

EPC-BOT Division Led 1H21 Growth

ADD | Fair Value: €2.65 (€2.31) | Current Price: €2.16 | Upside: 22.7%

€ Million	FY17A	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E	FY24E
Total Revenues	32.6	49.9	45.6	65.5	83.6	92.0	100.2	109.0
EBITDA	9.3	7.3	0.4	3.4	9.0	9.9	11.3	12.1
margin	28.6%	14.7%	0.9%	5.2%	10.7%	10.8%	11.3%	11.1%
Net Profit	7.1	4.9	(2.5)	0.1	4.1	4.5	5.4	5.7
margin	21.8%	9.9%	-5.4%	0.2%	5.0%	4.9%	5.4%	5.3%
EPS	0.28	0.19	-0.09	0.00	0.16	0.17	0.21	0.22

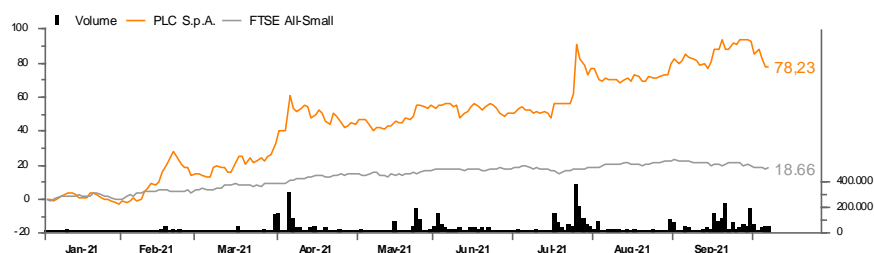
Source: Company data, KT&Partners' estimates

EPC-BOT division led the 1H21 financial results. PLC-IT was able to achieve a remarkable performance in 1H21 with double-digit growth compared to the previous semester. Total revenues came in at €31.9mn (+30.5% YoY), below our forecast by -4.7%. The EPC-BOT division led the company's growth by reaching €15.1mn, 18.1% above our estimates, also leading to the higher-than-expected capital gain on BOT sales to EDPR (€3.8mn vs our expectation of €2.0mn). Although the O&M revenues came in lower than our expectations (€15.8mn vs €19.6mn), we note higher profitability (adjusted for the extraordinary provision) from the O&M division which increased to ca. 23% in 1H21 from 19% in 1H20. The Trading division, a residual part of the company's revenues, more than doubled to €1mn (vs 0.3mn in 1H20). PLC showed 1H21 Group EBITDA of €3.4mn, almost 2x YoY, affected by: i) €1.3mn of provisions related to a client's request for damages for delays, and ii) €3.8mn capital gain from the sale of C&C Tre Energy. EBITDA margin rose to 10.8%, ca. 6pp higher than 1H20. 1H21 Group net income was ca. +€0.7mn above our estimates, reaching €1.5mn, from a net loss of €0.3mn in 1H20. NFP went from €4.1mn (or 1.22x NFP/EBITDA) in FY20 to €0.4mn in 1H21 (a net cash position of €0.6mn if excluding €1mn related to IFRS16 financial assets).

Estimates review. On the back of the 1H21 financial results, we slightly revised our top line estimates. We believe that PLC-IT could boost its growth by leveraging on the sharp rise in energy price which should lead to a higher orientation towards renewables energy. We adjusted our 2021 top line from €84.4mn to €83.6mn (-0.8% change), factoring in the lower than expected revenues – due to a slowdown in Erection&installation activities – and positive trend of EPC-BOT. We also revised the total revenues for 2022 and 2023 by -0.9% and -0.6%, respectively. We increased our 2021 EBITDA margin projection by +0.7pp, factoring in the higher-than-expected contribution of the capital gain from disposal of BOT and the company's lower level of total revenues. We now expect EBITDA to reach €9mn in FY21 and €11.3mn in FY23. We adjusted our NFP projections, combining the effects of the BOT sale and better NWC management. We now expect NFP to improve to €3.3mn in FY21 (-€5.6mn change), reaching a net cash position of €3.2mn in FY23.

Fair value from €2.31ps to €2.65ps. Our valuation – based on both DCF and a market multiples model – returns an average equity value of €68.8mn or €2.65ps, implying a potential upside of +22.7% on the current market price and +14.6% on our previous fair value.

