PLC

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Italy | Energy

Investment Research

ESN

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Full Company Report

Reason: Company results (post view)

17 June 2022

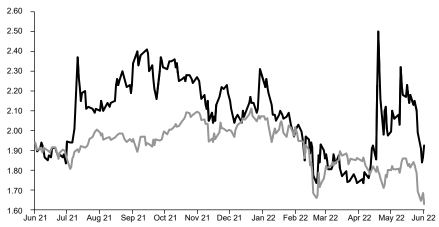
Buy	
Recommendation unchanged	
Share price: EUR	**1.93**
closing price as of 16/06/2022	
Target price: EUR	**2.80**
Target Price unchanged	
Upside/Downside Potential	**45.5%**
Reuters/Bloomberg	PLC.MI/PLC IM

Market capitalisation (EURm)	**50**
Current N° of shares (m)	26
Free float	**26%**
Daily avg. no. trad. sh. 12 mth (k)	42
Daily avg. trad. vol. 12 mth (k)	51.05
Price high/low 12 months	2.50 / 1.74
Abs Perfs 1/3/12 mths (%)	-3.51/2.39/-0.77

Key financials (EUR)	**12/21**	**12/22e**	**12/23e**
Sales (m)	75	87	97
EBITDA (m)	8	9	10
EBITDA margin	*10.2%*	*11.0%*	*9.8%*
EBIT (m)	5	7	7
EBIT margin	*6.5%*	*7.7%*	*7.0%*
Net Profit (adj.)(m)	3	5	5
ROCE	10.2%	12.9%	
Net debt/(cash) (m)	3	1	(3)
Net Debt Equity	*0.1*	*0.0*	*-0.1*
Net Debt/EBITDA	0.3	0.1	-0.3
Int. cover(EBITDA/Fin.int)	8.2	31.6	16.0
EV/Sales	0.8	0.6	0.5
EV/EBITDA	7.5	5.4	5.0
EV/EBITDA (adj.)	7.5	5.4	5.0
EV/EBIT	11.8	7.7	7.0
P/E (adj.)	18.8	10.7	11.1
P/BV	1.9	1.5	1.5
OpFCF yield	*-1.4%*	*3.6%*	*14.2%*
Dividend yield	*0.0%*	*0.0%*	*6.8%*
EPS (adj.)	0.11	0.18	0.17
BVPS	1.09	1.28	1.33
DPS	0.00	0.00	0.13

Shareholders

Fraes 74%;



Source: FactSet

PLC — FTSE Italy All Share (Rebased)

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The best of the Renewables wave is yet to come

FY 2021 results were sound; all business units reached or exceeded the management's FY 2021 targets except Monsson. Despite the uncertainty, the Construction backlog ensures high visibility, whereas the sound performance of O&M confirms the stability and profitability of the Service business. Despite the risks over the supply chain and the availability of components, the acceleration towards "energy independence" and the decarbonisation of the European and Italian economies is still a major driver. Recommendation and target confirmed.

- ✓ **The FY 2021 results** confirmed the last few semesters' strong operating performance, particularly in the **Construction** segment, which further accelerated on a sequential basis. We highlight that results missed our estimates very slightly (revenues ~EUR 80m, EBITDA ~EUR 9m) due to the temporary slowdown in Monsson's Erection&Installation activities in H2 21. In particular, the activities were hampered significantly by delays in the delivery of components and controversies that affected some E&I projects. Net of the non-recurring item, the group's EBITDA would have reached EUR 10m (almost tripling Y/Y) with an EBITDA margin of 13.4% (vs. the 10.2% reported in FY 2021 and the 5% in FY 2020).

- ✓ The management have confirmed the **group's targets for FY 2022**, although with a higher contribution from the Construction segment (since the current backlog covers 52% of the expected FY 2022 revenues). The Construction unit's stronger performance ought to offset the expected slow recovery in the E&I activities. The forecast for the O&M services in the renewables and biogas businesses were confirmed.

- ✓ The **market environment** seems supportive. The demand is extremely strong since it is being driven by the acceleration towards energy independence and decarbonisation, although the long and uncertain authorisation process remains one of the major obstacles to the business. In this respect, we note that the soaring cost and the lingering shortage of materials and components may impact the start to new projects as well, at least in the short term. Nevertheless, the current, unprecedently high electricity prices are a very attractive incentive for plant owners.

- ✓ On 29 October 2021, the Ministry for Ecological Transition (MITE) presented its **Strategic agenda** to ratchet up the installation of renewable capacity, in light of the new, challenging targets set by the EU's "Fit for 55" plan. Firstly, GSE auctioned the whole 3.3 GW available capacity in February 2022 and has already planned another call for tenders in June, should the ongoing auction leave some unassigned capacity. Furthermore, the MITE launched a new mechanism for capacity auctions, which is expected to add ~55 GW in new solar and wind capacity by 2030.

- ✓ We have adjusted our estimates to factor in the FY 2021 results, while we have left the revenue and EBITDA trends basically unchanged. **Following the rollover of our DCF model and supported by a multiple comparison, we confirm our EUR 2.8/sh target price.**

CONTENTS

FY 2021 results

H2/FY 2021 results

EUR m	H1 20	H2 20	FY 20	H1 21	H2 21	Δ% Y/Y	FY 21	Δ% Y/Y
Total sales	**24.4**	**41.1**	**65.5**	**31.9**	**43.2**	***5.2%***	**75.1**	***14.6%***
o/w Construction	5.5	10.7	16.2	15.1	27.5	*158%*	42.6	*163%*
o/w Services	18.6	27.9	46.5	15.8	13.2	*-53%*	29.0	*-38%*
EBITDA	**1.1**	**2.2**	**3.4**	**3.4**	**4.2**	***88%***	**7.7**	***127%***
margin	*4.7%*	*5.5%*	*5.2%*	*10.8%*	*9.8%*		*10.2%*	
EBIT	**-0.2**	**0.9**	**0.7**	**2.1**	**2.8**	***216%***	**4.9**	***615%***
margin	*-0.9%*	*2.2%*	*1.0%*	*6.5%*	*6.5%*		*6.5%*	
Pre-tax profit	-0.8	0.4	-0.3	1.8	2.2	*434%*	4.0	*nm*
Net profit	-0.4	0.4	0.0	1.3	1.6	*300%*	3.0	*nm*
Net financial debt	**4.4**	**4.2**	**4.2**	**0.4**	**2.8**	***-33%***	**2.8**	***-33%***

