



Pioneer in the Global Luxury Food Market

Sector: Distribution & Logistics Services

Leader in the Luxury Food market. Longino & Cardenal SpA is an Italian leader in the luxury food market and listed on EGM (ex. AIM Italia) since July 2018. The Group is active in the research, selection, and distribution of rare and precious foods originating from all over the world. With over, 30 years of experience in the industry, the Company serves c. 4,500 B2B customers including 80% of the Michelin-starred restaurants and five-star hotels in Italy. Approximately 80% of total revenues are realized in Italy followed by Hong Kong, Dubai and New York where the Group is present directly with its subsidiaries.

E-commerce to reach a growing B2C segment and increase customer experience for B2B clients. In May 2020 the Group launched its own e-commerce website to directly serve the B2C segment. The choice was made to respond to the trend of growing demand for on-line sales in the gourmet food sector boosted also by the COVID-19 induced lockdowns. On the back of the positive results in Italy the Company recently launched the online also in Dubai and Hong Kong, and in March 2022 a B2B platform which will serve as tool to further improve customer experience.

Strong rebound in the global Gourmet Food & Fine Dining market in 2021 as a strong predictor of healthy growth in the midterm. With the easing of restrictions in 2021, the global Gourmet Food & Fine Dining market experienced a strong rebound covering about half of the Covid-19 related 2020 losses. According to Altagamma-Bain, the prompt recovery should be seen as a strong predictor of healthy growth of the market in the midterm. Experience luxury (including Fine Dining), which was disproportionately impacted by the health emergency, is expected to recover at a 21E-25E CAGR of 20-28%.

Double digit revenue growth trend interrupted by the pandemic. Strong rebound in FY21. Between FY16-19 L&C grew revenues at a c. 17% CAGR to Euro 34 m with an EBITDA in FY19 of Euro 1.6 m (5% on sales). In FY20, with the Covid pandemic hitting the Gourmet Food & Fine Dining industry hard, revenues and profitability inevitably dropped. However, Management took advantage of the slow down to strengthen the business (e-commerce and digitalization) and implement cost containment measures. In 2021 the Company showed a strong recovery, with revenues growing by +36% to Euro 26.2 m, and a strong recovery in profitability which however, at EBITDA level remained negative.

Positive outlook as strategic guidelines are aligned with market trends. Given the above, our outlook for L&C is positive as we believe that Group, has used the period of slowdown well, focusing on strengthening the business model and implementing operative efficiencies. Over the next years, Management intends to continue to focus on digital, and consolidation in key markets for luxury and gourmet consumption according to a well-defined strategy aligned with driving market trends. Over the next four years we forecast a revenue CAGR of 17% to Euro 49.9 m in FY25 and fully closing the gap vs. FY19 already this year (Euro 34.7m). We expect profitability to continue to recover in FY22 with an EBITDA of Euro 0.7 m (2.1% on sales) and to reach Euro 3.9 m (8% on sales) in FY25. Key growth drivers to our estimates are i) growth in the domestic market by leveraging on increased sensitivity to quality, health, and origin of products, ii) consolidation of international subsidiaries and iii) B2C e-commerce which we expect to represent a total weight of c. 10% of total sales in FY25 (Euro 5.0 m).

Valuation. We initiate coverage of Longino&Cardenal with a target price of Euro 4.55 p.s., providing for an upside vs. current trading (Euro 3.48 p.s.) of c. 31% and based on the Discounted Cash Flow (DCF) analysis.

Target Price 4.55

Price **3.48**

Market Cap (€ m) **21.8**

EV (€ m) **25.3**

As of May 17, 2022

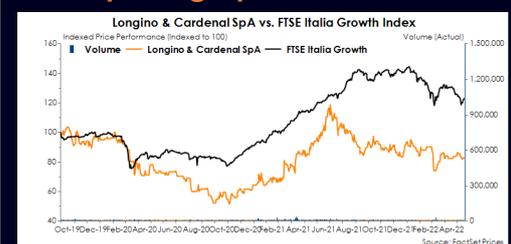
Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	LONGI.MI/LON:IM
ISIN	IT0005337073
N. of Shares	6,250,000
Free Float	22%
Main Shareholder	CARM 78%
CEO	Riccardo Uleri

Financials

	21A	22E	23E	24E	25E
Sales	26.3	34.7	39.3	44.5	49.9
YoY	36%	32%	13%	13%	12%
EBITDA	(0.5)	0.7	2.0	3.1	3.9
EBITDA	n.m.	2.1%	5.0%	7.0%	7.9%
EBIT	(1.2)	0.1	1.1	2.2	3.0
EBIT	n.m.	0.2%	2.8%	5.0%	6.0%
Net Inc.	(0.9)	(0.0)	0.7	1.5	1.9
Net Debt	3.5	5.2	6.6	5.2	3.1
Net Equity	5.5	5.5	6.1	7.6	9.7

Share price graph



Performance

	1M	3M	6M
Absolute	+0.6%	-8.4%	-5.9%
Relative (FTSE Italia Growth)	+6.7%	-1.6%	+8.3%
52-week High/Low (Eu)	4.98	/	2.98

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LONGINO&CARDENAL SNAPSHOT

Company description

Longino & Cardenal SpA is an Italian leader in the luxury food market active in the research, selection, and distribution of rare and precious foods. With over, 30 years of experience in the industry, the Group serves c. 4,500 B2B customers including 80% of the Michelin-starred restaurants and five-star hotels in Italy. In May 2020 the Company launched an e-commerce website to directly serve the B2C segment, and in March 2022 a B2B e-commerce website was launched as an efficient tool to further improve customer experience. Approximately 80% of total revenues are realized in Italy followed by Hong Kong, Dubai and New York where the Company is present directly with its subsidiaries.

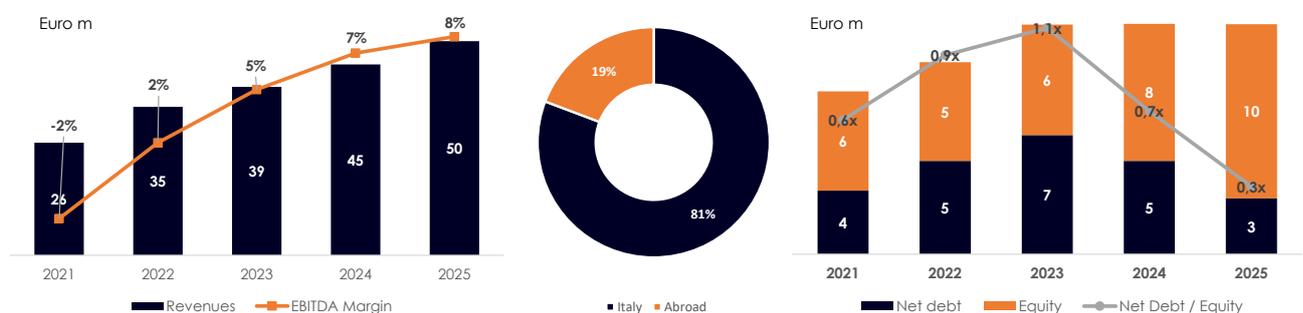
Board of Directors

Riccardo Uleri - Chairman
Cristina Sambuchi – Executive
Valerio De Molli – Independent

Key Shareholders

CARM 78%
Market 22%

LONGINO & CARDENAL IN CHARTS



INVESTMENT CASE

Experienced Management team. With over 30 years of industry experience, L&C's Management team proved able to take advantage of the business slowdown caused by the Covid-19 pandemic, exploiting the restrictions period to strengthening the business model by entering the B2C segment as well as strengthen the Company's structure by investments in production capacity (new logistics/warehouse facility) and digital (ERP, business intelligence, Performance Management customer services). In 2021 L&C was awarded one of the 74 best-managed Italian companies by Deloitte Private, also thanks to its ability to react to the pandemic crisis.

Growth strategy well aligned with driving market trends. Over the next years the Group intends to reassume growth by consolidating its position in the Italian market by targeting new customers also outside the high-end luxury segment thanks to an increased sensitivity to quality, health, and origin of products, focus on international key markets for luxury and gourmet consumption and grow the digital business. We find this strategy well aligned with driving market trends and in particular with the growing demand for quality and traceability in the food industry, growth in demand of luxury products driven by China, Middle East and the Americas, and e-commerce as a driving force in B2C markets.

International Network of Suppliers and well-established brand. Thanks to a proven selection process the Company boasts a prestigious portfolio with over 1,800 rare and precious first-class products from more than 200 suppliers spread in over 20 countries worldwide. The high-quality products and Management's industry know-how has helped establish L&C as a guarantee for quality and culinary innovation ahead of haut cuisine trends.

Integrated logistics to satisfy high-profile Italian and international food players. L&C can rely on a well-oiled logistics system able to guaranty quality and quick delivery times (worldwide "time-to-kitchen" "delivery witing 72 hours) thanks to efficient order workflow and a distribution and logistics network with food hubs in Spain (Barcelona), France (Paris) and Milan, Italy and local subsidiaries in New Yor, Hong Kong and Dubai.