Relative Performance Chart – Year to Date



Research Update

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Equity Research Team
connect@ktepartners.com

Mauro IACCINO
miaccino@ktepartners.com

Federica FIORENZA
ffiorenza@ktepartners.com

Gabriele TRAPANI
gtrapani@ktepartners.com

Market Data:

Market Data:	
Main Shareholders	
Fraes Srl	73.5%
Free Float	26.5%
Mkt Cap (€ mn)	56.1
EV (€ mn)	59.3
Shares out.	26.0
Free Float	26.5%

Market multiples	2021	2022	2023
EV/EBITDA			
PLC SpA	6.8x	6.1x	5.3x
Comps median	7.8x	7.6x	5.9x
Delta	-13%	-20%	-9%
P/E			
PLC SpA	13.5x	12.5x	10.4x
Comps median	19.8x	18.8x	8.8x
Delta	-32%	-34%	18%

Stock Data:

52 Wk High (€)	2.44
52 Wk Low (€)	1.03
Avg. Daily Trading 90d	54,007
Price Change 1w (%)	-10.4
Price Change 1m (%)	-5.3
Price Change YTD (%)	74.2

Key Figures – PLC

	Current price (€)	Fair Value (€)	Sector					Free Float
	2.16	2.65	Renewable Energy					26.50%
Per Share Data	2017A	2018A	2019A	2020A	2021E	2022E	2023E	2024E
Total shares outstanding (mn)	25.96	25.96	25.96	25.96	25.96	25.96	25.96	25.96
EPS	0.27	0.19	(0.09)	0.01	0.16	0.17	0.21	0.22
Dividend per share (ord)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend pay out ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Profit and Loss (EUR million)								
Revenues	32.6	49.9	45.6	65.5	83.6	92.0	100.2	109.0
EBITDA	9.3	7.3	0.4	3.4	9.0	9.9	11.3	12.1
EBIT	8.8	6.7	(1.6)	0.7	6.1	6.6	7.9	8.4
EBT	8.5	6.4	(2.2)	(0.3)	5.8	6.3	7.6	8.1
Taxes	(1.3)	(1.5)	(0.2)	0.3	(1.7)	(1.8)	(2.2)	(2.3)
Tax rate	0.2	0.2	(0.1)	0.8	0.3	0.3	0.3	0.3
Net Income	7.1	4.9	(2.5)	0.1	4.1	4.5	5.4	5.7
Balance Sheet (EUR million)								
Total fixed assets	16.2	26.3	28.6	25.1	24.6	24.9	24.9	24.6
Net Working Capital (NWC)	1.9	(1.5)	5.7	6.7	12.4	14.9	17.0	19.1
Provisions	(0.9)	(1.2)	(1.6)	(2.8)	(4.8)	(6.7)	(8.7)	(11.0)
Total Net capital employed	19.4	31.6	32.7	28.9	32.3	33.1	33.2	32.8
Net financial position/(Cash)	1.3	7.3	8.0	4.1	3.3	(0.4)	(3.2)	(5.8)
Total Shareholder's Equity	18.2	24.4	24.7	24.8	29.0	33.5	36.4	38.6
Cash Flow (EUR million)								
Net operating cash flow	-	5.8	0.2	2.8	7.2	8.0	9.1	9.7
Change in NWC	-	3.4	(7.2)	(1.0)	(5.7)	(2.5)	(2.1)	(2.1)
Capital expenditure	-	(22.0)	4.4	0.7	(2.5)	(3.5)	(3.5)	(3.5)
Other cash items/Uses of funds	-	4.4	0.5	1.5	2.0	1.9	2.0	2.2
Free cash flow	-	(8.4)	(2.0)	4.1	0.9	3.9	5.5	6.4
Enterprise Value (EUR million)								
Market Cap	n.a.	50.4	38.7	32.2	56.1	56.1	56.1	56.1
Minorities	-	0.1	0.0	-	(0.1)	(0.1)	(0.1)	(0.1)
Net financial position/(Cash)	1.3	7.3	8.0	4.1	3.3	0.4	3.2	5.8
Enterprise value	n.a.	n.a.	46.7	36.3	59.3	55.6	52.9	50.2
Ratios (%)								
EBITDA margin	28.6%	14.7%	0.9%	5.2%	10.7%	10.8%	11.3%	11.1%
EBIT margin	26.9%	13.4%	-3.4%	1.0%	7.3%	7.2%	7.9%	7.7%
Gearing - Debt/equity	6.9%	29.9%	32.4%	16.6%	11.3%	-1.2%	-8.7%	-15.0%
Interest cover on EBIT	2487.2%	3.5%	-32.1%	143.0%	4.6%	4.2%	3.5%	0.0%
NFP/EBITDA	13.5%	99.3%	2004.0%	121.5%	36.6%	-4.1%	-27.8%	-47.8%
ROCE	45.1%	21.2%	-4.8%	2.4%	19.0%	20.0%	23.8%	25.5%
ROE	39.2%	20.3%	-10.0%	0.7%	14.3%	13.4%	14.8%	14.9%
EV/Sales	1.86x	1.22x	1.33x	0.93x	0.72x	0.66x	0.61x	0.56x
EV/EBITDA	6.51x	8.29x	n.m.	17.92x	6.77x	6.13x	5.34x	4.99x
P/E	7.87x	11.39x	-22.79x	341.92x	13.52x	12.47x	10.37x	9.76x
Free cash flow yield	0%	-14%	-3%	7%	1%	6%	9%	10%
Growth Rates (%)								
Sales	n.a.	n.m.	-8.6%	43.7%	27.6%	10.0%	8.8%	8.9%
EBITDA	n.a.	n.m.	n.m.	n.m.	n.m.	10.6%	14.6%	7.1%
EBIT	n.a.	n.m.	n.m.	n.m.	n.m.	8.0%	19.4%	6.1%
Net Income	n.a.	n.m.	n.m.	n.m.	n.m.	8.4%	20.2%	6.3%