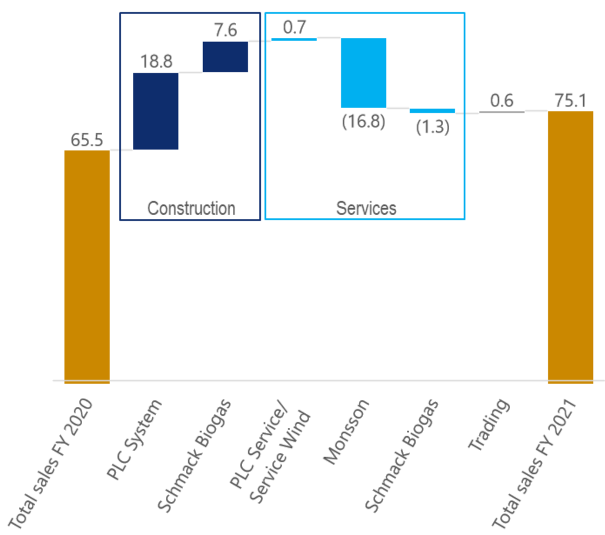
Source: Company data

The FY 2021 results confirmed the last few semesters' strong operating performance, particularly in the Construction segment, which further accelerated on a sequential basis.

We highlight that the group results missed our estimates very slightly (revenues ~EUR 80m, EBITDA ~EUR 9m) due to the temporary slowdown in Monsson's Erection&Installation activities in H2 21. In particular, the activities were hampered significantly by delays in the delivery of components and controversies that affected some E&I projects.

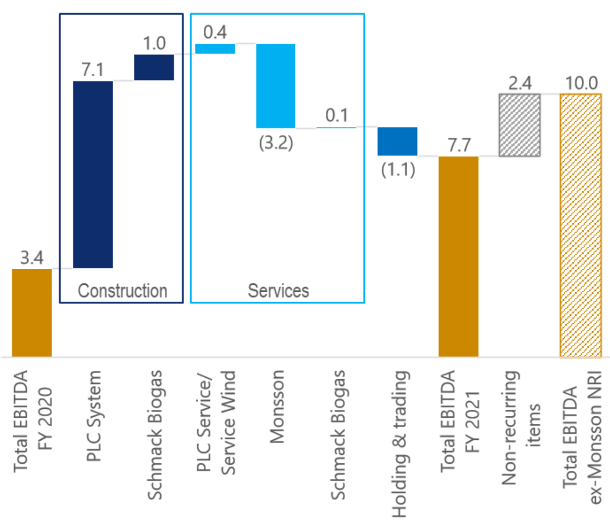
PLC prudentially earmarked EUR 1.3m to cover the expected expenses in H1 21, and eventually booked EUR 2.36m in non-recurring costs, which pushed Monsson's EBITDA down to EUR -2.1m. **Net of the non-recurring item, the group's EBITDA would have reached EUR 10m** (almost tripling Y/Y) with an EBITDA margin of 13.4% (vs. the 10.2% reported in FY 2021 and the 5% in FY 2020).

FY 2021: revenue bridge



Source: Company data

FY 2021: EBITDA bridge



Source: Company data

The **Construction business** continued to perform well in H2 21, thanks to the strong growth in Schmack Biogas revenues, which in FY 2021 stood at EUR 10.4m (~4x Y/Y) with an EBITDA margin of 4%. We note that nearly 80% of Schmack's revenues were booked in H2 21, mainly thanks to the contracts to build a biomethane plant in Marsala and a biogas-fired plant in Belgium. The EPC-BOT activity in the wind and solar sectors was strong as well. As a reminder, the Construction segment's revenue and EBITDA included a EUR 3.8m capital gain from the disposal of C&C Tre Energy to EDPR, which was completed in June 2021.

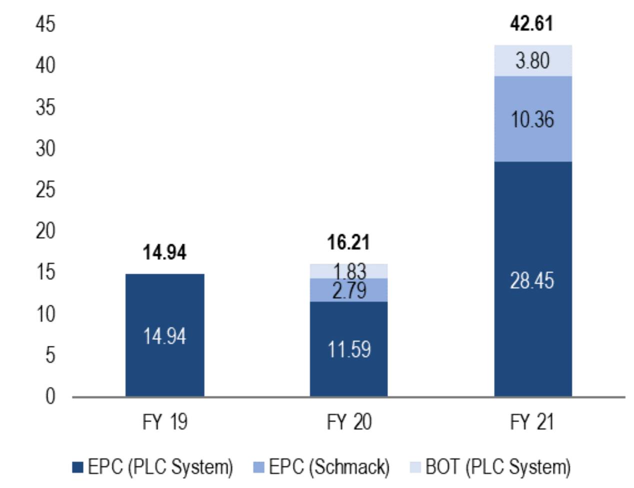
The group booked revenues from the development of the following projects:

- ✓ Construction of the 36 MW windfarm for C&C Uno Energy (sold to Enel Green Power in 2020), 96% complete (34% at the end of H1 21);
- ✓ Construction of a 13.2MW windfarm for C&C Castelvetere (sold to Enel Green Power in 2020), 65% complete;
- ✓ Construction of a 28.8MW windfarm for C&C Tre Energy (sold to EDPR in 2021), 42% complete;
- ✓ Engineering, procurement and construction of a substation in Laterza (Taranto) and another in Bompietro (Palermo), the latter including electromechanical work, 100% complete; another two substations in Melfi (Potenza), 100% complete, and in Paternò (Catania), 81% complete;
- ✓ Supplying and installation of electrical work in Stromboli (Trapani);
- ✓ Supplying of shelters to Terna.

