanding (mn) - Year End	47	47	48	49	49	49
EPS f.d	0.033	-0.092	-0.057	0.103	0.317	0.418
EPS Adj f.d	0.107	-0.163	0.010	0.103	0.317	0.418
BVPS f.d	2.540	2.410	2.505	2.577	2.894	3.312
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV						
Dividend Payout Ratio (%)						
Cash Flow (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Gross Cash Flow	-18	9	20	27	38	43
Change in NWC	42	-8	-7	-24	-4	-5
Capital Expenditure	-39	-23	-25	-17	-18	-20
Other Cash Items	5	-5	8	0	0	0
Free Cash Flow (FCF)	-14	-23	-13	-13	15	17
Acquisitions, Divestments & Other Items	-8	1	0	0	0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	-2	0	3	0	0	0
Change in Net Financial Position	-18	-27	-2	-13	15	17
Balance Sheet (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Total Fixed Assets	164	184	192	187	183	181
Net Working Capital	39	56	59	83	88	93
Long term Liabilities	14	29	33	33	33	33
Net Capital Employed	189	210	219	237	238	241
Net Cash (Debt)	-69	-96	-98	-111	-96	-79
Group Equity	120	114	121	126	142	162
Minorities	2	0	0	0	0	0
Net Equity	118	114	121	126	141	162
Enterprise Value (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Average Mkt Cap	83	141	350	331	331	331
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-69	-96	-98	-111	-96	-79
Enterprise Value	152	237	448	442	427	410
Ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
EBITDA Adj Margin	14.1%	3.7%	11.6%	12.7%	15.7%	16.5%
EBIT Adj Margin	6.7%	nm	nm	4.4%	8.5%	9.8%
Gearing - Debt/Equity	57.4%	84.2%	81.1%	88.4%	68.0%	48.7%
Interest Cover on EBIT	2.0	nm	nm	2.5	5.1	7.1
Net Debt/EBITDA Adj	3.1	19.5	4.8	3.3	2.0	1.4
ROACE*	3.7%	-5.7%	-1.0%	5.1%	11.1%	13.6%
ROE*	4.3%	-6.7%	0.4%	4.1%	11.6%	13.5%
EV/CE	0.8	1.2	2.1	1.9	1.8	1.7
EV/Sales	1.0	1.8	2.5	1.7	1.4	1.2
EV/EBITDA Adj	6.9	nm	21.8	13.1	8.8	7.5
EV/EBIT Adj	14.6	nm	nm	38.1	16.1	12.6
Free Cash Flow Yield	-4.2%	-6.9%	-3.9%	-4.1%	4.6%	5.3%
Growth Rates (%)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	17.3%	-14.4%	32.2%	50.4%	16.8%	6.6%
EBITDA Adj	44.4%	-77.7%	316.3%	65.1%	43.9%	12.6%
EBIT Adj	370.1%	nm	nm	nm	128.1%	23.2%
Net Profit Adj	-71.2%	nm	nm	nm	207.0%	31.7%
EPS Adj	nm	nm	nm	980.9%	207.0%	31.7%
DPS						