Source: Company data, KT&Partners' elaborations

1H21 Summary Results

Despite the strenuous challenges posted by the economic circumstances, PLC-IT was able to achieve a remarkable performance in 1H21 with double-digit growth compared to the previous half. Indeed, total revenues came in at €31.9mn (+30.5% YoY), 4.7% below our estimates.

The renewable investment incentive mechanism, posed by FER 1 Decree and Green Deal, is an important growth driver for the EPC-BOT division. In fact, the latter has driven the company's growth, reaching €15.1mn (+18.1% compared to our estimates) in 1H21, including €3.8mn capital gain from the sale of C&C Tre Energy (€2.0mn in our projections). On the other hand, the O&M business line came in lower than our expectations (€15.8mn vs €19.6mn), although it increased its profitability (adjusting for extraordinary provision), reaching ca. 23% in 1H21 from 19% in 1H20. The lower-than-expected O&M revenues are also associated with the slowdown in Erection & Installation activities influenced by: i) the global shortage of raw materials, which caused the postponement of some installations; and ii) the human resources focus on training that is expected to support company innovation and product offering so as to capture new clients. Finally, the Trading division, a residual part of the company's revenues, more than doubled to €1mn (vs 0.3mn in 1H20).

Looking at the profitability, despite €1.3mn of provisions related to a client's request for damages due to projects delays., PLC-IT showed 1H21 Group EBITDA of €3.4mn, almost 2x YoY. The significant increase in EBITDA is mainly due to: i) the EBITDA of €4.2mn from the EPC-BOT business, of which €3.8mn are related to the disposal of C&C Tre Energy; combined with ii) O&M's positive contribution of €0.9mn; iii) the Trading division's positive result of €15k; and iv) the overhead cost of ca. €1.7mn from PLC holdings. EBITDA margin rose to 10.8%, ca. 6pp higher when compared to the 4.7% registered in 1H20.

Beating our forecast by +50.3%, 1H21 EBIT soared to €2.1mn (vs -€0.2mn in 1H20) with an EBIT margin of 6.5% (+7.3%pp YoY). As well as EBIT, the Group's net income was ca. +0.7mn (or +106.5%) above our estimates, reaching €1.5mn in 1H21, from a net loss of €0.3mn in 1H20.