Schmack Biogas was involved in the following construction projects:

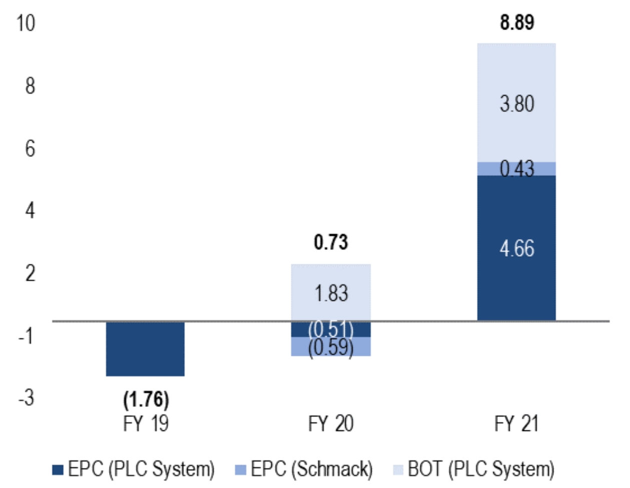
- ✓ A biomethane production plant fed with organic waste in Marsala (Trapani), 73% complete;
- ✓ The construction of a new biogas plant and the renovation of an existing plant in Geer (Belgium), 74% complete;
- ✓ Minor projects completed in H1 21: a 100kW biogas plant in San Pietro in Gù (Padua) and another 500kW plant in Greece.

Construction: revenue trend (EURm)



Source: Company data

Construction: EBITDA trend (EURm)



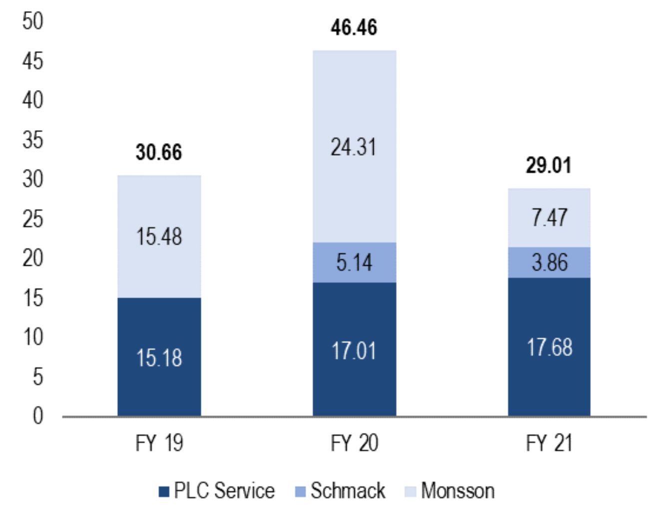
Source: Company data

In the **Service segment**, PLC Service and Schmack performed well and, despite a slight decline in revenues (-3% Y/Y), posted a solid increase in EBITDA (+11% Y/Y) thanks to the group's strategy to re-focus on a more profitable mix. By contrast, Monsson's operations slowed down greatly in H2 21 due to some delays and controversies that affected some E&I projects. Those controversies finally ended in January 2022, after an extrajudicial settlement. Consequently, PLC booked EUR 2.36m in non-recurring costs (of which EUR 1.3m was already set aside in H1 21), which explain the weaker-than-expected profitability.

Net of the non-recurring item, the **Service EBITDA would have been above EUR 5m** (-7% Y/Y), **with a margin of 17.3%** (vs. 11.7% in FY 2020).

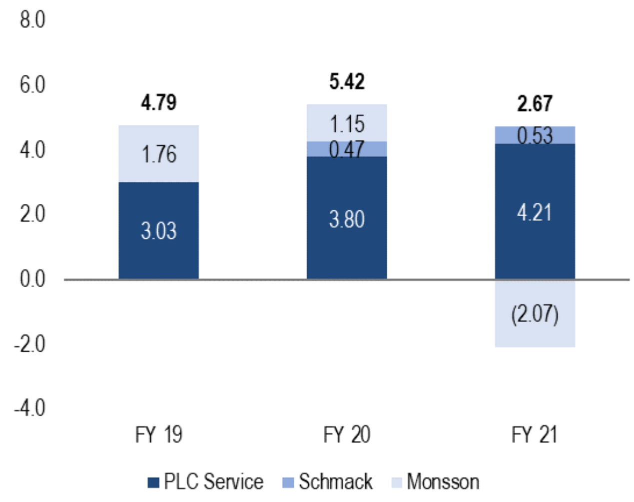
In any case, we understand that **those difficulties are temporary and are not affecting the medium-term objectives**.

Services: revenue trend (EURm)



Source: Company data

Services: EBITDA trend (EURm)



Source: Company data

Finally, the **Trading** segment's revenues were up by 19% Y/Y. The management confirmed that this segment was expected to be marginal, with EBITDA roughly at break-even; no further development is being planned currently.

The **Holding costs** grew by 36% Y/Y (EUR 3.9m) mainly due to higher personnel costs, following new hirings, and the Chairman's remuneration hike.

Divestments and cash

The net debt reached EUR 2.8m, down by EUR 1.4m vs. FY 2020, mainly thanks to the proceeds from the disposal of C&C Tre Energy (EUR 4.6m), which was partially offset by the NWC absorption. The net debt includes lease liabilities of EUR 1.4m.

Outlook

The management have confirmed the group's targets for FY 2022, although with a higher contribution from the Construction segment (since the current backlog covers 52% of the expected FY 2022 revenues). The Construction unit's stronger performance ought to offset the expected slow recovery in the E&I activities. The forecast for the O&M services in the traditional renewables and biogas businesses were confirmed.

As regards PLC's Construction business, the group said that the current pipeline to be developed over the next three years included:

- ✓ A 16 MW windfarm in Basilicata;
- ✓ Two wind projects (120 MW globally) in Campania;
- ✓ A 15 MWp solar plant in Sicily;
- ✓ 4 biogas plant (with a capacity of 500 Scm/h each).

"New Projects" division to develop cutting-edge technologies in O&M

New Projects, PLC's newest division, has been operating for a year. It focuses on the digitalisation on O&M activities for all renewable sources with the aim to streamline processes, reduce costs and enhance profitability.

In a recent interview, the Head of New Projects, Mr. Mirko Oliviero, outlined the division's activity and the expected developments over the next few months.