Local presence through subsidiaries in key markets. The geographical footprint with subsidiaries in the global capitals for luxury and gastronomy (Hong Kong, Dubai and New York) represents Management's strategy to capture market opportunities, thus choosing locations with high penetration and expected growth in the luxury market.

KEY FINANCIALS

Profit&Loss Statement	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Revenues (VoP)	28,5	32,0	33,7	19,3	26,3	34,7	39,3	44,5	49,9
EBITDA	1,5	2,0	1,6	(1,3)	(0,5)	0,7	2,0	3,1	3,9
EBIT	1,4	1,8	1,3	(1,7)	(1,2)	0,1	1,1	2,2	3,0
Financial Income (charges)	(0,3)	(0,1)	(0,1)	(0,2)	0,1	(0,1)	(0,2)	(0,2)	(0,1)
Extraordinary items	(0,1)	(0,0)	0,1	(0,1)	0,0	0,0	0,0	0,0	0,0
Pre-tax profit (loss)	1,0	1,7	1,3	(2,1)	(1,0)	(0,1)	0,9	2,0	2,9
Taxes	(0,4)	(0,5)	(0,4)	0,3	0,1	0,0	(0,3)	(0,6)	(0,8)
Minorities	0,0	0,0	0,0	0,0	(0,0)	(0,0)	0,1	0,1	0,2
Net profit (loss)	0,6	1,2	0,9	(1,8)	(0,9)	(0,0)	0,7	1,5	2,1

Balance Sheet	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Net working capital (NWC)	2,6	3,5	3,8	4,0	4,5	4,1	4,4	4,9	5,4
Net fixed assets	1,4	2,2	2,6	3,4	5,4	7,4	9,2	8,7	8,3
M/L Funds	(0,5)	(0,6)	(0,6)	(0,7)	(0,8)	(0,8)	(0,8)	(0,9)	(0,9)
Net Capital Employed	3,6	5,0	5,8	6,7	9,0	10,7	12,8	12,8	12,8
Net Debt	3,1	(1,2)	(1,4)	0,2	3,5	5,2	6,6	5,2	3,1
Minorities	0,0	(0,0)	(0,1)	(0,3)	(0,4)	(0,4)	(0,3)	(0,2)	0,0
Equity	0,5	6,2	7,2	6,5	5,5	5,5	6,1	7,6	9,7

Cash Flow	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Net Income	0,6	1,2	0,9	(1,8)	(0,9)	(0,0)	0,7	1,5	2,1
Non-cash items	0,7	0,3	0,4	0,5	0,7	0,7	0,9	0,9	1,0
Change in Working Capital	(2,6)	(0,8)	(0,4)	(0,2)	(0,5)	0,4	(0,3)	(0,6)	(0,5)
Cash Flow from Operations	(1,4)	0,7	1,0	(1,4)	(0,7)	1,0	1,3	1,8	2,6
Capex	(1,6)	(1,0)	(0,8)	(1,3)	(2,6)	(2,7)	(2,7)	(0,4)	(0,5)
Other non-current assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Extraordinary items	(0,1)	(0,0)	0,1	(0,1)	0,0	0,0	0,0	0,0	0,0
Free Cash Flow	(3,1)	(0,3)	0,3	(2,8)	(3,2)	(1,7)	(1,4)	1,4	2,1
Disposals/Acquisitions	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Dividend	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other (equity)	(0,0)	4,5	0,0	1,1	(0,1)	0,0	(0,0)	0,0	(0,0)
Change in Net Debt	(3,2)	4,2	0,3	(1,8)	(3,3)	(1,7)	(1,4)	1,4	2,1

Per Share Data

Current Price	3,48								
Total shares out (mn)	6,08								
EPS	0,1	0,2	0,2	(0,3)	(0,1)	(0,0)	0,1	0,2	0,3
DPS	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
FCF	(0,5)	0,7	0,0	(0,3)	(0,5)	(0,3)	(0,2)	0,2	0,3
Pay out ratio	#DIV/0!	0%	0%	0%	0%	0%	0%	0%	0%

Ratios

EBITDA margin	5,3%	6,3%	4,8%	n.s.	n.s.	2,1%	5,0%	7,0%	7,9%
EBIT margin	4,8%	5,6%	3,7%	n.s.	n.s.	0,2%	2,8%	5,0%	6,0%
Net Debt/Equity	592,2%	-19,2%	-19,2%	3,7%	63,9%	94,7%	107,7%	68,1%	32,2%
Net Debt/(Net Debt + Equity)	85,6%	-23,7%	-23,8%	3,6%	39,0%	48,6%	51,9%	40,5%	24,3%
Net Debt/EBITDA	2,01	-0,59	-0,85	n.s.	n.s.	7,02	3,36	1,66	0,79
Interest cover EBIT	4,99	21,36	22,46	n.s.	n.s.	0,53	6,22	12,54	23,94
ROE	108,9%	19,2%	13,1%	-27,2%	-16,3%	-0,8%	10,8%	19,3%	21,3%
ROCE	49,2%	44,9%	27,8%	-30,2%	-14,3%	0,5%	10,7%	21,8%	29,6%
Free Cash Flow Yield	n.m.	19,9%	1,4%	n.m.	n.m.	n.m.	n.m.	6,8%	9,8%

Growth Rates

Revenues (VoP)	34%	12%	5%	-43%	36%	32%	13%	13%	12%
EBITDA	n.a.	32%	-19%	-177%	58%	241%	167%	58%	26%
EBIT	n.a.	31%	-30%	-236%	33%	106%	1482%	102%	34%
Net Profit	n.a.	113%	-21%	-287%	49%	95%	1610%	121%	40%

GROUP OVERVIEW AND BUSINESS MODEL

History

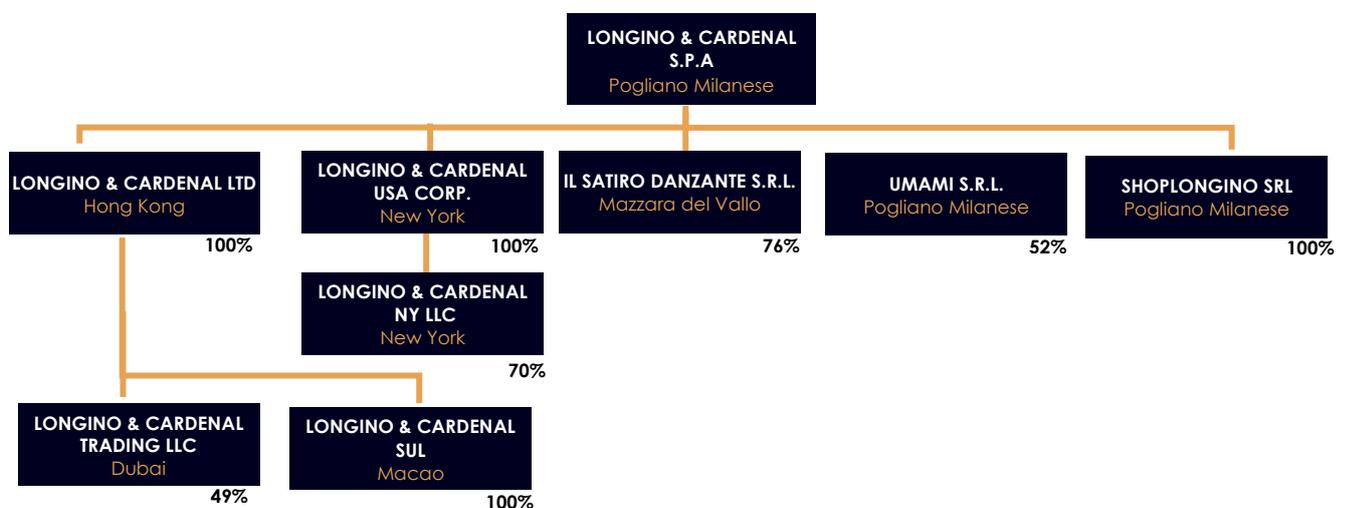
- **1988:** the founding partners, **four friends** and entrepreneurs from La Spezia (Renato Corradini, Andrea Maggi, Edoardo Foce e Alessandra Godani) decided to set up a company to research, import and market high quality foods.
- **1993:** **Riccardo Uleri** purchase from the founding partners a share in the company and becomes the Managing Director of L&C.
- **2002:** the headquarter of L&C is moved to **Pogliano Milanese (MI)**.
- **2004:** L&C shifted the focus of the business on high catering, proposing its products directly to **hotels and luxury restaurants**.
- **2006:** L&C acquired **Cibi del Mondo S.r.l.**
- **2013:** the company begins its internationalization process, with the set up of a subsidiary based in **Hong Kong**.
- **2015:** set up of a subsidiary based in Dubai and starting a path of vertical integration with the building of **Il Satiro Danzante S.r.l.**, a company able to supply fish and shellfish.
- **2018:** the Shareholders' Meeting allows the application for the admission of the Company's shares to the trading on the **Italian Exchange** (Euronext Growth Milano).
- **2019:** L&C sets up a new subsidiary based in **New York** and establishment of **Umami S.r.l.**, a company dedicated to the production and marketing of black garlic, black shallots, and other derivatives.
- **2020:** the company implemented an **e-commerce platform**, opening its product portfolio to the retail customers.
- **2022:** expansion of B2C e-commerce in Hong Kong and Dubai. Launch of B2B e-commerce site to further improve efficiency and customer experience.