We note an excellent EBITDA cash conversion ratio (ca. 70%), which contributed to NFP improvement. NFP improved from €4.1mn (or 1.22x NFP/EBITDA) in FY20 to €0.4mn in 1H21, of which €1mn is related to IFRS16 financial assets. Finally, we would like to highlight that the company improved its NFP by €7.6mn in just 18 months from the €8mn of FY19, demonstrating high cash generating power.

1H21 Income Statement

€ million	1H18	1H19	1H20	1H21	YoY %	1H21E	A vs E %
EPC - BOT	19.1	4.3	5.5	15.1	172.1%	12.8	18.1%
O&M	5.5	11.9	18.6	15.8	-15.1%	19.6	-19.5%
Trading			0.3	1.0	286.4%	1.1	-6.3%
Total Revenues	24.5	16.3	24.4	31.9	30.5%	33.5	-4.7%
Products and Raw materials	(6.3)	(2.4)	(4.3)	(7.2)	68.2%	(6.8)	5.0%
Gross Profit	18.2	13.8	20.2	24.7	22.6%	26.6	-7.2%
<i>Gross Margin</i>	74.4%	85.1%	82.5%	77.5%	-5.0%	79.6%	
Cost of Services	(6.8)	(7.2)	(8.8)	(9.1)	3.3%	(11.4)	-20.8%
Personnel Expenses	(4.5)	(6.9)	(9.2)	(9.9)	6.9%	(11.1)	-10.7%
Other Operating Expenses	(0.6)	(1.2)	(1.0)	(2.3)	129.3%	(1.3)	75.6%
EBITDA	6.4	(1.5)	1.1	3.4	203.3%	2.8	22.8%
<i>EBITDA margin</i>	25.9%	-9.4%	4.7%	10.8%	6.2%	8.4%	
D&A and Provisions	(0.3)	(0.5)	(1.3)	(1.4)	2.7%	(1.4)	-3.6%
EBIT	6.1	(2.0)	(0.2)	2.1	n.m.	1.4	50.3%
<i>EBIT margin</i>	24.8%	-12.3%	-0.9%	6.5%	7.3%	4.1%	
Financial Income and Expenses	(0.0)	(0.3)	(0.5)	(0.3)	-41.9%	(0.1)	103.2%
Income (Charges) from shareholdings	0.0	(0.0)	(0.0)	0.0	-102.0%	-	n.m
Profit (Loss) from discontinued operations	-	-	-	-	n.m	-	n.m
EBT	6.1	(2.4)	(0.8)	1.8	n.m.	1.2	44.2%
Taxes	(1.9)	(0.2)	0.3	(0.4)	-226.7%	(0.5)	-7.9%
<i>Tax Rate</i>	31.9%	-8.1%	45.7%	24.9%		38.9%	
Net Income	4.1	(2.5)	(0.4)	1.3	n.m.	0.8	77.5%
<i>Net margin</i>	16.9%	-15.7%	-1.7%	4.2%	5.9%	2.2%	
Total other components of comprehensive income	-	-	0.0	0.2	990.0%	-	
Total Net Income	4.1	(2.5)	(0.4)	1.6	n.m.	0.8	106.5%
<i>Net margin</i>	16.9%	-15.7%	-1.6%	4.9%	6.5%	2.2%	
Minorities	(0.0)	(0.0)	(0.1)	0.0	-103.5%	-	n.m
Net Income attributable to the Group	4.1	(2.5)	(0.3)	1.5	n.m.	0.8	106.2%
<i>Net margin</i>	16.9%	-15.7%	-1.4%	4.9%	6.2%	2.2%	

Source: Company data, KT&Partners' elaborations

Estimates Revision

The first half of 2021 was characterized by positive sentiments, thanks to the vaccination campaign, combined with uncertainty related to: i) the evolution of the pandemic scenario in different worldwide regions; ii) the issue related to the global shortage of raw materials which has a negative impact on production costs and delays in the supply chain; iii) the sharp rise in energy price; and iv) changes in consumer behavior. Despite that, we note that PLC can benefit from the rise in energy prices, which is expected to push the demand for renewable energy.

As a result of a higher expected demand on renewable energy and on the back of 1H21 financial results, we slightly revised our top line estimates for the entire forecast period.