New Projects is currently developing the following projects:

- ✓ **PON M4.0**: a pilot project to develop artificial intelligence- and augmented reality-based solutions for the management, supervision and maintenance of renewables plants. Moreover, technologies for assisted videocalls, virtual reality-based processing of real-time data and AI cutting-edge tools for maintenance are being tested. The project is partly funded by the Ministry of Economic Development and is due to be completed in 2022;
- ✓ **Control Centre**: a highly skilled technological hub that will lever on the knowledge PLC has gained. It will manage an advanced **SCADA** (Supervisory Control And Data Acquisition) system that supervise the assets managed by the group; the construction works are expected to start in 2022 and are due to be completed at the beginning of 2023;
- ✓ **PLC Academy**: the group plans to build a new training centre to improve the personnel's skills in the usage of Industry 4.0 systems and technologies; Mr. Oliviero also hinted at the possibility to provide external companies with these training services;
- ✓ **New ERP (Enterprise Resource Planning)** software: New Projects is developing a new workforce management tool to enhance the integrated management of human resources, data collection, budgets, business planning and analysis.

Mr. Oliviero expects an "important development" as of 2023, but he did not rule out the possibility of significant progresses already in 2022. He stressed that New Projects consistently supports PLC's commitment to becoming a leading Independent Service Provider.

We note that the division will benefit from a range of public subsidies, namely the bonuses for "Education 4.0", for technological innovation and the tax credits for investments in southern Italy.

The path to energy independence: the government's actions

The need to wean ourselves of fossil fuels has been unexpectedly and dramatically highlighted by the Russo-Ukrainian crisis, as the EU's dependence on gas and oil imports came under scrutiny. The bloc's firm stance against the conflict has materialised through an array of sanctions (which, for the time being, have included fossil fuels marginally), while the increasingly deteriorating relationship contributed to push gas prices up to unprecedented high levels.

Italy is, along with Germany, one of the most exposed EU countries to gas imports from Russia, as they accounted for ~38% of the national consumption in 2021 (55% for Germany). Besides new incentives for domestic gas production and the extension of the existing supply agreements with other partners, **the Italian Government was urged to accelerate and facilitate the development of renewable capacity**.

In April 2022, the Italian parliament passed the "**Energy bill decree**" (Decreto Bollette, n.17/2022), which included the government's proposal to accelerate the authorisation process for the whole range of renewables, including photovoltaic, onshore and offshore wind, pumped-storage hydro, biogas and biomethane. In particular, **permission for installation in "suitable areas",** in compliance with the 2021 Renewable Energy Directive (RED II), **is granted with a simple one-day procedure, by filing a certified notice of commencement**. Moreover, **small plants** below 1MW **will no longer be required to conduct a landscape assessment**, while plants with a capacity up to 20 MW and "agri-photovoltaic" plants will access a **"simplified administrative procedure"**.

Ecological transition: the MITE Strategic agenda

On 29 October 2021, the Ministry for Ecological Transition (MITE) presented its Strategic agenda to ratchet up the installation of renewable capacity, in the light of the new, challenging targets set by the EU's "**Fit for 55**" plan.

Firstly, GSE auctioned the whole 3.3 GW available capacity in February 2022 and has already planned another call for tenders in June, should the ongoing auction leave some unassigned capacity.

Italian renewable capacity: auctions' results

MW	date	New capacity	Total capacity	Assigned	Coverage
First auction	Oct-19	730	730	588	*80.5%*
Second auction	Feb-20	730	872	522	*59.8%*
Third auction	Jun-20	990	1,341	434	*32.4%*
Fourth auction	Oct-20	990	1,882	466	*24.7%*
Fifth auction	Feb-21	1,045	2,461	298	*12.1%*
Sixth auction	Jun-21	1,170	3,316	821	*24.7%*
Seventh auction	Oct-21	2,330	4,825	1,470	*30.5%*
Eighth auction	Feb-22	0	3,355	ongoing	
Total		**7,985**		**4,630**	
Not assigned		**3,355**			

Source: Banca Akros on GSE data

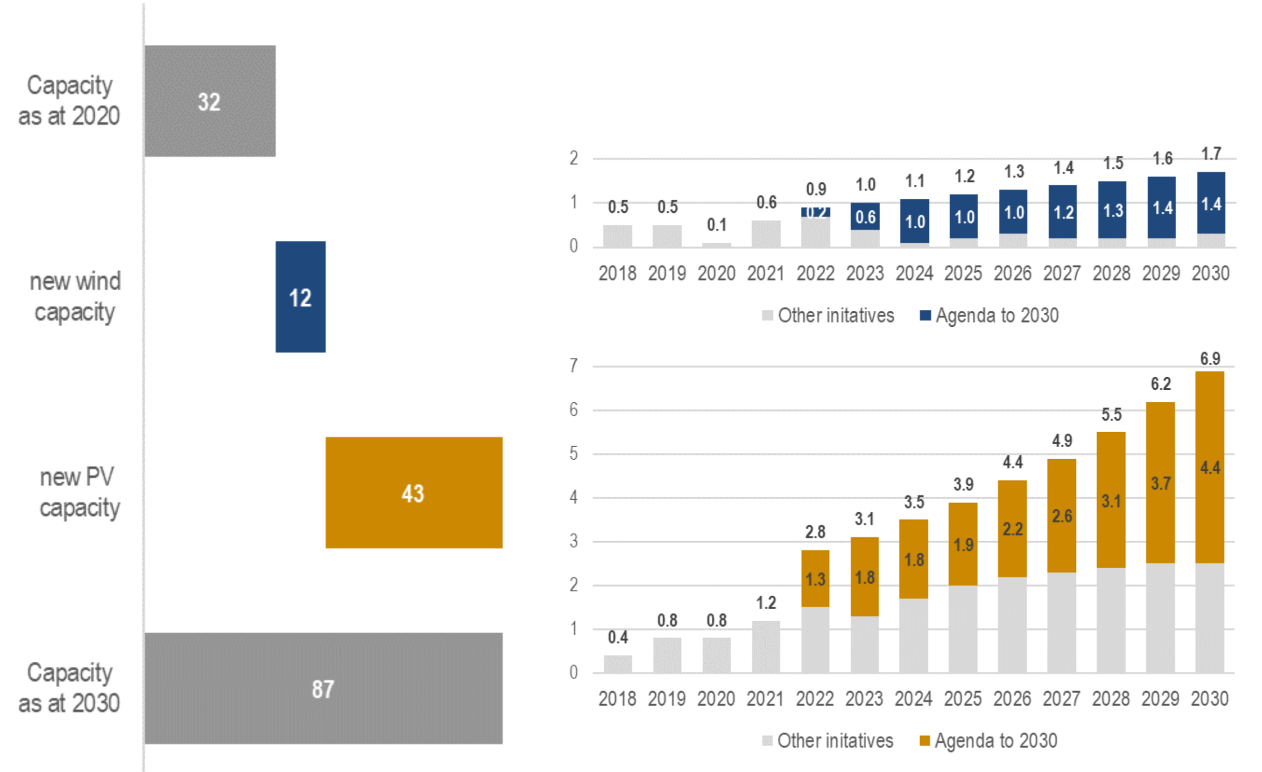
Furthermore, the MITE launched a new mechanism for capacity auctions, based on three pillars:

- ✓ **Stability and efficiency**: the auctions will be planned on a 5-year basis, in order to increase visibility on the government policy, and will be held continuously, with at least three calls for tenders per year;
- ✓ **Bureaucracy streamlining**: the registry for small plants (<1 MW) will be abolished, while the guarantees on larger plants will be simplified;
- ✓ **Innovation**: new incentives will focus on self-consumption and storage.