Group Structure and Global Footprint

Longino & Cardenal Spa is the operative holding company of the Group. The Group structure, with subsidiaries in Hong Kong (2013), Dubai (2015) and New York (2019) reflects Management's strategy to grow by international expansion in the world's leading luxury and gastronomy capitals.

Two of the Group companies are food producers (Il Satiro Danzante S.r.l and Umami S.r.l) and represent a strategy aimed at vertically integrating the business model to secure the control of strategic products. "Il Satiro Danzante", later rebranded as "Don Gambero", is an Italian company located in Sicily, Italy worldwide leader in high quality red shrimps. Umami, based in Northern Italy, is a start-up which manages the import and e-commerce distribution of black garlic and shallot.

Group Structure



Source: Financial Statements 31/12/2021

- **Il Satiro Danzante S.r.l. (Italy):** the company, founded in Mazara del Vallo in 2007, is recognized as a specialized supplier of red shrimp. Over the years, it has expanded its offer by proposing a selection of fish from Mazara, Sciacca, the Egadi Islands and Trapani with over 40 references of crustaceans, cephalopods, fresh fish and botargo. In 2015, Longino & Cardenal S.p.A., through a special purpose vehicle (50% owned), acquired Il Satiro Danzante S.r.l. The investee company, currently 76% owned, is one of the main suppliers of both the Parent Company and the companies in Hong Kong and Dubai. The company also sells, to a residual extent, to foreign importers in markets not covered by group companies.
- **Longino & Cardenal LTD (Hong Kong):** the company, wholly owned by Longino & Cardenal S.p.A. was founded in 2013 to implement the internationalization strategy pursued by the Group. It is active in the distribution of the Group's products locally to the main operators in the catering and gastronomy sectors.
- **Longino & Cardenal Trading LLC (Dubai):** the company, 49% owned by Longino & Cardenal LTD, represents a further element in support of the internationalization strategy and proposes the same business model as the Parent Company.
- **Longino & Cardenal Sul (Macao):** in addition to its interest in Longino & Cardenal Trading LLC, the Hong Kong affiliate holds a 100% interest in Longino & Cardenal Sul, a Macao-based company, which is currently dormant.
- **Longino & Cardenal USA Corp (New York):** the company, which was incorporated in January 2019 and is 100% owned by Longino & Cardenal S.p.A to target the development of business in the US market, which has enormous potential. The company acts as a holding company and manages the operating company in New York, Longino & Cardenal NY LLC, of which it holds 70% of the capital.
- **Longino & Cardenal NY LLC (New York):** the company, 70% owned by Longino & Cardenal USA CORP, was formed in April 2019 through a partnership with an outside shareholder, who holds the remaining 30%. The company operates by proposing the Parent Company's business model in the US market.
- **Umami S.r.l. (Italy):** the Company, held ii 52% by Longino & Cardenal S.p.A., was incorporated in June 2019 to start the production and marketing of black garlic, black shallots, and their derivatives in addition to the production of fruit vinegars.
- **Shoplongino S.r.l (Italy):** established in July 2021 and active in international B2C e-commerce business.

Business Model and Value Proposition

L&C operates as a B2B distributor of luxury food products to high-end restaurants and luxury hotels with an efficient and scalable business model based on a two-sided value proposition offering value-added services and know-how to both suppliers and customers. L&C represents the "gatherer" of sought-after gastronomic excellences and is able to promote the brand of its suppliers thanks to its own brand recognized as trend setter in the industry while guaranteeing clients high quality and freshness thanks to its supplier network and efficient logistic organization.

L&C Value Proposition – The reasons why for....

Suppliers

- Efficient logistics
- Anticipation of market trends
- Commercial Network
- Marketing events to promote products
- Reference for the quality of products

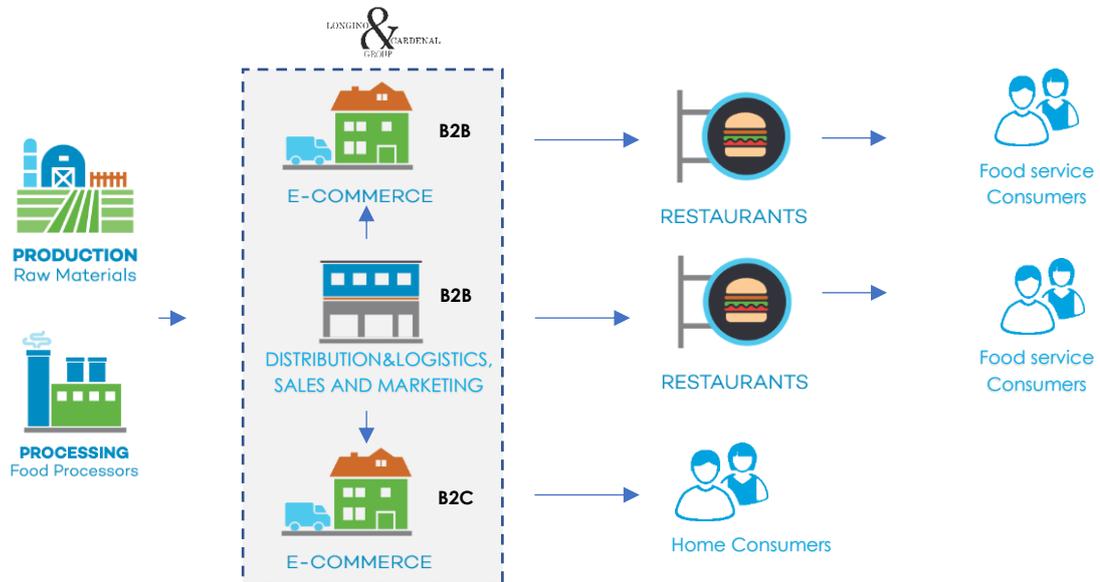
Customers

- efficient logistic infrastructure reduces time and costs
- guarantee for high quality and freshness thanks to the Management of direct relationships with producers
- Simplify the procurement process
- Anticipation of market trends thanks to scouting activities

With the launch in May 2020 of its own e-commerce, the Company entered the B2C segment. This strategic choice was made on the one hand a reaction to the COVID-19 induced lockdowns and on the other hand a clear decision to ride a growing e-commerce trend related to high-quality wine and fine food. The e-commerce business leverages on the Company's sourcing, distribution & logistics structure and expertise. The Group has recently launched the online also in Dubai and Hong Kong. In line with the strategy to further strengthen the online business, in March this year, the

Group announced the launch of its B2B e-commerce platform which, by leveraging on the experience in B2C, aims to simplify the purchase process of L&C's B2B clients while still having the possibility to rely on the professional support of L&C's agents. By providing an efficient tool to improve customer experience the Company expects to further strengthen the relationships with customers. The new e-commerce channel offers a vast choice of gastronomic excellences and raw material (currently c. 2,000 references) and will be periodically updated with new products.

L&C Business Model



PMI Capital elaboration on Company data

The Group's activities are divided into various phases, ranging from **scouting & selection**, complex integrated **logistics & distribution** and **sales and marketing** activities.

Product Scouting and Selection

The scouting of products is the most important phase in the Group's activity and represent the capability to innovate and recognize quality and excellence which has become the signature of the L&C brand. The Group only treats very exclusive products with the aim not only to satisfy clients current needs but also to propose new innovate products and thus anticipate and create new culinary trends. All products come from niche producers and are selected by the scouting team, led by President and CEO Riccardo Uleri, who boasts +twenty years of experience in the sector.

The scouting phase is divided into the search for the best suppliers on the market and the selection of the most significant products to be proposed to customers. The search and selection of products takes place through channels including participation in trade fairs, attendance at Food & Beverage events, building a network of contacts and relationships and travel. Every year, new products are selected and added to the catalogue, which are characterized as being ahead of the trends in cooking and *haute cuisine*.

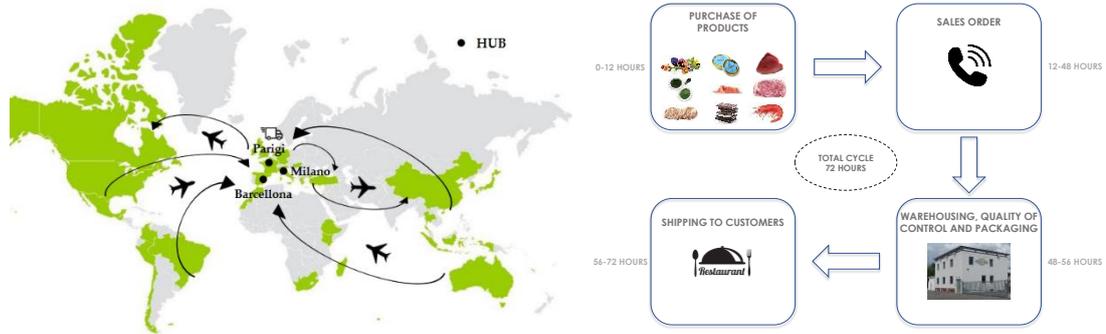
Logistics & Distribution

The logistics and distribution activities at L&C are characterized by the complexity of handling fresh food (controlled temperature, fragile etc.) and the important number of orders received (over 1,500 orders per week). Thanks to its industry knowledge acquired over the years, the Company's efficient logistic process is able to execute an order worldwide within 72 hours ("*time-to-kitchen*").