*Excluding extraordinary items

Source: Intermonte SIM estimates

2021 results

SERI – Results breakdown by division, income statement and NFP

	1H20A	2H20A	2020A	1H21A	2H21A	2021A	2022E	2H21E	A/E %	2021E	A/E %
El. Acc. (lead-acid)	25.7	31.4	57.0	32.5	42.0	74.6	81.9	33.8	24%	66.4	12%
Plastics materials	33.1	45.3	78.3	52.6	52.1	104.7	116.6	47.4	10%	100.0	5%
Corporate, Other & Elim.	-0.7	-0.6	-1.3	-0.7	-1.4	-2.1	-2.1	-1.0	43%	-1.7	25%
Business as-is	58.0	76.0	134.0	84.4	92.7	177.1	196.3	80.2	16%	164.7	8%
Teverola 1	0.0	0.0	0.0	0.0	0.0	0.0	70.1	27.2		27.2	
Group revenue	58.0	76.0	134.0	84.4	92.7	177.1	266.5	107.4	-14%	191.8	-8%
El. Acc. (lead-acid)	-13%	-3%	-8%	+27%	+34%	+31%	+10%	+8%		+16%	
Plastics materials	-34%	-0%	-18%	+59%	+15%	+34%	+11%	+5%		+28%	
Corporate, Other & Elim.	+475%	+176%	+283%	-3%	+131%	+59%	+0%	+62%		+27%	
Business as-is	-27%	-2%	-14%	+46%	+22%	+32%	+11%	+6%		+23%	
Lithium batteries	+0%	+0%	+0%	+0%	+0%	+0%	+0%	+0%		+0%	
Group revenue	-27%	-2%	-14%	+46%	+22%	+32%	+50%	+41%		+43%	
El. Acc. (lead-acid)	0.2	0.6	0.9	2.4	6.8	9.2	10.6	4.9	38%	7.3	26%
Plastics materials	1.1	3.6	4.7	6.1	5.5	11.6	12.8	5.2	7%	11.3	3%
Corporate, Other & Elim.	-0.7	0.0	-0.6	-0.3	0.0	-0.3	-0.8	-0.3	-102%	-0.6	-49%
Business as-is	0.6	4.3	4.9	8.2	12.3	20.5	22.6	9.7	26%	17.9	14%
Teverola 1	0.0	0.0	0.0	0.0	0.0	0.0	11.2	3.8		3.8	
Adj. EBITDA	0.6	4.3	4.9	8.2	12.3	20.5	33.9	13.5	-9%	21.7	-6%
El. Acc. (lead-acid)	0.8%	2.0%	1.5%	7.5%	16.1%	12.3%	13.0%	14.4%		11.0%	
Plastics materials	3.3%	8.0%	6.0%	11.6%	10.6%	11.1%	11.0%	10.9%		11.3%	
Corporate, Other & Elim.	92.7%	-4.7%	47.3%	47.2%	-0.4%	15.1%	39.1%	30.4%		37.2%	
Business as-is	1.1%	5.6%	3.7%	9.7%	13.3%	11.6%	11.5%	12.1%		10.9%	
Teverola 1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.0%	14.0%		14.0%	
Adj. EBITDA	1.1%	5.6%	3.7%	9.7%	13.3%	11.6%	12.7%	12.6%		11.3%	
	1H20A	2H20A	2020A	1H21A	2H21A	2021A	2022E	2H21E	A/E %	2021E	A/E %
Revenues	58.0	76.0	134.0	84.4	92.7	177.1	266.5	107.4	-14%	191.8	-8%
YoY growth	-27%	-2%	-14%	+46%	+22%	+32%	+50%	+41%		+43%	
- Operating costs	-57.8	-73.9	-131.7	-76.0	-81.0	-157.0	-232.6	-93.8		-169.9	
+ Non-recurring	0.5	2.1	2.6	(0.2)	0.6	0.4	0.0	0.0		(0.2)	
Adj. EBITDA	0.6	4.3	4.9	8.2	12.3	20.5	33.9	13.5	-9%	21.7	-6%
YoY growth	-92%	-70%	-78%	n.m.	+187%	+316%	+65%	+216%		+341%	
Adj. EBITDA margin %	1.1%	5.6%	3.7%	9.7%	13.3%	11.6%	12.7%	12.6%		11.3%	
- D&A (only recurring)	-5.2	-6.0	-11.2	-9.2	-12.5	-21.7	-22.3	-10.3		-19.5	
Adj. EBIT	-4.5	-1.7	-6.2	-1.0	-0.2	-1.2	11.6	3.2	n.m.	2.2	n.m.
YoY growth	-315%	-121%	-160%	-78%	-87%	-80%	-1052%	-285%		-135%	
Adj. EBIT margin %	-7.8%	-2.3%	-4.7%	-1.2%	-0.2%	-0.7%	4.4%	3.0%		1.1%	
- Non-recurring (incl. D&A)	-1.3	-3.9	-5.2	-0.4	-0.5	-0.9	0.0	0.0		-0.4	
-/+ Net fin. exp./inc.	-1.5	-2.2	-3.7	-1.8	-2.1	-3.8	-4.7	-2.0		-3.8	
Pre-tax income	-7.4	-7.8	-15.2	-3.1	-2.8	-6.0	6.9	1.2	n.m.	-1.9	n.m.
Tax rate %	-3.9%	n.m.	69.8%	-31.9%	n.m.	53.9%	27.0%	n.m.		27.0%	
- Tax income	(0.3)	10.9	10.6	(1.0)	4.2	3.2	(1.9)	1.5		0.5	
Net income	-7.6	3.1	-4.6	-4.1	1.4	-2.8	5.1	2.7	n.m.	-1.4	n.m.
YoY growth	+457%	-5%	-348%	-46%	-55%	-40%	-284%	-11%		-69%	
Net income margin %	-13.2%	4.0%	-3.4%	-4.9%	1.5%	-1.6%	1.9%	2.5%		-0.7%	
Adj. net income	-7.6	-0.1	-7.7	-3.8	4.2	0.5	5.1	2.4	n.m.	-1.4	n.m.
YoY growth	+457%	-101%	-253%	-50%	n.m.	-106%	n.m.	n.m.		-82%	
Net income margin %	-13.2%	-0.1%	-0.2%	-4.5%	4.6%	4.2%	7.1%	2.2%		4.2%	
Net debt/(cash)	72.1	96.0	96.0	104.2	98.0	98.0	111.4	106.2		106.2	
Net debt/EBITDA	4.9 x	22.4 x	19.5 x	8.4 x	8.0 x	4.8 x	3.3 x	7.8 x		4.9 x	