In the first phase, new auctions will be launched under the current, extended framework (FER 1), while the new planning tools will come into force gradually, and will be supported by the resources earmarked in the National Recovery and Resiliency Plan (PNRR).

The backbone of MITE's Agenda will be wind and solar power, as shown in the chart below.

Strategic agenda to 2030: non-programmable renewable sources



Source: Il Sole 24 Ore

Nevertheless, we note that an additional 3GW in programmable renewable capacity is expected to be installed by 2030. Nearly **1.5 GW will come from biogas plants**.

A bunch of pending authorisations for solar and wind projects

The daily Il Sole 24 Ore reported that permits for renewable projects with an installed capacity of more than 180 GW (including solar and wind plants) at the national level were still pending as at April 2022. At the end of December 2021,

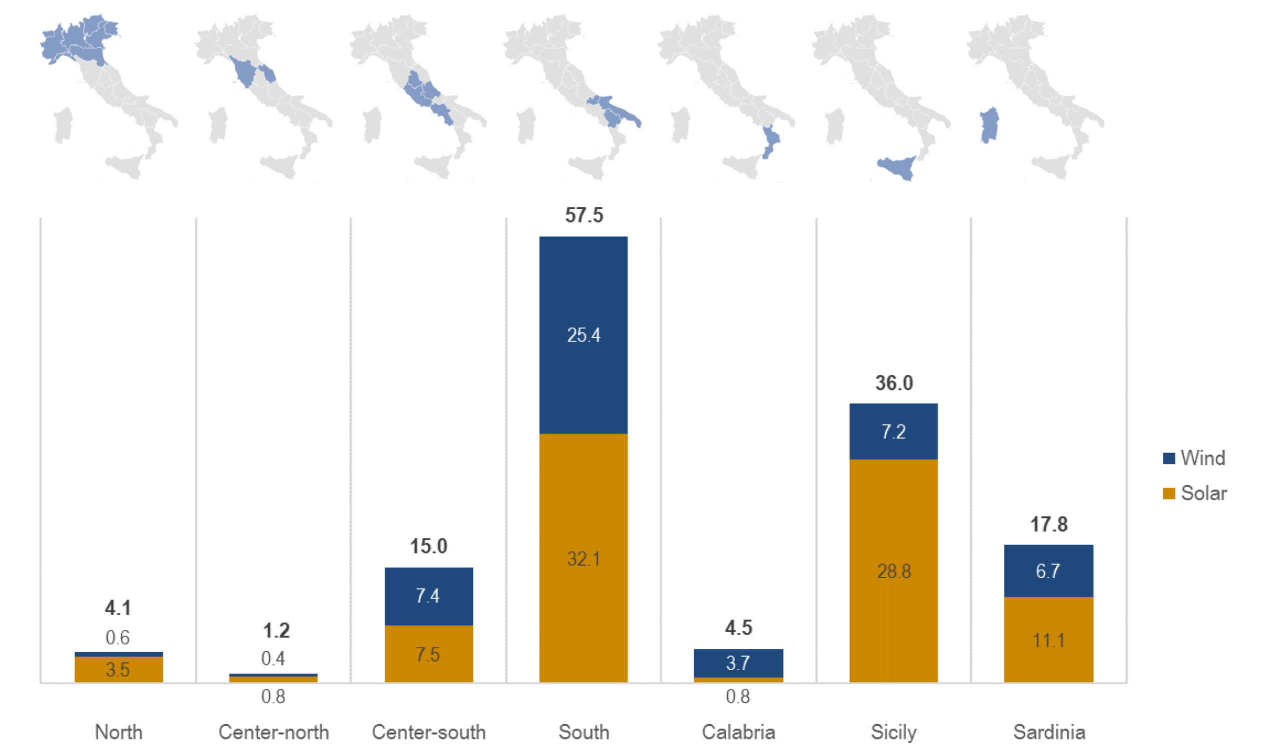
Terna reported that the total planned capacity with a pending application to connect to the national grid reached 136 GW in onshore plants, 31.8 GW in offshore plants and 13GW in medium- and low-tension local plants. Moreover, new applications for 5/10 GW additional capacity are being filed monthly, which compares with the PNIEC target of 37 GW in new capacity by 2030 (later raised by the Ministry for Ecological Transition to 60 GW - see the following paragraph).

Such a huge amount of pending applications is both cause and effect of the long bureaucratic procedure and its unpredictable outcome. Indeed, a single project is often filed multiple times (up to 4 or 5) in different place at once, in the hope of obtaining at least one authorisation.

In any case, Sicily stands out as a peculiar situation, as the 42 GW renewable capacity waiting for authorisation (o/w 36 GW onshore and 7 GW offshore) compares with the island's 4GWp demand for electricity. The most obvious way out would be to "export" the excess production, but it is hampered by the poor electricity infrastructure.

Therefore, it is necessary to improve the high-voltage network to support the intranational trade and distribution from the "sweet spots" to the rest of the country. Among the most ambitious projects, we mention the "Tyrrhenian Link", a 2 GW underwater cable linking Sicily to Sardinia, which is expected to draw EUR 3.7bn in investment.

Pending authorisations for renewable capacity (GW, by technology and area)



Source: Il Sole 24 Ore

Biogas and biomethane

Italy is the second largest producer of biogas in the EU, with more than 20,000 plants operating and a production of over 2bn cm.