Once an order is received, the Agent responsible for the client puts the order in the order and stock management software able to optimize the order management flow while keeping stock reduced to a minimum.

On receiving the order from L&C, the suppliers send their products to the indicated logistics centre (food hub) from where the products are shipped to the headquarter. The Company currently operates with food hubs in Barcelona (Spain), Paris (France) and Milan (Italy). Delivery is made twice a day within the city of Milan and two or three times a week in the rest of the national territory. Delivery to foreign subsidiaries is made twice a week by air.

Logistic Network and order management



Source: Group presentation and PMI Capital Research elaboration and Company data.

All purchased products are programmed to arrive at the Company's headquarters in Pogliano Milanese in less than 48 hours after purchase. Once there, they are subject to a thorough quality control by internal employees, and then packed in new packaging and prepared for shipment to the final customer. On the domestic territory delivery is made by land: twice a day in the city of Milan and two or three times a week in the remaining areas.

Sales Network

The sales activities at L&C are carried out either directly by the Group (key accounts) or by agents. The sales network in Italy is currently made up of 3 area managers and c. +80 agents. The larger part of the agents are multi-firm agents which create important cross-selling opportunities with other mandates (typically Wine & Spirits). In addition to creating new contacts with customers and maintain the relationship with current customers the sales network performs the important task of supporting the scouting team with feedback from clients. The foreign subsidiaries operate with their own internal sales network responsible for its specific geographical area and made up of 2 salespersons each.

With the launch of the B2B e-commerce, the Group has added a new alternative sales channel for its core business. The platform, which has been designed to be intuitive and easy to use, offers the opportunity for clients to comfortably put and manage their orders directly online benefitting from the access up-to date information regarding price, order statistics and history, delivery options, order tracking, discounts etc..

Marketing Strategy

L&C's marketing strategy aim at promoting new and already existing products in the catalogue while strengthening the L&C brand as a guarantee for quality and trendsetter in the industry.

Every year, with the release of the new L&C catalogue, an exclusive event with the participation of important guests from the Good&Beverage world, is organized for the press and sales force to present the new entries.

Other marketing tools include the arrangement of award trips for customers and agents to promote products and a strong presence on social networks (over 20,000 active users on the Company's Instagram profile). Most L&C events are organized in the tasting kitchen at the Company's headquarters and organized by the L&C internal company chef. This is also where new products are teste, and new and interesting combinations are proposed and shared with customers.

In recent years, food and cooking have also become major topics in the content and entertainment industries. TV shows such as Master Chef and Michelin-starred chefs are nowadays worldwide cultural phenomena. L&C is also following this trend by building an engaged food-lover community, increasing the awareness of the L&C brand among private customers through the launch of a dedicated magazine, a Facebook group and food academy named "La Cucina di Longino".

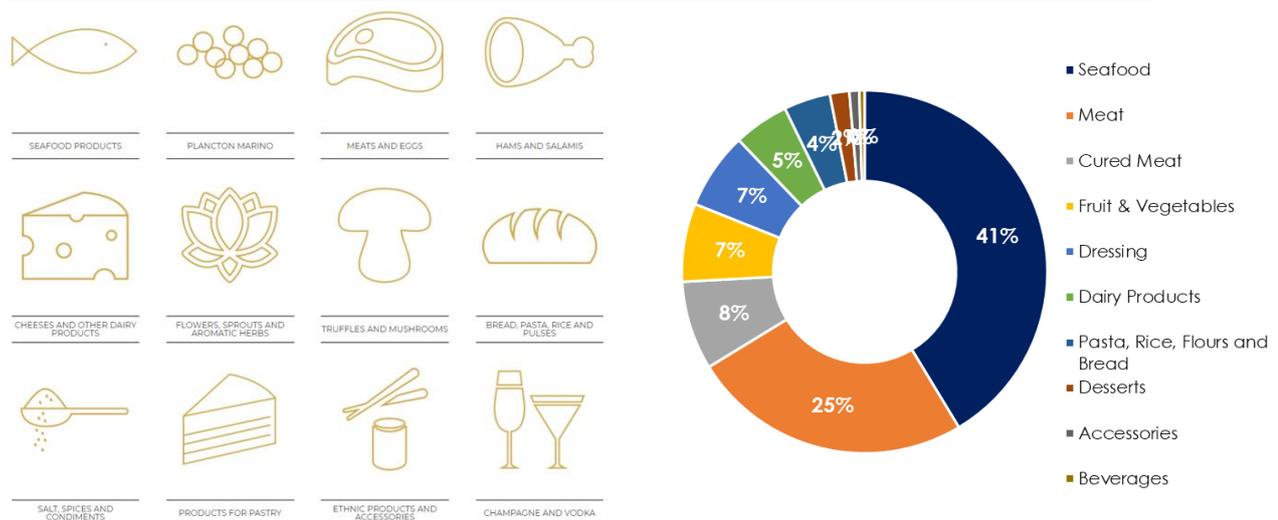
Product Portfolio

The products included in the L&C's catalogue are divided in three main categories:

- **specialty products**, which are processed products, which have undergone a manufacturing process (for example, smoked fish, smoked meat, foie gras, caviar, etc.);
- **fresh products**, which have not undergone any processing or added preservatives (e.g. meat);
- **very fresh products**, which have not undergone any processing and have a short shelf life - around one week - (for example, poultry, oysters, fish, etc.)

Today the Company has more than 1.800 products in its portfolio including Red Tuna from the Mediterranean Sea, jomon iberico and plankton from Spain, Wagyu meat from Japan and baccalà from Iceland just to name a few.

L&C's product portfolio



Source: Group Presentation and Company Data

International Network of carefully selected Suppliers

L&C's suppliers are carefully selected and must meet strict environmental and production standards. The L&C catalogue includes products from more than 200 suppliers in over 20 countries worldwide. Spain is the main sourcing country accounting for c. 42% of the Group's products. Italy is second with 22%, while France accounts for ca. 13%. Other countries are UK, Japan, Germany, China, Ireland US and others. The top five suppliers together represent c. 24% of sales (FY19), with single supplier contribution ranging from c. 5% to a very low percentage.

L&C tends to build long term relationships with its partners, which has led to zero turnover among suppliers.

International network of suppliers



Source: Company Presentation

Customers

In the B2B segment, the Group boasts a client portfolio of over 5,500 customers represented by restaurants (c.70%), luxury hotels (c. 15%) and gastronomy and others (Wholesalers, large-scale retail trade) representing the remaining part. As of FY21, the B2C segment recorded total revenues of Euro 1.1 m.

Restaurants and hotels take on strategic importance for the Group both in terms of sales and relationships. For these customers, L&C positions itself not only as a supplier of products but also as a point of reference for defining future trends in the sector. Over the years, this dynamic has made it possible to build an important network with top star chefs and personalities all around the world.

With the top 10 customers counting for about 6.5% of total consolidated revenues, the Group's client portfolio is highly diversified.

Selected L&C customers



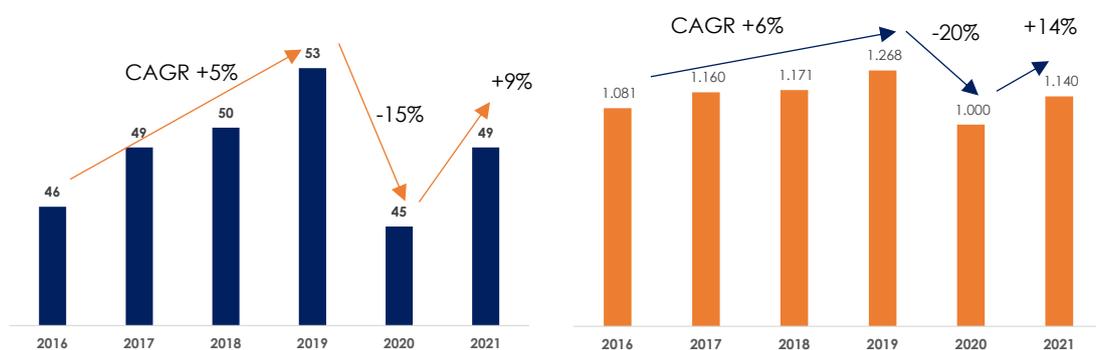
Source: Company Presentation

REFERENCE MARKET

Gourmet Food&Fine Dining

L&C operates as a B2B distributor of luxury food products provided to high-end restaurants and luxury hotels worldwide. According to the *Altagamma Worldwide Luxury Market Monitor*, the Global Gourmet Food and Fine Dining market was in 2021 worth about Euro 45 b, after a rebound (+9%) vs 2020. Between 2016 and 2019 this market, saw a steady growth at a +5% CAGR, in line with the overall luxury market (+6%) driven primarily by an increase in demand of out of home luxury experiences. The dominant trends for the food segment were “ethical eating”, constant quest for transparency on food quality and origin and with experiential side gaining traction over pure dining.