Source: Company data & Intermonte SIM Estimates

Change in estimates

Change in estimates

	New			Old			Δ %		
	2021A	2022E	2023E	2021E	2022E	2023E	2021A	2022E	2023E
Revenues	177.1	266.5	311.2	191.8	262.0	298.6	-8%	2%	4%
YoY growth	+32.2%	+50.4%	+16.8%	+43.2%	+36.6%	+14.0%			
Adj. EBITDA	20.5	33.9	48.7	21.7	41.4	50.9	-6%	-18%	-4%
YoY growth	+316.3%	+65.1%	+43.9%	+341.3%	+90.3%	+23.0%			
Adj. EBITDA margin %	11.6%	12.7%	15.7%	11.3%	15.8%	17.0%			
Adj. EBIT	(1.2)	11.6	26.5	2.2	21.3	30.8	-156%	-45%	-14%
YoY growth	-80.5%	-1052.2%	+128.1%	-135.2%	+868.6%	+44.8%			
Adj. EBIT margin %	-0.7%	4.4%	8.5%	1.1%	8.1%	10.3%			
Adj. EPS	0.01	0.10	0.32	(0.03)	0.25	0.40	-133%	-59%	-21%
YoY growth	-105.9%	+980.9%	+207.0%	-82.0%	-961.1%	+58.6%			
Net debt/(cash)	98.0	111.4	96.3	106.2	100.6	81.5	-8%	11%	18%
Net debt/EBITDA	4.8 x	3.3 x	2.0 x	4.9 x	2.4 x	1.6 x			

Source: Intermonte SIM

Valuation

SERI – Valuation

SUM PV(FCF)	139
PV TV	272
EV AS-IS + T1; WACC @ 7.6%; TG @ 2%	411
EV T2; WACC @ 15.4%; TG @ 2%	372
Enterprise Value	782
-/+ Net debt/(cash) @ YE21	98
Cash-in from warr. already conv.	0
Equity value	684
Cash-in from warrant conversion	42
Equity value + Cash-in from Warr. conv.	726
Shares outstanding	48.3
Shares from issued warr. Conv.	8.3
Fair value per share (€)	12.8
Discount	0%
Target price (€)	12.8
Actual share price (€)	6.8
Upside/(Downside)	89%

Source: Intermonte SIM

Financials

SERI – Income statement, balance sheet, cash flow statement and key financial ratios