We adjusted our 2021 top line from €84.4mn to €83.6mn (-0.8% change), factoring in: i) the O&M division's lower than expected revenues following the Erection&installation sluggish performance; and ii) the positive trend of EPC-BOT, including a higher-than-expected capital gain of +€3.8mn (€2.0mn expected) from the disposal of C&C Tre Energy to EDPR. Furthermore, we revised the total revenues for 2022 and 2023 by -0.9% and -0.6%, respectively. We now foresee total revenues growing at CAGR2020–23 +15.2%, reaching €100.2mn in FY23.

Looking at profitability, we raised our 2021 EBITDA margin projection by +0.7pp, also benefiting from the positive margin contribution of the disposal gain. Factoring in the downward revision of total revenues, we now expect EBITDA to reach €9mn in FY21 and €11.3mn in FY23, while we maintained unchanged our EBITDA margin expectations.

We have also revised the bottom-line estimate, with net income expected to grow from €4.1mn in FY21 to €5.4mn in FY23.

We have adjusted our NFP projections, combining the effects of the BOT sale and better than expected NWC. We now expect NFP to improve to €3.3mn in FY21 (-€5.6mn change) and reach a net cash position of €3.2mn in FY23.

Estimates Revision

€ million	2019A	2020A	YoY	2021E Old	2021E New	Change	2022E Old	2022E New	Change	2023E Old	2023E New	Change	CAGR 20-23 Old	CAGR 20-23 New
Total Revenues	45.6	65.5	43.7%	84.4	83.6	-0.8%	92.9	92.0	-0.9%	100.8	100.2	-0.6%	15.4%	15.2%
YoY Change (%)	-8.6%	31.4%		28.7%	27.6%		10.1%	10.0%		8.5%	8.8%			
EBITDA	0.4	3.4	n.m.	8.4	9.0	6.0%	10.0	9.9	-1.3%	11.4	11.3	-0.6%	50.0%	49.7%
YoY Change (%)	-94.5%	n.m.		149.4%	164.5%		18.8%	10.6%		13.9%	14.6%			
EBITDA Margin	0.9%	5.2%		10.0%	10.7%		10.8%	10.8%		11.3%	11.3%			
EBIT	(1.6)	0.7	n.m.	5.6	6.1	10.0%	6.6	6.6	-0.5%	7.9	7.9	0.3%	125.9%	126.1%
YoY Change (%)	-123.4%	n.m.		714.8%	796.4%		19.4%	8.0%		18.4%	19.4%			
EBIT Margin	-3.4%	1.0%		6.6%	7.3%		7.2%	7.2%		7.8%	7.9%			
Net Income	(2.4)	(0.1)	n.m.	3.8	4.1	10.5%	4.5	4.5	-0.5%	5.4	5.4	0.3%	n.m.	n.m.
YoY Change (%)	-148.3%	n.m.		-5786.5%	-6386.2%		20.4%	8.4%		19.2%	20.2%			
Net Margin	-5.2%	-0.1%		4.4%	5.0%		4.9%	4.9%		5.3%	5.4%			
NFP	8.0	4.1	(3.9)	8.9	3.3	(5.6)	4.6	(0.4)	(5.0)	1.8	(3.2)	(5.0)		
YoY Change (€mn)	0.7	(3.9)		4.8	(0.8)		1.3	(3.7)		2.2	(2.7)			

Source: Company data, KT&Partners' elaborations

Valuation

Following the projections of PLC's future financials, we carried out the valuations of the company by applying the DCF and market multiples methods. Our fair value is the result of:

- EV/EBITDA and P/E multiples method which returns a share price of €2.48;
- DCF analysis – based on a WACC of 9.1% and 1.5% perpetual growth – which returns a share price of €2.82.

The average of the two methods yields a fair value of €2.65ps or an equity value of €68.8mn.

Valuation Recap

	Equity Value €mn	Value per share €
DCF	73.2	2.82
Multiples	64.4	2.48
Average	68.8	2.65

Source: Company data, KT&Partners' estimates

Peer Comparison

In order to define PLC's peer sample, we carried out an in-depth analysis of listed companies active in the renewable energy market which provide EPC and/or O&M services. In selecting potential peers, we consider PLC's offering, business model, growth and profitability profile. It is worth noticing that to date PLC's key competitors have largely been private players, whereas the majority of public companies are in most cases also plant-owners and electricity producers.