Global Gourmet Food and fine Dining market Global Luxury Market



Source: PMI Capital Research elaboration on Altagamma Worldwide Luxury Market Monitor data

In 2020 the market was heavily impacted by the Covid-19 crisis. The overall luxury market—encompassing both luxury goods and experiences—shrank by c. 20% to approximately Euro 1 trillion globally, back to its 2015 levels. Most luxury experiences (including luxury hospitality, cruises and fine dining) were disproportionately impacted (–56% at current exchange rates) whereas experience-based goods (including fine art, luxury cars, private jets and yachts, fine wines and spirits, and gourmet food) resisted better, declining by only 10%. The high-end food and fine dining segment declined by c. 15%, with significant differences in performance across segments: Fine dining was strongly impacted by closures and tourism contraction; conversely, high-end food captured a rising share of consumption, albeit not sufficiently to offset the impact on the entire segment. Fine dining experimented with innovative ways to keep in touch with their customers (e.g., “cook-at-home” kits).

In 2021 the overall luxury market experienced a strong rebound, recovering about half of the 2020 losses. Focusing of the Gourmet Food& Fine dining segment, it reached a total value of Euro 49 b, c. +9% YoY, however still c. 8% below 2019 levels. More in general luxury spending adjusted to 2021's constraints, with a shift from experiences (including Fine dining) to goods and experience-based goods (including Gourmet Food), with the luxury food market showing significant difference in growth rates within its components: fine restaurants (sharply impacted last year) showing significant rebound as lockdowns eases whereas Gourmet Food continued its mild growth path, although at lower rate vs. previous year

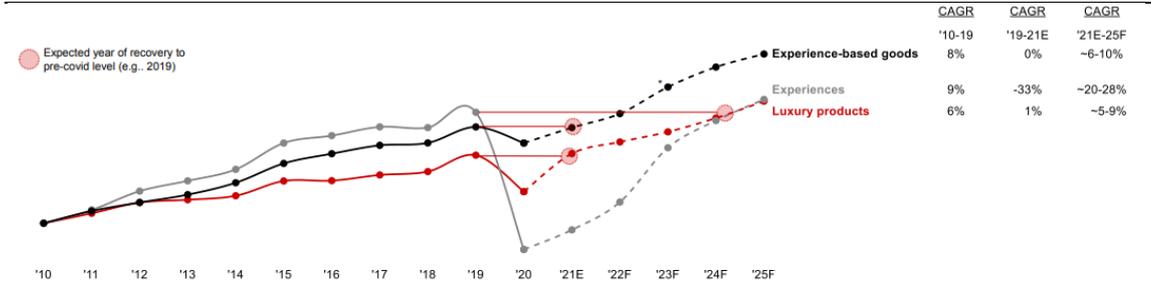
More in general the Gourmet food and fine resultants segment experienced three-shaped forces at play driving continued resilience:

- pantry-meals (at home), tapping into the luxury space, as consumers familiarity with at-home cooking is raised significantly, with side benefits on specialized appliances.
- ghost kitchens rise (from “out-of” to “at” home) serving food-delivery market engaging into the luxury segment, and
- gradual ease of lockdowns and revenge conviviality.

Over the next year, the Altagamma report expect the overall luxury market to resume its growth. The experiences segment, which were disproportionately impacted by the health emergency, is

to be last to recover as strongly dependent on revamp of touristic flows and business travel, however after that recovery is expected at a 21E-25E of 20-28% as willingness to go back to experiences is at an all-time high. Experience-based goods, which almost fully recovered to 2019 levels already in 2021 favoured by positive consumer traction across categories, is expected to grow at a 6-10% CAGR over the same period.

Global Luxury Markets Index



Source: Altagamma Worldwide Luxury Market Monitor data

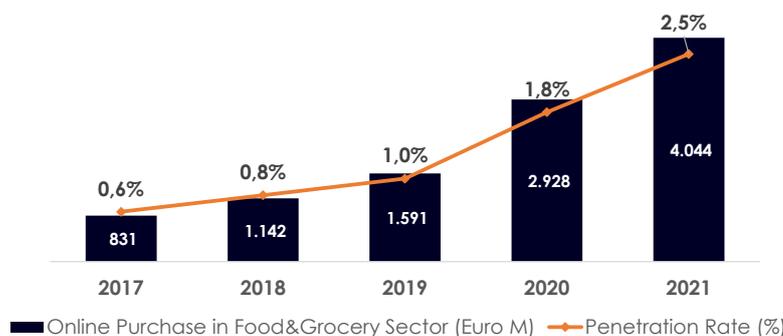
Italian e-grocery Market

As already mentioned, L&C's core business is B2B distribution, however in May 2020 L&C launched its own dedicated e-commerce website to directly serve private customers who enjoy cooking and eating high-quality food. The opening of the e-commerce division was on the one hand a reaction to the COVID-19 induced lockdowns and on the other hand a clear decision to ride a growing e-commerce trend related to high-quality wine and fine food.

In 2021, online purchases in Italy reached a total value of Euro 39.4 billion (+29% vs 2020) with an incidence of E-commerce B2C on total retail sales of 10%. The food & grocery segment grew by +38% reaching a total value of just above 4.0 billion after the boom in 2020 when Italians' online spending in Food & Grocery reached Euro 2.9 billion with a growth of +84% YoY. In terms of penetration the online continued to increase and reached 2.5% of total spending up from 1.8% in 2020.

If the boost in 2020 was enabled by the investments made in technology by the supply side (supermarkets, delicatessens, restaurants) to compensate for the drop in store turnover, the important leap in 2021 was driven by a structural change in behavioural of consumers which seem to have overcome its initial reluctance and starting to increasingly rely on e-commerce for its daily shopping. The pandemic has therefore helped to lay the foundations for the digital development of the sector, spurring the offer towards major investments dedicated to B2c eCommerce and helping consumers in their digital education process. These are permanent elements that will lead eCommerce to no longer be marginal in Food & Grocery and to reach penetration rates on total retail purchases (now is at 2.5%) in line with those recorded in the main Western markets.

E-commerce B2C Food & Grocery purchases vs penetration rate



Source: Politecnico di Milano: Covid-19 and Food & Grocery Online: Projects and number, 2021

The market segments that make up the E-food market is divided into different growth rates:

1. **Grocery Food** (i.e., supermarket products) grows by + 39% in 2021 and touches Euro 1.4 billion. The fall of consumer purchase barriers is accompanied by an increase in online initiatives throughout the Italian territory and an enhancement of the logistics infrastructure, delivery capacity and methods of collecting shopping.
2. **Food Delivery** (i.e., ready meals), having overcome the difficulties of early 2020 due to the closure of restaurants in the first lockdown, in 2021 continues to grow at a sustained pace (+ 56%) and exceeds Euro 1.4 billion in 2021. The development of the sector is mainly explained by the expansion of the supply, both in terms of new restaurants that directly or intermediately activate eCommerce, and in terms of greater territorial coverage of the service towards smaller municipalities.
3. **Enogastronomy** (niche products) recorded an increase of +17% and reached Euro 750 million in 2021.

Global trends in the online Grocery Market

On a worldwide level, the global online Grocery Market valued approximately USD 236.88 billion in 2020 and is anticipated to grow with a healthy growth rate of more than 24.8 % to USD 1116.96 billion by 2027 according to MarketWatch.

The rising urbanization and the flourishing e-commerce sector in developing economies is a key factor driving the industry growth. Online retailers are developing an efficient supply chain to reduce delivery timelines, which will positively influence the market demand. Changing consumer behaviour related to grocery shopping has encouraged market leaders to offer a cost-effective online experience, thus expanding their offerings and customer loyalty.

The convenience and easy accessibility to high-quality fresh produce are the key considerations among consumers for choosing online grocery stores. This has encouraged companies to develop differentiated business models to improve customer satisfaction and remain competitive in the market. The traditional retail market was affected by the pandemic more than any other commerce segment as people tried to avoid face-to-face contact and made online purchases of basic consumer goods.

The top trends in the E-Grocery are:

1. **Luxury products:** the demand for finer and luxury products is increasing over time and is expected to growth more in the next decade;
2. **Artificial intelligence:** the use of AI-based tools will enable every customer to receive their own unique e-grocery offers based on personal preferences and behaviour;
3. **Delivery by drones:** the market expects to see more delivery methods, such as robots and unmanned aerial vehicle (UAV) delivery to increase the speed and avoid face-to-face contact;
4. **Sustainability:** greenhouse gas emissions, environmental regulation, reduction of plastic packaging will be a major e-grocery trend;
5. **Rise of in-house brands:** development of private labels as a price-reducing factor, customers are eager to buy things produced in small batches as this allows them to feel unique;
6. **Data security and privacy:** sellers will continue to work on data storage security, guaranteeing their customers' complete privacy. Those who win their clients' trust will surely gain greater loyalty. Sellers will continue to work on data storage security, guaranteeing their customers' complete privacy, since who will win their clients' trust will gain greater loyalty.