However, as Italgas CEO Mr. Gallo has repeatedly pointed out in the last few months, there is still a large, untapped potential, particularly for refined biomethane to be pumped into the gas network. Indeed, according to Italgas' estimates, biomethane could make up for as much as 20/30% of the EU's gas needs, while it barely covers 5% of the current demand.

As regards Italy, biogas may account for up to 10% of the gas needs (~8/10bn cm), while the current **production potential is ~640MScm** from 81 plants. However, the **actual production is only ~220 Mcm** (Assogasmetano's 2021 report), **since only 27 plants are operating**.

Italy: potential biomethane production by source

Source: Italgas 2021/27 Strategic Plan

Indeed, **the authorisation for 50 plants is still pending**, as the government failed to implement a new set of subsidies, in light of the forthcoming expiration of the current framework (2018). People familiar with the matter reported that the MITE was considering implementing a new fixed subsidised sales price (EUR 40 or 60/MWh), coupled with a non-repayable grant worth up to 20% or 40% of the plant construction costs. Nevertheless, no decisions nor rumours have circulated since the beginning of the Russo-Ukrainian crisis.

As a result, the EUR 1.9bn set aside in the PNRR to develop biomethane production capacity is mostly drawn by towns and local administrations that have contracted out the construction phase through a PPP project. In particular, the public bodies pay a tariff to dispose of the waste to be treated, which is reduced thanks to the public funds.

Estimates revision

The market environment seems supportive. The demand is extremely strong since it is being driven by the acceleration towards energy independence and the decarbonisation of the European and the Italian economies, although the long and uncertain authorisation process remains one of the major obstacles to the business.

In this respect, we note that the soaring cost and the lingering shortage of materials and components may impact the start to new projects as well, at least in the short term. Nevertheless, the current, unprecedently high electricity prices are a very attractive incentive for plant owners.

Furthermore, we expect the maintenance business to be extremely lively and profitable, since it is vital to keep wind and solar plants up and running, while electricity prices enable renewable power producers to stand the likely increase in services price (due to the relative lack of a specialised workforce and components).

We also highlight that the delayed approval of amendments to the subsidy frameworks by the government and parliament is an unpredictable source of uncertainty.

In light of all of the above, we have revised out estimates as follows.

PLC: estimates revision (FY 2022-24e)

EURm	FY 2022e			FY 2023e			FY 2024e		
	New	Old	Chg	New	Old	Chg	New	Old	Chg
Total revenues	**86.5**	93.1	*-7.1%*	**97.3**	98.6	*-1.3%*	**101.4**	102.2	*-0.8%*
EBITDA	**9.48**	10.02	*-5.4%*	**9.58**	10.90	*-12.1%*	**10.03**	10.49	*-4.4%*
margin	***11.0%***	*10.8%*	*0.2pp*	***9.8%***	*11.1%*	*-1.2pp*	***9.9%***	*10.3%*	*-0.4pp*
EBIT	**6.69**	8.02	*-16.6%*	**6.79**	9.20	*-26.2%*	**7.23**	8.89	*-18.6%*
margin	***7.7%***	*8.6%*	*-0.9pp*	***7.0%***	*9.3%*	*-2.4pp*	***7.1%***	*8.7%*	*-1.6pp*
Net profit	**4.79**	4.70	*1.9%*	**4.64**	4.70	*-1.3%*	**4.90**	5.36	*-8.6%*
Net debt (cash)	**0.68**	1.00	*-31.6%*	**(3.22)**	(4.20)	*-23.3%*	**(8.29**	(7.20)	*+15.1%*

Source: Banca Akros estimates

We note that the downwards revision is mainly due the slowdown in Monsson's operations, which in any case we expect will have recovered by 2024. The EBITDA margin is slightly diluted due to the revenue mix, as we expect the Construction business (with a lower average profitability) to offset the slowdown in Service's top line.

Compared with the group's business plan, we confirm our more conservative view on the FY 24 target, given the low visibility on the EPC-BOT business' medium-term perspectives. Our exit revenues and EBITDA forecast stand at ~10% and ~30% below the company's target.

Moreover, we have cut our net debt forecast slightly to factor in higher NWC absorption, which is likely to occur due to the higher prices and the need to stockpile components to avoid shortages.

PLC: new estimates summary (FY 2021a-24e)

	FY 2021a	FY 2022e	*YoY*	FY 2023e	*YoY*	FY 2024e	*YoY*
Total revenues	75.1	86.5	*15.2%*	97.3	*12.5%*	101.4	*4.2%*
EBITDA	7.68	9.48	*23.5%*	9.58	*1.1%*	10.03	*4.7%*
margin	*10.2%*	*11.0%*		*9.8%*		*9.9%*	
EBIT	4.88	6.69	*37.0%*	6.79	*1.5%*	7.23	*6.6%*
margin	*6.5%*	*7.7%*		*7.0%*		*7.1%*	
Net profit	2.93	4.79	*63.5%*	4.64	*-3.1%*	4.90	*5.6%*
Net debt (cash)	2.68	0.68	*nm*	(3.22)	*nm*	(8.29)	*nm*

Source: Banca Akros estimates

Valuation update

Our DCF model is still based on conservative assumptions (WACC: 10%; g: 0.5%) and points to EUR 2.8 per share, which we confirm as our target price.

The fair value derived from our peer comparison is EUR 2.9 per share, taking into account a 40% arbitrary discount to reflect the execution risk related to PLC's smaller size and its poor stock liquidity. We highlight that we have replaced Arise AB with Eolus Vind in our panel, as we argue its business model is more similar to PLC's.

We also note that Siemens Energy launched a voluntary tender offer for 33% of the share capital of its listed subsidiary Siemens Gamesa on 21 May 2022. The deal is aimed at delisting the company and integrating its businesses (with ~53% of the backlog and ~24% of the revenues coming from Services) into Siemens Energy. The total consideration (EUR 4.04bn) pointed at an EV/EBITDA multiple of ~18x on FY 2023 estimates (based on Bloomberg consensus).