Income statement	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Revenues	133.5	156.5	134.0	177.1	266.5	311.2	331.9
YoY growth	+0.0%	+17.3%	-14.4%	+32.2%	+50.4%	+16.8%	+6.6%
- Operating costs	-114.5	-137.1	-131.7	-157.0	-232.6	-262.5	-277.0
+ Non-recurring	-3.8	2.7	2.6	0.4	0.0	0.0	0.0
Adj. EBITDA	15.3	22.1	4.9	20.5	33.9	48.7	54.9
YoY growth	+0.0%	+44.4%	-77.7%	+316.3%	+65.1%	+43.9%	+12.6%
Adj. EBITDA margin %	11.4%	14.1%	3.7%	11.6%	12.7%	15.7%	16.5%
- D&A (only recurring)	-13.1	-11.6	-11.2	-21.7	-22.3	-22.3	-22.3
Adj. EBIT	2.2	10.4	-6.2	-1.2	11.6	26.5	32.6
YoY growth	+0.0%	+370.1%	-159.9%	-80.5%	-1052.2%	+128.1%	+23.2%
Adj. EBIT margin %	1.7%	6.7%	-4.7%	-0.7%	4.4%	8.5%	9.8%
- Non-recurring (incl. D&A)	2.7	-3.7	-5.2	-0.9	0.0	0.0	0.0
-/+ Net fin. exp./inc.	-3.6	-3.4	-3.7	-3.8	-4.7	-5.2	-4.6
Pre-tax income	1.4	3.3	-15.2	-6.0	6.9	21.3	28.0
Tax rate %	-294.8%	43.4%	69.8%	53.9%	27.0%	27.0%	27.0%
- Tax income	4.0	-1.4	10.6	3.2	-1.9	-5.7	-7.6
Net income	5.4	1.9	-4.6	-2.8	5.1	15.5	20.4
YoY growth	+0.0%	-65.4%	-347.6%	-40.1%	-283.8%	+207.0%	+31.7%
Net income margin %	4.0%	1.2%	-3.4%	-1.6%	1.9%	5.0%	6.2%
- Minorities	(0.0)	(0.3)	0.2	0.0	0.0	0.0	0.0
Net income to shareholders	5.3	1.5	-4.4	-2.8	5.1	15.5	20.4
Adj. EPS	-0.05	0.11	-0.16	0.01	0.10	0.32	0.42
YoY growth	+0.0%	-316.8%	-252.7%	-105.9%	+980.9%	+207.0%	+31.7%
Condensed balance sheet	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Trade net working capital	57.0	53.9	49.8	52.7	76.7	81.0	86.1
Other current assets/(liabilities)	-8.6	-14.4	5.8	6.6	6.6	6.6	6.6
Working capital	48.4	39.5	55.6	59.3	83.3	87.6	92.8
Net fixed assets	127.5	163.6	183.8	192.3	186.8	182.9	180.8
Long-term liabilities	-4.9	-14.0	-29.5	-32.7	-32.7	-32.7	-32.7
Total fixed asset	122.6	149.7	154.3	159.6	154.1	150.2	148.1
Invested capital	171.1	189.2	209.9	219.0	237.4	237.8	240.9
Net debt/(cash)	50.9	69.0	96.0	98.0	111.4	96.3	78.9
Equity	118.5	118.4	113.6	120.5	125.6	141.1	161.5
Minorities	1.6	1.8	0.4	0.4	0.4	0.4	0.4
Total sources	171.1	189.2	209.9	219.0	237.4	237.8	240.9
Cash flow statement	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Net Income	5.4	1.9	-4.6	-2.8	5.1	15.5	20.4
D&A	14.1	-19.4	13.8	22.3	22.3	22.3	22.3
Change in working capital & Others	-10.6	42.4	-8.4	-7.3	-24.0	-4.3	-5.1
Cash flow from operations	8.8	24.9	0.8	12.2	3.3	33.4	37.6
Capex	-39.5	-38.7	-23.3	-25.0	-16.7	-18.4	-20.2
FCF	-30.6	-13.8	-22.5	-12.8	-13.3	15.1	17.4
Acquisitions	-2.8	-7.9	0.6	0.0	0.0	0.0	0.0
Div., buyb. & eq. fin.	16.5	-1.6	0.0	3.1	0.0	0.0	0.0
Others (incl. IFRS 16)	-5.1	5.2	-5.1	7.7	0.0	0.0	0.0
Change in NFP	-22.0	-18.1	-26.9	-2.0	-13.3	15.1	17.4
Ratios	2018A	2019A	2020A	2021A	2022E	2023E	2024E
NWC/Sales %	36.3%	25.2%	41.5%	33.5%	31.3%	28.2%	28.0%
Capex/Sales %	29.6%	24.7%	17.4%	14.1%	6.3%	5.9%	6.1%
Net debt/EBITDA	3.3 x	3.1 x	19.5 x	4.8 x	3.3 x	2.0 x	1.4 x
ROCE %	1.3%	5.5%	-3.0%	-0.6%	4.9%	11.1%	13.5%
ROE %	-1.9%	4.3%	-6.8%	0.4%	4.0%	11.0%	12.7%