Competitive Positioning

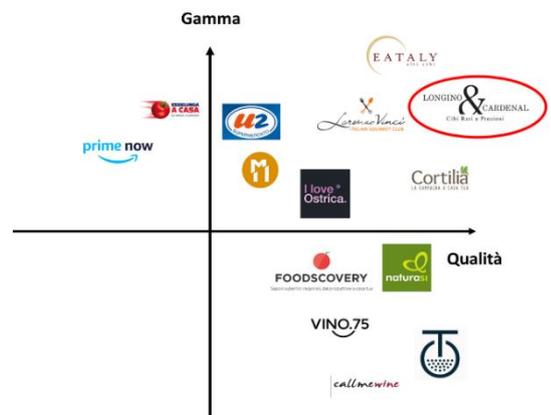
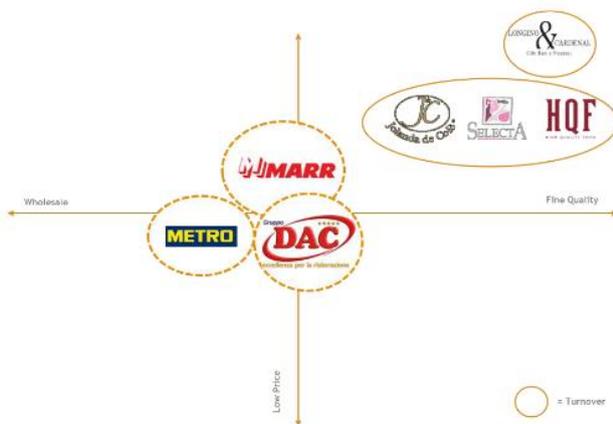
L&C operates in the high end B2B food distribution market. In Italy this market is characterized by the presence of only 4 privately held companies: L&C, Selecta, Jolanda de Colò and High Quality Food. In FY20 these companies reported cumulated revenues of Euro 81 m, down by -41% vs. 2019 (Euro 138m) due to the impact of the pandemic. Based on these figures, L&C holds a c. 24% market share but most importantly the Group distinguishes itself as the player with most exclusive client and product portfolio.

Euro m	2020		2019	
	Sales	Mkt share	Sales	Mkt share
Selecta	37.159	46%	68.323	49%
	YoY	-46%		
Jolanda de Colò	15.730	19%	23.070	17%
	YoY	-32%		
High Quality Food	9.381	12%	13.208	10%
	YoY	-29%		
Longino & Cardinal	19.291	24%	33.704	24%
	YoY	-43%		
Total market	81.560		138.305	
	YoY	-41%		

Source: Company financial statements

Competitive positioning B2B distribution

Competitive positioning B2C distribution



Source Company Presentation

In the B2C e-commerce segment L&C in the premium segment L&C compete with players such as Eataly, Cortilia and Lorenzini. Compared to these players L&C can rely on:

- Consolidated Logistics & distribution structure thanks to B2B business
- Inventory management and turnover thanks to B2B business
- Synergies with B2B (ex. Loyalty programs)
- Same day delivery in Milan
- International presence in (Hong Kong and Dubai)

STRATEGY

L&C's growth strategy is based on four well-defined key strategic pillars:

- **Consolidation in the domestic market:** target new customers also outside the high-end luxury segment by riding the trend of increased sensitivity to quality, health, and origin of products, (ii) widening the product portfolio by continuous research and scouting, and (iii) increase average revenue per client.
- **Growth in international key markets:** immediate focus on international markets where the Group is already present (Hong Kong, Dubai and New York) by acquiring new clients and increase the brand recognition. Once consolidated, the Group will continue to expand the geographical footprint in new markets characterized by a strong propension to luxury and gastronomy.
- **Expand the e-commerce business model:** scale up online business in Italy and abroad (Hong Kong and Dubai recently launched) also thanks to improved brand awareness by end customer. Consolidation of B2B e-commerce business.
- **Focus on digital to improve operations:** continue to invest in production capacity and efficiency to sustain expected future growth. Over the last 24 months the Group has made important investments in digitalization to improve efficiency and services including new ERP, business intelligence, Performance Management and Customer Services systems. In November 2021, the Group announced the acquisition of a land lot close to the current headquarters where a new logistics/warehouse facility will be built to speed up the processing of pallets and increase warehouse space.

We find this strategy well aligned with driving market trends and in particular with the growing demand for quality and traceability in the food industry, general increase in demand of luxury products driven by Middle East and the Americas (Bain Altagamma luxury report 2021), and e-commerce as a driving force in B2C markets.

Furthermore, at the end of November 2021, the Company signed an agreement for the acquisition of an area near the headquarters, where a new 5000sqm logistic building will be built to match the needs for expected future growth while at the same time further improve logistic processes with cost savings and improved service quality for clients. The new logistic site is expected to be operative in 2023.

SHAREHOLDERS' STRUCTURE AND GOVERNANCE

Longino&Cardinal's share capital is of Euro 1,000,000 made up of 6,250,000 ordinary shares without nominal value. The majority shareholder CHARM holds a 78% stake and is owned by Riccardo Uleri and Cristina Sambuchi.

Governance

Shareholder	No Shares	%
CARM Srl	4,875,000	78.0%
Mercato	1,375,000	22.0%
Total	6,250,000	100.00%

Board of Directors

Riccardo Uleri - Chairman

Cristina Sambuchi – Executive Board Member

Valerio De Molli – Independent Board Member

Key Managers

Riccardo Uleri, Chairman and CEO

With +25 years of experience in the food distribution business, Riccardo Uleri is Chairman, CEO and responsible for the selection process. He has earlier worked in the textile industry within his family business and in the IT sector. In 1993 he organized the acquisition of L&C and is the mastermind behind the Company's expansion and leadership position in the Italian market.

Paolo Barbieri, CFO and IR

With over 16 years' experience in finance and administration Paolo Barbieri has worked for several multinational companies, such as JohnsonDiversey, the multimedia retailer QVC and the group DFDS. In 2019, he entered L&C, covering the role of Chief Financial Officer. Paolo graduated in Business Economics at Università Cattolica del Sacro Cuore of Piacenza.

Vincenzo Cannata, Digital & E-Commerce Director

Vincenzo has more than 10 years of experience in the digital field, gained during his experiences at Privalia as Group Traffic and Acquisition Manager and in Zed Group as Country Manager for Italy and South Africa. He has been founder and CEO of Lovethesign, e-commerce for home design, awarded for being "Best Home Design E-commerce" in Italy in 2015 and 2017. In 2020, he joined L&C as Digital Director to manage the Company's digital strategy and develop the new e-commerce channel. Vincenzo graduated in Business Economics at Bocconi University in Milan.

Cristina Sambuchi, Finance Manager

Cristina Sambuchi has substantial experience in business and finance. She joined L&C in 2003 and oversees the financial and control operations. Previously, she worked for Ernest & Young and in an IT company. Cristina holds a master's degree in Business Management from Bocconi University and is an Italian Chartered Accountant

FINANCIALS AND ESTIMATES

Historical results overview

Over the 2015-2019 period L&C was able to increase revenues at a +18% CAGR to Euro 33.7 m thanks to successful internationalization opening in Dubai and Hong Kong gradually increasing weight on revenues. As already mentioned in FY20, the Company's reference market was drastically hit by the Covid-19 pandemic, with governments worldwide implying restrictions of out-of-home activities. In 2021 the Company showed a strong recovery, driven mainly by a solid performance in 2H as markets were still affected by pandemic related restrictions in the first half of the year. FY21 revenues came in at Euro 26.3 m, +36.3% YoY, but still lagging behind FY19 pre-covid results.

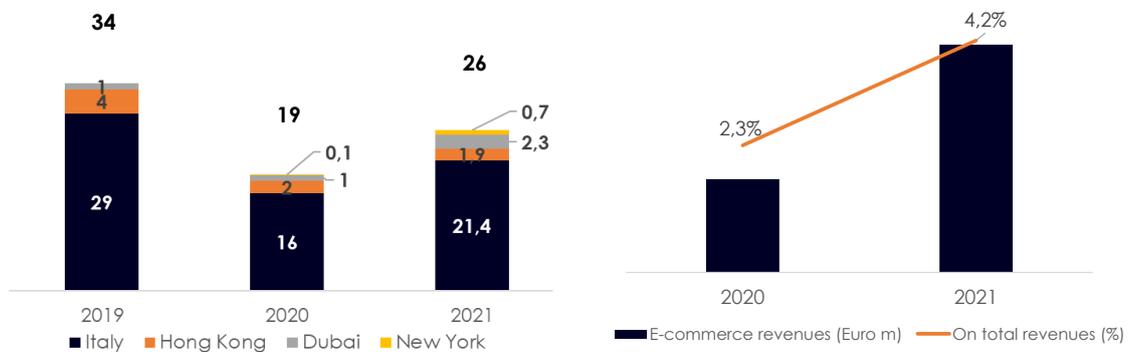
Income Statement	FY17	FY18	FY19	FY20	FY21
Revenues	28.5	32.0	33.7	19.3	26.3
YoY %	+34%	+12%	+5%	-43%	+36%
COGS	6.0	7.2	7.8	3.7	5.7
Gross Margin %	21%	+22%	+23%	+19%	+22%
Overhead costs	(4.5)	(5.2)	(6.1)	(5.0)	(6.2)
% on sales	16%	16%	18%	16%	24%
EBITDA	1.5	2.0	1.6	(1.3)	(0.5)
EBITDA %	5%	6%	5%	-7%	-2%
EBIT	1.4	1.8	1.3	(1.7)	(1.2)
EBIT %	5%	6%	4%	-9%	-4%
Net Income / (loss)	0.5	1.2	0.9	(1.8)	(0.9)

The rebound in FY21 was generalized across all geographic areas with the Dubai subsidiary performing particularly well with total revenues of Euro 2.3 m (+97% vs FY20). The New York subsidiary, which was established in FY19 just before the covid outbreak, reassumed its growth path and recorded revenues of Euro 0.7 m vs. Euro 0.1m in 2020. The Hong Kong subsidiary recorded revenues of Euro 1.9 m vs. Euro 1.8 m in FY20 as the market continued to be affected by the heavier restrictions imposed by the government. Il Satiro Danzante, which realizes the larger part of its

revenues with Group companies, recorded FY21 revenues of Euro 1.6 m, up 82% from Euro 0.9 m in 2020.