Peer Group Valuation

	Market Cap (m)	*EV/Sales*		*EV/EBITDA*		*P/E*	
		2022E	***2023E***	***2022E***	***2023E***	***2022E***	***2023E***
ABO WIND AG	494.2	2.9	2.5	16.2	12.6	35.2	23.9
EOLUS VIND AB	207.7	0.7	0.4	26.2	5.2	49.4	6.8
ENERGIEKONTOR	1,237.3	6.2	4.6	13.8	12.3	28.4	25.1
COMAL SPA	44.6	1.0	0.8	10.2	7.5	n.a.	n.a.
Average		**2.7**	**2.1**	**16.6**	**9.4**	**37.7**	**18.6**
Average (ex Comal)		**3.3**	**2.5**	**18.7**	**10.0**	**37.7**	**18.6**

Source: Bloomberg consensus as at 25 May 2022

Sum-up table: Peer multiples (2022E – 2023E)

		EBITDA		Net Profit	
		2022e	***2023e***	***2022e***	***2023e***
PLC		9.5	9.6	4.8	4.6
Multiple (average ex Comal)		**18.7**	**10.0**	**37.7**	**18.6**
Discount	***40%***	11.2	6.0	22.6	11.2
Enterprise Value		106.5	57.6	108.2	51.8
+ Net debt (cash)		(0.7)	3.2		
- Pension underfunding		(2.9)	(2.9)		
+ Financial assets		0.1	0.1		
- Minorities		0.0	0.0		
Equity Value		**103.0**	**57.9**	**108.2**	**51.8**
N. of shares		25,961	25,961	25,961	25,961
Value per share		**4.0**	**2.2**	**4.2**	**2.0**

PLC: DCF Analysis

Cumulated DCF	27.5
Perpetual Growth Rate (g)	*0.5%*
Normalised Annual CF	6.5
Terminal Value (EUR m)	68.6
Disc. Rate of Terminal Value	0.71
Discounted Terminal Value	48.9
Financial assets	2.1
Enterprise Value (EUR m)	**78.5**
Net Financial Debt (EUR m, 2021)	(2.7)
Minorities (estimated value)	0.0
Pension provisions	(3.8)
Equity Market Value (EUR m)	**72.0**
Number of shares (m)	26.0
Fair Value per share (EUR)	**2.77**
Price (EUR) as at 16/06/22	1.91
Potential upside (downside)	*45.3%*

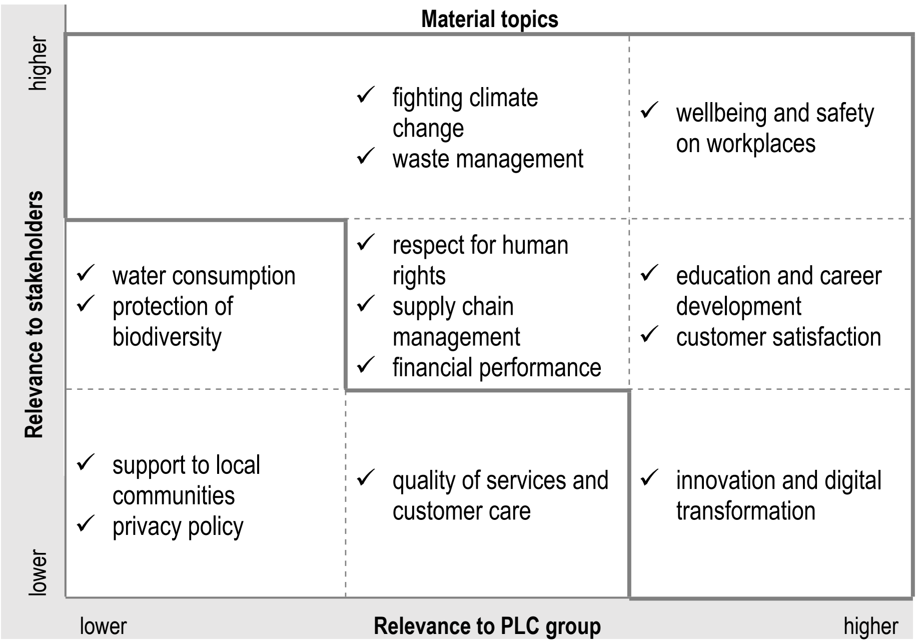
Source: Banca Akros estimates

ESG Focus

PLC has been publishing a sustainability report as of 2021. The report is prepared starting from a careful analysis of the materiality matrix; data are collected in compliance with the **GRI Standards** through an online questionnaire.

PLC reviewed its materiality matrix in 2021. Compared with the 2020 matrix, we note that the relevance of "respect for human rights" and "career development" topics has significantly increased for both the group and the stakeholders. Furthermore, "Innovation and digital transformation" has become a much more relevant topic for PLC, as the great deal of attention paid to the "New Projects" division testifies.

PLC: Materiality matrix



Source: company data

Environment

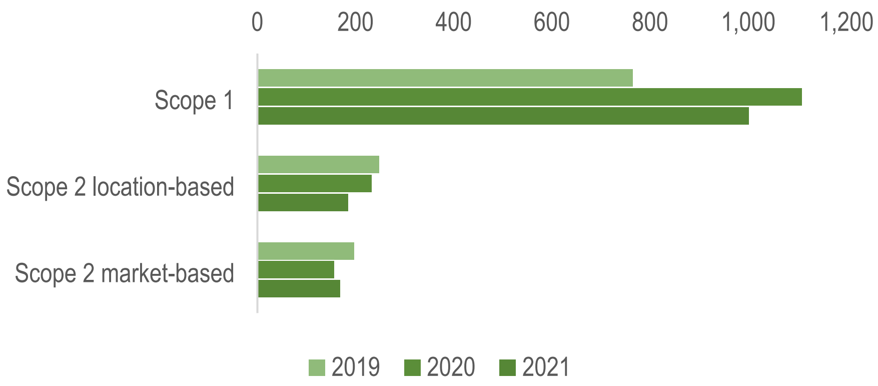
PLC is actively involved in many activities that support the communities and areas surrounding its business operations, and which include social, educational and environmental matters. Among the social activities, the company is actively involved in the "Miners Project" in Romania (where the company employs approx. 53% of its workforce), through which it financially supports the professional education and retraining of coal workers. This project, carried out by Romanian Wind Energy Association, University of Petrosani and supported by the EU and the Romanian energy ministry, aims at promoting the energy transition and the decarbonisation process: over the next 8 years, it aims to retrain a total of 8,000 technicians.

The company has also pledged to improve its energy efficiency and gas emissions. In order to reach these goals, in 2020 the company installed 3 photovoltaic plants at the Acerra facility for its own consumption. In 2021, there was one more installation for an additional capacity of 0.5 MWh, which enabled the group to produce 68 tonnes less CO_2, or 6% of the group's total emissions.

