



Accumulate

Recommendation unchanged

Share price: EUR 16.46

closing price as of 21/04/2016

Target price: EUR 17.20

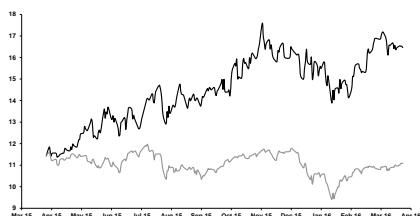
Target Price unchanged

Reuters/Bloomberg

DAL.MI/DAL IM

Market capitalisation (EURm)	962
Current N° of shares (m)	58
Free float	33%
Daily avg. no. trad. sh. 12 mth	16,077
Daily avg. trad. vol. 12 mth (m)	264
Price high 12 mth (EUR)	17.59
Price low 12 mth (EUR)	11.38
Abs. perf. 1 mth	0.61%
Abs. perf. 3 mth	8.08%
Abs. perf. 12 mth	36.48%

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	535	582	621
EBITDA (m)	74	87	97
EBITDA margin	13.8%	15.0%	15.7%
EBIT (m)	56	65	76
EBIT margin	10.4%	11.3%	12.2%
Net Profit (adj.)(m)	47	55	64
ROCE	11.1%	11.7%	12.4%
Net debt/(cash) (m)	21	3	(22)
Net Debt/Equity	0.1	0.0	-0.1
Debt/EBITDA	0.3	0.0	-0.2
Int. cover(EBITDA/Fin. int)	16.6	20.3	24.0
EV/Sales	1.9	1.8	1.6
EV/EBITDA	14.0	11.7	10.2
EV/EBITDA (adj.)	14.0	11.7	10.2
EV/EBIT	18.7	15.6	13.1
P/E (adj.)	23.6	19.8	16.6
P/BV	3.2	2.8	2.4
OpFCF yield	5.2%	2.5%	2.8%
Dividend yield	0.9%	0.9%	0.9%
EPS (adj.)	0.69	0.83	0.99
BVPS	5.10	5.94	6.93
DPS	0.15	0.15	0.16



Source: Factset — DATALOGIC — FTSE Italy STAR (Rebased)

Shareholders: Hydra 67%;

Q1 16 preliminary sales: good growth of both divisions

The facts: Q1 16 sales just published stood at EUR 135.4m up by 10.7% compared to Q1 15 (+9.6% at CER).

In particular, the group recorded a positive sales trend in both divisions in Q1 16:

- 1) ADC Division continued to show positive growth thanks to the positive performance of the Retail sector in Europe and North America; it achieved revenues at EUR 93.2m, up by 10.9% compared to Q1 15 (+9.9% at CER);
- 2) IA Division achieved revenues at EUR 35.5m, up by 11.8% compared to Q1 15 (+10.9% at CER). Net of the result of the Systems Business Unit with the contract with Royal Mail, the division's revenues increased by 6.5% (+5.9% at CER).

FY 16e sales confirmed based on Q1 16 order intake: Q1 16 order intake reached EUR 140.5m, slightly lower than in Q1 15 (-1.6%). This slowdown is mainly due to a large order received in the North American retail segment in Q1 15: net of this order, booking would have grown by 5.6% Y/Y.

So, in our opinion, the growth perspectives remain positive in 2016 and we confirm our FY 16 sales growth of +8.7% Y/Y.

Conclusion & Action: while we are waiting to see complete Q1 16 results (due out on 13 May), we maintain our positive stance on the stock and confirm our Accumulate recommendation.

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