The B2B e-commerce business line, launched in FY202 recorded revenues of Euro 1.1 m (Euro 0.5 m in FY20 June -December) for a total of 9.400 orders, now representing c. 4% of total revenues.

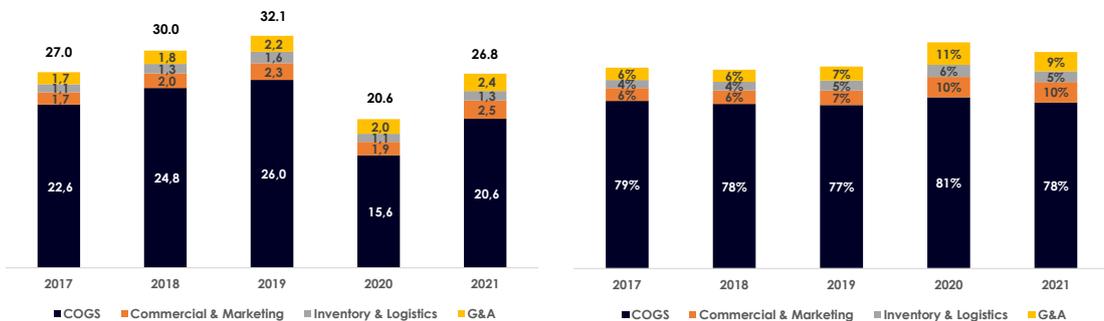
Breakdown revenue



As the distributor business model implies, the most important cost item is by far COGS, representing c. 80% of total costs, whereas overhead costs (Commercial&Marketing, Inventory&Logistics and G&A) together make up the remaining c. 20%. After the strong containment of overhead costs in FY20, FY21 saw an up of the e-commerce business and US market. In relative terms, structural cost decreased from 25.9% in 2020 to 23.7% in FY21.

Breakdown Operating Euro m

Breakdown Operating Costs on sales %



Gross Margin remained rather stable over the period considered at 22-23% with a drop to 19.4% in FY20 due to lower revenue levels and sale at discount of expired goods carried out during the first lockdown phase. In FY21 the gross margin improved reaching 21.7% in line with pre-covid levels, thanks also to the strong performance of the Dubai subsidiary, and the online (gross margin of 47%) partially offset by the New York subsidiary which is still in a start-up phase with revenues still not fully covering costs.

Although still negative (Euro -0.5 m) EBITDA showed a strong recovery in FY21 compared to Euro -1.3 m in FY20, mainly thanks to the higher sales volumes and increase in gross margin.

The balance sheet reflects the fact that the business as such is not particularly capital intensive. Net invested capital is primarily made up of equal parts of working capital and fixed assets.

Balance Sheet	FY17	FY18	FY19	FY20	FY21
Fixed Assets	1.4	2.2	2.6	3.4	5.4
Receivables	7.5	7.8	8.4	5.2	7.9
Inventory	1.4	1.7	1.6	1.5	2.6
Payables	(5.7)	(5.6)	(5.6)	(2.9)	(6.0)
Operating Working Capital	3.2	3.8	4.4	3.8	4.4

% on sales	11%	12%	13%	20%	17%
Net Working Capital	2.6	3.5	3.8	4.0	4.5
Funds	(0.5)	(0.6)	(0.6)	(0.7)	(0.8)
NET INVESTED CAPITAL	3.6	5.0	5.8	6.7	9.0
Net Debt/(Cash)	3.1	(1.2)	(1.4)	0.2	3.5
Net Equity	0.5	6.2	7.2	6.5	5.5
TOTAL SOURCES	3.6	5.0	5.8	6.7	9.0

In FY21 total fixed assets stood at Euro 5.4 m of which 4.0 tangible. In terms of investments, average capex was in the range between Euro 0.8 -0.9 m in FY 18 and 19 with an increase in FY20 and 21 as Management took advantage of the business slowdown to develop and launch the B2C business, make investments in digitalization and improve efficiency by the introduction of the new ERP which are expected to allow for both more efficiencies throughout the group and the launch of online business abroad. In 2021, total investment amounted to Euro 0.7 m related to digitalization and Euro 0.4 m for the acquisition of a new production facility for Il Satiro Danzante. In addition, the Company acquired the area for the new production site (approx. 12,000 square meters), for a total investment of c. Euro 1.2 m.

Between FY17 and FY19 NWC/Sales remained rather stable at a c. 12-13% level. After reaching c. 20% in FY20 as business slowed down, FY21 recorded a return recovery with a 17% OWC/sales ratio despite an increase in DIOs following the build-up for the Christmas season, which however was largely affected by the Omicron variant of the Corona virus, with widespread quarantines which led to the cancellation of numerous dinners, especially corporate, and the consequent cancellation of orders by restaurants. During the months of January and February 2022 the Company managed the temporary excess of stock by progressively bringing its values back to lower levels.

At the end of 2021 Net debt stood at Euro 3.5 m, up from a Euro 0.2 m in FY20 following the operating result and the important investments made to fuel strategic growth.

FY2022-2025 Estimates

After the strong recovery in FY21, we believe the Group will be able to continue its growth path and fully recover the gap vs. FY19 already this year. Thanks to its position as a market leader and Management's well-defined growth strategy we believe that L&C is well positioned to grow above market rates. More in detail, we expect revenues to grow at a FY21-25 CAGR of c. +17%, to Euro 49.9 in FY25. Key growth drivers are expected to be i) acquisition of new clients in Italy by leveraging on the favourable trend in the food& beverage market of increased sensitivity to quality, health, and origin of products ii) consolidation of current export markets (Hong Kong, Dubai and New York), and iii) e-commerce which we expect to represent a total weight of c. 10% of total sales in FY25 (Euro 5.0 m).

Other assumptions to our estimates are:

- We expect Gross Margin to continue to be rather stable over the period considered, growing from 21.7% in FY21 to 23.5% in FY25, in line with FY19 (23.0%). We prudentially assume a gross margin of 21% in FY22 reflecting a possible indirect effect of the turbulent macroeconomic situation with increases in transportation costs and raw material prices.
- EBITDA is expected to continue to recover in FY22 and reach Euro 0.7 m, 2.1% on sales. At the end of FY25 we expect EBITDA margin to reach 7.9% thanks to the expansion of international markets, increased weight of high margin online sales, and improved cost efficiency.
- Net Income is expected to reach Euro 2.1 m in FY25. We assume a tax rate of 28% over the period considered.
- After the important investments made over the last 18 month, we expect total accumulated maintenance capex of Euro 0.3 m in the three-year period considered, reflecting the low capital intensity of the business. On top of that we added investments

for the construction of the new logistics plant which we assume at c. Euro 5.0 m split between FY22 and FY23.

- We expect a slight improvement in the cash conversion cycle as the business develops (higher weight of international and e-commerce sales).
- Net debt at the end of the period considered is expected at Euro 3.1 m after an increase in FY22 and FY23 following the investment in the new building which however partially will be financed by cash flow from operations which already in FY22 is expected to be positive or Euro 1.0 m.

We note that according to Management, the Ukrainian crisis is not expected to impact on L&C business, as the group does not have any commercial relationship with Russia and Ukraine.

Key Financials FY21A -FY25E (Euro m)

Income Statement	FY21A	FY22E	FY23E	FY24E	FY25E	CAGR
Italy	19.8	27.0	29.7	32.7	35.9	16%
Hong Kong	1.9	1.9	2.0	2.2	2.2	3%
Dubai	2.3	2.7	3.1	3.4	3.8	14%
New York	0.7	1.4	2.0	2.5	3.1	45%
Online	1.1	1.7	2.5	3.7	5.0	46%
Other	0.5					
Revenues	26.3	34.7	39.3	44.5	49.9	17%
YoY %	+36%	+32%	+13%	+13%	+12%	
COGS	(20.6)	(27.4)	(30.4)	(34.2)	(36.4)	15%
Gross Margin %	21.7%	21.0%	22.5%	23.2%	23.5%	
Overhead costs	(6.2)	(6.5)	(6.9)	(7.2)	(7.6)	5.2%
% on sales	24%	19%	17%	16%	16%	
EBITDA	(0.5)	0.7	1.9	3.1	3.9	n.a.
EBITDA %	n.a.	2.1%	5.0%	7.0%	7.9%	
EBIT	(1.1)	0.1	1.1	2.2	3.0	n.a.
EBIT %	n.a.	0.2%	2.3%	5.0%	6.0%	
Net Income / (loss)	(0.9)	(0.0)	0.7	1.5	2.1	n.a.