Source: Company data & Intermonte SIM Estimates

Market multiples and performance

SERI – Market multiples

Company name	HQ	PX (Lc. C.)	Mkt C. (€ mn)	EV/EBITDA			EV/EBIT			PE		
				2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E
SERI @ our TP	IT	12.8	332	35.4x	21.8x	14.8x	n.m.	63.6x	27.3x	n.m.	123.8x	40.3x
SERI @ our est.	IT	6.8	332	21.0x	13.1x	8.8x	n.m.	38.2x	16.2x	n.m.	65.5x	21.3x
SERI @ cons. est.	IT	6.8	332	21.0x						n.m.		
VARTA	DE	78.4	3,167	12.1x	12.8x	11.4x	18.3x	20.1x	18.2x	25.1x	27.6x	24.6x
EnerSys	US	59.4	2,450							14.2x	11.8x	9.5x
Exide Industries	IN	1.8	1,546	8.7x	7.3x	6.3x	12.2x	10.2x	8.4x	16.0x	13.9x	11.6x
GS Yuasa	JP	16.5	1,333							21.3x	12.2x	11.3x
Ganfeng Lithium	CN	10.4	19,728	22.3x	6.7x	5.6x	22.5x	6.7x	5.5x	19.9x	8.0x	7.2x
Umicore	BE	38.4	9,462	8.3x	9.1x	9.5x	10.6x	12.6x	13.5x	13.9x	16.6x	17.7x
Contemp Amperex	CN	52.0	121,304	32.6x	22.4x	14.8x	42.6x	29.5x	18.9x	53.2x	38.2x	24.9x
LG Chem	KR	375.7	27,980	6.4x	6.6x	5.7x	10.1x	12.5x	10.6x	10.4x	14.4x	11.3x
Samsung SDI	KR	440.5	30,651	18.2x	13.6x	10.9x	38.9x	25.8x	19.5x	34.4x	24.8x	20.1x
SK Innovation	KR	152.4	14,367	8.6x	5.1x	6.0x	16.1x	7.5x	9.8x	52.7x	8.4x	9.7x
Average				14.6x	10.5x	8.8x	21.4x	15.6x	13.1x	26.1x	17.6x	14.8x

Source: FactSet

SERI – Share price performance (total return)

	-1m	-3m	-6m	YTD	-1y	-2y	-3y	Oct-20
SERI	-10.9%	-16.5%	-33.4%	-30.1%	-5.4%	+120.2%	+295.9%	+95.7%
VARTA	-14.3%	-18.7%	-32.5%	-31.6%	-31.1%	+4.9%	+92.1%	-30.2%
EnerSys	-11.2%	-15.9%	-26.1%	-20.3%	-30.8%	+6.3%	-1.7%	-13.9%
Exide Industries	-8.4%	-11.3%	-18.4%	-9.1%	-18.1%	+3.3%	-25.7%	-5.8%
GS Yuasa	+2.9%	-4.2%	+4.1%	-9.9%	-22.5%	+54.1%	+18.7%	+25.2%
Ganfeng Lithium	-21.0%	-28.5%	-42.9%	-28.2%	-10.1%	+205.8%	+646.3%	+100.4%
CATL	-0.8%	+17.7%	-22.2%	+8.5%	-24.4%	+6.5%	+31.4%	+3.1%
Contemp Amperex	-25.6%	-32.7%	-44.4%	-37.5%	+0.4%	+156.3%	+408.8%	+57.0%
LG Chem	-4.0%	-17.4%	-33.2%	-18.0%	-44.1%	+47.5%	+52.6%	-22.6%
Samsung SDI	-1.7%	+4.4%	-20.9%	-9.8%	-7.8%	+107.7%	+168.2%	+34.7%
SK Innovation	-1.0%	-5.1%	-11.1%	-14.3%	-27.1%	+109.7%	+24.7%	+39.2%
MARKET (FTSE MIB)	-8.0%	-15.8%	-16.8%	-16.5%	-7.2%	+30.9%	+9.7%	+15.8%
PEERS	-8.5%	-11.2%	-24.8%	-17.0%	-21.6%	+70.2%	+141.5%	+18.7%
SERI vs MARKET	-2.9%	-0.7%	-16.6%	-13.6%	+1.8%	+89.2%	+286.2%	+79.9%
SERI vs PEERS	-2.4%	-5.4%	-8.6%	-13.1%	+16.1%	+50.0%	+154.4%	+77.0%

Source: FactSet

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	SERI INDUSTRIAL		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	12.80	Previous Target (Eu):	14.30
Current Price (Eu):	6.77	Previous Price (Eu):	9.77
Date of report:	10/05/2022	Date of last report:	08/11/2021