For peer analysis, we built a sample of seven companies (see Appendix).

Market Multiple Valuation

Following our peer analysis, we proceeded with the definition of market multiples of the peer group, focusing on 2021, 2022 and 2023 data.

Peers Comparison – Market Multiples 2021 – 23

Company Name	Exchange	Market Cap	EV/SALES			EV/EBITDA			EV/EBIT			P/E		
			2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Innovatec SpA	Milan	77	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Renertica SpA	Milan	39	3.3x	3.1x	2.9x	6.7x	6.2x	5.7x	7.4x	6.7x	6.1x	6.6x	5.8x	6.5x
Eolus Vind AB Class B	OMXStockholm	379	0.8x	1.3x	0.5x	17.2x	14.1x	5.5x	17.8x	17.8x	17.8x	26.3x	24.0x	8.5x
Monadelphous Group Limited	ASX	568	0.4x	0.5x	0.4x	7.8x	7.6x	6.6x	11.3x	11.3x	11.3x	19.8x	18.8x	15.4x
Primoris Services Corporation	NASDAQ	1,198	0.6x	0.5x	0.5x	6.9x	6.2x	5.9x	10.5x	10.5x	10.5x	11.2x	9.7x	8.8x
Quanta Services, Inc.	NYSE	13,649	1.4x	1.1x	1.0x	14.6x	11.9x	9.9x	23.3x	23.3x	23.3x	24.8x	20.6x	16.7x
Average peer group		2,652	1.3x	1.3x	1.1x	10.7x	9.2x	6.7x	14.1x	13.9x	13.8x	17.7x	15.8x	11.2x
Median peer group		474	0.8x	1.1x	0.5x	7.8x	7.6x	5.9x	11.3x	11.3x	11.3x	19.8x	18.8x	8.8x

Source: Company data, FactSet, KT&Partners' estimates

We based our evaluation upon 2021 and 2022 EV/EBITDA and P/E multiples, and our estimates of PLC's EBITDA and net income for 2021 and 2022. Our valuation also includes a 15% liquidity/size discount.

EV/EBITDA Multiple Valuation

Multiple Valuation (€mn)	2021E	2022E
EV/EBITDA Comps	7.8x	7.6x
PLC SpA EBITDA	9.0	9.9
Enterprise value	69.7	75.7
PLC SpA NFP FY20	4.6	4.6
Equity Value	65.1	71.1
Average Equity Value	68.1	
Liquidity Discount	15%	
Equity Value Post-Discout	57.9	
Number of shares (mn)	26	
Value per Share €	2.23	

Source: Company data, FactSet, KT&Partners' estimates

P/E Multiple Valuation

Multiple Valuation (€mn)	2021E	2022E
P/E Comps	19.8x	18.8x
PLC SpA Net Income	4.1	4.5
Equity Value	82.2	84.7
Average Equity Value	83.4	
Liquidity Discount	15%	
Equity Value Post-Discout	70.9	
Number of shares (mn)	26	
Value per Share €	2.73	

DCF Model

We have also conducted our valuation using a four-year DCF model, based on 11.2% cost of equity, 3% cost of debt and a target capital structure with 23% debt. The cost of equity is a function of the risk-free rate of 0.85% (Italian 10y BTP), 5.39% equity risk premium (Damodaran for a mature market) and a premium for size and liquidity of 2.8%. We, therefore, obtained 9.1% WACC.

We discounted 2021E–24E annual cash flows and considered a terminal growth rate of 1.5%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

DCF Valuation

€ million	2021E	2022E	2023E	2024E
EBIT	6.1	6.6	7.9	8.4
Taxes	(1.8)	(1.9)	(2.3)	(2.4)
D&A	2.8	3.3	3.5	3.8
Change in Net Working Capital	(5.7)	(2.5)	(2.1)	(2.1)
Change in Funds	2.0	1.9	2.0	2.2
Net Operating Cash Flow	3.5	7.4	9.0	9.9
Net Capex	(2.5)	(3.5)	(3.5)	(3.5)
FCFO	0.9	3.9	5.5	6.4
g	1.5%			
Wacc	9.1%			
FCFO (discounted)	0.9	3.5	4.5	4.8
Discounted Cumulated FCFO	13.7			
TV	84.8			
TV (discounted)	64.0			
Enterprise Value	77.7			
NFP FY20	4.6			
Equity Value	73.2			