Balance Sheet	FY21A	FY22E	FY23E	FY24E	FY25E	CAGR
Fixed Assets	5.4	7.4	9.2	8.7	8.3	11.3%
Receivables	7.9	8.5	9.4	10.5	11.6	10.3%
Inventory	2.6	2.0	2.2	2.4	2.7	1.3%
Payables	(6.0)	(6.7)	(7.5)	(8.4)	(8.8)	8.7%
Operating Working Capital	4.4	4.5	4.8	5.4	6.0	7.6%
% on sales	17%	13%	12%	11%	11%	
Net Working Capital	4.5	4.1	4.4	4.9	5.4	4.9%
Funds	(0.8)	(0.8)	(0.9)	(0.9)	(0.9)	
NET INVESTED CAPITAL	9.0	10.7	12.8	12.8	12.8	9.0%
Net Debt/(Cash)	3.5	5.2	6.6	5.2	3.1	(3.1)%
Net Equity	5.5	5.5	6.1	7.6	9.7	15.0%
TOTAL SOURCES	9.0	10.7	12.8	12.8	12.8	9.0%

VALUATION

We initiate coverage on L&C with a TP of Euro 4.55 p.s. providing for a potential upside of 30% and based on the Discounted Cash Flow (DCF) analysis. We have for now excluded a multiple based analysis as a longer timeframe is needed to reflect the fair value of the Company as on the one hand the industry is still recovering from the devastating effects of the Covid pandemic and on the other, to capture the upside of the more recently founded subsidiaries, the online business, and the new logistics plant.

Our DCF model is based on a three-stage model with explicit estimates for 2022-25E, 5 years to 2030 with growth normalizing at 5%, an 8.0-8.6% EBITDA margin, capex at c. 1% of sales, and terminal value discounted at 7.75% WACC and 1% growth. Our model yields a fair equity value of Euro 27.7 m (Euro 4.55 p.s.).

DCF model

DCF Model (Euro m)	FY22E	FY23E	FY24E	FY25E
EBIT	0,1	1,1	2,2	3,0
Tax	0,0	(0,3)	(0,6)	(0,8)
NOPAT	0,8	1,7	2,6	3,2
D&A	0,7	0,9	0,9	1,0
Change in NWC	0,4	(0,3)	(0,6)	(0,5)
Capex	(2,7)	(2,7)	(0,4)	(0,5)
FCF	(1,5)	(1,3)	1,6	2,2
TV				
Discount factor	0,96	0,89	0,83	0,77
Present Value of FCF and TV	(1,5)	(1,1)	1,3	1,7
Discounted free cash flows FY22-25E				0,4
Discounted free cash flows FY26-30E				8,7
NPV of Terminal Value				22,5
EV				31,6
Net Debt (FY21)				3,5
Minorities (FY21)				0,4
Fair Value of Equity				27,7
No. Of shares (m)				6,1
Fair Value per share (Eu)				4,55

INDUSTRY COMPARISON

Longino & Cardenal Spa: PMI Capital Research estimates and Factset Data

EGM Sector: average data for Distribution&Logistic Services Peers listed on Euronext Growth Milan: ALA Spa, ALfonsino Spa, Compagnia dei Caraibi SpA, Italian Wine Brands SpA.

Industry Peers: average data for a selected group of international Food Distribution&Logistics peers: Innovative Food Holdings (US), Performance Food Group Company (US), United Natural Foods Inc (US), SpartanNash Company (US), US Foods Holding Corp (US), Sysco Corporation (US), MARR Spa (ITA), METRO AG (DE), Bid Corporation Limited JSE (ZA), Premium Brands Holdings Corp (CA), and Metcash Limited (AU).

EGM All: average financial and market data for all the companies listed on EGM, reported price performance data are related to the FTSE Italia Index.

	LON-IT Longino & Cardenal	Distribution & Logistics Services EGM Sector	Peers Avg	XS0072 FTSE Italia Growth
Key Financials				
Revenues	26,3	122,6	17.346	35,3
EBITDA	-0,5	12,4	654	6,1
EBITDA %	-1,9%	10,1%	3,8%	17,2%
EBIT	-1,2	9,4	367	2,8
EBIT %	-4,6%	7,6%	2,1%	7,9%
Earnings	-0,9	5,8	183	1,8
Earnings %	-3,4%	4,7%	1,1%	5,1%
NFP	3,5	32,3	2.208	1,3
NFP/EBITDA	-7,0	2,6	3,4	0,2
FY18-20 Revenues CAGR	-22%	n.a.	10%	3%
FY20-22 Revenues CAGR	34%	35%	20%	29%
FY18-20 Earnings CAGR	n.a.	n.a.	n.a.	19%
FY20-22 Earnings CAGR	n.a.	25%	n.a.	64%
Market Data				
Market Cap	21,8	113,3	3.060	63,4
EV	25,3	145,6	8.197	64,5
Free Float	22%	0,5	85%	44,64%
ADTT YTD (Eu k)	36.310	259.077,1	65.209.159	95.146,0
Market Multiples				
EV/Sales 2022	0,7	1,3	0,5	2,0
EV/Sales 2023	0,6	0,9	0,5	1,4
EV/EBITDA 2022	36,1	8,4	10,5	14,1
EV/EBITDA 2023	12,6	7,4	9,3	8,2
EV/EBIT 2022	252,5	10,6	16,0	15,7
EV/EBIT 2023	23,0	9,2	13,9	12,5
P/E 2022	n.a.	15,3	18,8	26,9
P/E 2023	31,1	14,1	15,7	18,9
Earnings Yield	n.a.	6,6%	5,3%	3,7%
Stock Performance				
1D	0,0%	1,1%	1%	0,3%
1W	-1,1%	0,5%	1%	0,7%
1M	0,6%	-8,5%	-2%	-5,8%
3M	-8,4%	-12,1%	-4%	-7,0%
6M	-5,9%	-5,8%	-3%	-13,2%
YTD	-11,7%	-14,7%	-2%	26,2%
1Y	-6,5%	-2,5%	5%	7,0%

FactSet and PMI Capital data as of May 17th, 2022. Group data and IR TOP Research estimates for L&C

LONGINO & CARDENAL ON EURONXT GROWTH MILAN

IPO

Trading Market: Euronext Growth Milan

Date: July 4th, 2018

Price: Euro 3,60

Capital raised: Euro 4.95 m

Capitalisation: Euro 22.5 m

SHARES (as of May 17th, 2022)

Code: LON

Bloomberg: LON:IM

Reuters: LONGI.MI

ISIN: IT0005337073

Shares: 6.250.000

Price: Euro XXX

Performance from IPO: - 3%

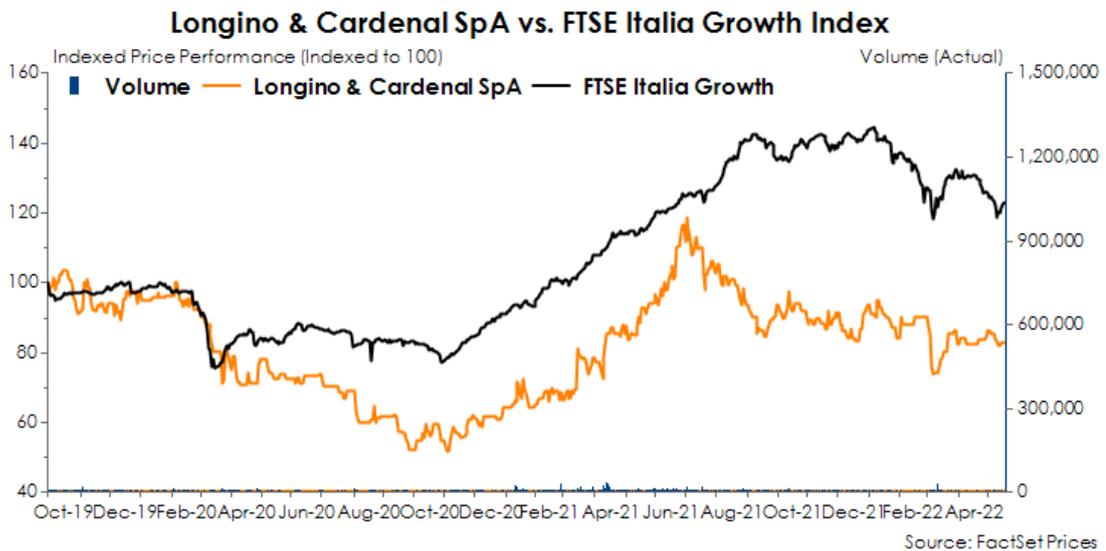
Capitalisation: Euro 21.8 m

Free Float: 22%

EGA and Specialist: Integrae SIM

Auditing firm: E&Y

STOCK PERFORMANCE



DISCLAIMER

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