Current number of shares (mn) 26.0

Value per share (€) 2.82

Source: Company data, FactSet, KT&Partners' estimates

DCF Sensitivity Analysis

€ million		WACC				
		9.6%	9.4%	9.1%	8.9%	8.6%
Terminal growth Rate	1.0%	64.5	66.6	68.9	71.3	73.9
	1.3%	66.3	68.6	71.0	73.5	76.3
	1.5%	68.2	70.6	73.2	75.9	78.8
	1.8%	70.2	72.8	75.5	78.4	81.5
	2.0%	72.4	75.1	78.0	81.1	84.5

Source: Company data, FactSet, KT&Partners' estimates

Appendix

Glossary

- **BoP:** Balance of Plant. All the supporting components and auxiliary systems of a power plant needed to deliver the energy, other than the generating unit itself
- **BOT:** Build, Operate and Transfer
- **FER 1 Decree:** The New Renewables Decree introduced by the Italian Government that will grant new incentives to renewable energy sources
- **EPC:** Engineering, Procurement and Construction
- **IPP:** Independent Power Producer
- **ISP:** Independent Service Provider
- **HV/MV/LV:** High Voltage/ Medium Voltage/ Low Voltage
- **O&M:** Operation and Maintenance
- **PV:** Photovoltaic

Peer Comparison

Our panel of comparable companies is composed of:

- **Innovatec SpA (INC-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of ca. €77mn. INC-IT engages in the provision of management services and the maintenance of renewable energy production facilities. It operates through the following business units: Energy Efficiency, System Integrator, Building Automation, and Operations and Maintenance. The System Integrator business unit builds turnkey plants to produce energy from renewable sources. The Operations and Maintenance business unit assists companies and investors in the operation of plants for the generation of energy from renewable sources. In FY20, INC-IT reached €24mn of revenues.
- **Renergetica SpA (REN-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of ca. €39mn. REN-IT engages in the design of engineering solutions for the renewable energy sector. It specializes in the development of renewable energy plants, hybrid power generation systems, and hybrid grids. In FY20, REN-IT reached €12mn of revenues.
- **Eolus Vind AB Class B (EOLU.B-SE):** listed on the Stockholm stock exchange with a market capitalization of ca. €379mn. EOLU.B-SE engages in the development, establishment, and operation of wind turbines for electricity generation. In FY20, the company reached €235mn of revenues. It operates through the following segments:
 - The Planning segment involves the design and optimization of the layout of proposed wind parks, studying potential network access, wind measurement and wind data analysis;
 - The Electricity Generation segment covers the production and sale of renewable electricity from the company's facilities;

- The Operation and Management segment focuses on offering package services for the operation and management of constructed wind power plants.
- **Monadelphous Group Limited (MIND-AU):** listed on the Australian Securities Exchange with a market capitalization of ca. €568mn. MIND-AU is a holding company, which engages in the provision of construction, maintenance, and industrial services to the resources, energy, and infrastructure sectors. It operates through the Engineering Construction, Maintenance and Industrial Services divisions. In FY20, the company reached €902mn of revenues.
- **Primoris Services Corporation (PRIM):** listed on the Nasdaq stock exchange with a market capitalization of ca. €1.2bn. PRIM is a holding company which engages in the provision of construction, fabrication, maintenance, replacement, and engineering services. It operates through the following segments: Power, Pipeline, Utilities, Transmission, and Civil. In FY20, the company reached €3.1bn of revenues.
- **Quanta Services, Inc. (PWR-US):** listed on the New York stock exchange with a market capitalization of ca. €14bn. PWR-US engages in the provision of specialty contracting services, offering infrastructure solutions to the electric power, oil and gas, and communication industries. It also focuses on the design, installation, upgrade, repair, and maintenance of infrastructure within each of the industries it serves. In FY20, the company reached €9.8bn of revenues.

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KT&PARTNERS

Via della Posta, 10 – Piazza Affari, 20123 Milano – Italy
Tel: +39.02.83424007 Fax: +39.02.83424011
segreteria@ktepartners.com