As regards the group's energy consumption and CO_2 emissions, we highlight that the FY 2020 figures reflected the full consolidation of Monsson, Schmack Biogas and MSD Trading. In 2021, despite the significant increase in the group's activity, energy consumption declined by 7% in buildings and by 8% in the car fleet. As regards the purchase of electricity, the share of renewable sources declined to 40% in FY 2020 (48% in FY 2020).

All in all, CO_2 emissions (Scope 1 + Scope 2 location-based) declined by 12% Y/Y.

GHG emissions (tCO_2e, 2019-21)



Source: Company data

Social

In 2021, the group launched "PLC People survey"; in order to assess employee satisfaction within the "historical" scope of consolidation (i.e. PLC, PLC System, PLC Service and PLC Service Wind). The survey covered 7 areas, namely the relationship with superiors, workload, career development opportunities, relationship with colleagues, safety of workplaces, salary, and people retention. The group reported a high participation rate (~90%) and a very high satisfaction rate among employees (85% on average, with only 3% dissatisfied answers).

As safety, we note that the accident rate declined strongly (0.24 vs. 1.53 in 2020). The group also increased its efforts in training, with the average training time increased to 32 hours per employee (+54% vs. 2020).

Governance

PLC's current BoD is composed of 7 members, including 3 independent and non-executive directors. In addition, 3 members are women (43%).

PLC's independent members only receive a fixed compensation, while the executive members of the BoD receive a mix of fixed and short-term, variable compensation. In particular, the variable compensation package, which is based on annual EBITDA metrics, cannot exceed 75% of the annual fixed compensation. The company has also introduced a clawback mechanism to deter management wrongdoing.

ESG Scorecards

PLC	NO	WIP	OK	Comments/Descriptions
ESG projects/activities/certifications				Certification of the Environment Management System in compliance with ISO 14001:2015 Certification of the Wealth and Safety Management System in compliance with ISO 45001:2018
Materiality Matrix (GRI or Others)				
Sustainability Report (CSR)				
Sustainability Plan / Defined ESG Goals				No ESG plan provided
ESG Ratings				No rating

Source: Banca Akros

ESG Positioning

PLC	Below	In line	Above	Comments/Descriptions
Environment				
GHG emission cut (CO_2 reduction)				1.0K tCO2 (-10% vs. 2020)
Water consumption				Not meaningful for the business
Electricity & Power consumption				2.2K GJ (-7% vs. 2020), o/w 40% from renewable sources (-8pp vs. 2020)
Waste reduction				92 t (+33% vs. 2020), of which 97% recycled
Social				
Social engagement				95% of permanent workers (+1pp vs. 2020)
Accident index				0.24 accidents per million working hours (1.53 in 2020, 0.94 in 2019)
Gender Equality				3 female directors out of 7 members 5 female managers out of 15 (33%) 17% female middle-managers
Training / Employees satisfaction				average training time per employee 32hrs (+52% vs. 2020, +38% vs. 2019) average employee satisfaction 85%
Governance				
BoD composition				3 independent directors out of 7 members
Top management ESG Involvement				not adopted

Source: Banca Akros

PLC: Summary tables

PROFIT & LOSS (EURm)	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Sales	**45.6**	**65.5**	**75.1**	**86.5**	**97.3**	**101**
Cost of Sales & Operating Costs	-45.2	-62.2	-67.4	-77.0	-87.7	-91.4
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**0.4**	**3.4**	**7.7**	**9.5**	**9.6**	**10.0**
EBITDA (adj.)*	**0.4**	**3.4**	**7.7**	**9.5**	**9.6**	**10.0**
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	**0.4**	**3.4**	**7.7**	**9.5**	**9.6**	**10.0**
EBITA (adj)*	**0.4**	**3.4**	**7.7**	**9.5**	**9.6**	**10.0**
Amortisations and Write Downs	-2.0	-2.7	-2.8	-2.8	-2.8	-2.8
EBIT	**-1.6**	**0.7**	**4.9**	**6.7**	**6.8**	**7.2**
EBIT (adj.)*	**-1.6**	**0.7**	**4.9**	**6.7**	**6.8**	**7.2**
Net Financial Interest	-0.5	-1.0	-0.9	-0.3	-0.6	-0.7
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	-0.1	-0.1	0.0	0.0	0.0	0.0
Other Non Recurrent Items	-0.1	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	**-2.2**	**-0.3**	**3.9**	**6.4**	**6.2**	**6.5**
Tax	-0.2	0.3	-1.0	-1.6	-1.5	-1.6
Tax rate	*n.m.*	*81.0%*	*25.7%*	*25.0%*	*25.0%*	*25.0%*
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.1	0.0	0.0	0.0	0.0
Net Profit (reported)	**-2.5**	**-0.0**	**2.9**	**4.8**	**4.6**	**4.9**
Net Profit (adj.)	**-2.4**	**-0.2**	**2.9**	**4.7**	**4.5**	**4.8**

CASH FLOW (EURm)	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Cash Flow from Operations before change in NWC	-0.5	2.6	5.7	7.6	7.4	7.7
Change in Net Working Capital	1.9	-1.0	-5.1	-4.1	0.6	1.6
Cash Flow from Operations	**1.4**	**1.7**	**0.7**	**3.5**	**8.1**	**9.3**
Capex	-3.9	-3.6	-1.4	-1.7	-1.0	-1.0
Net Financial Investments	0.7	4.3	0.0	0.0	0.0	0.0
Free Cash Flow	**-1.8**	**2.5**	**-0.7**	**1.8**	**7.1**	**8.3**
Dividends	-1.0	0.0	0.0	0.0	-3.4	-3.4
Other (incl. Capital Increase & share buy backs)	5.6	-1.0	-1.0	-0.2	-0.2	-0.1
Change in Net Financial Debt	**2.9**	**1.4**	**-1.8**	**1.6**	**3.5**	**4.8**
NOPLAT	-1.1	0.5	3.6	4.9		

BALANCE SHEET & OTHER ITEMS (EURm)	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Net Tangible Assets	9.7	8.9	8.5	7.4	5.6	3.8
Net Intangible Assets (incl.Goodwill)	18.9	16.2	14.7	14.7	14.7	14.7
Right-of-Use Assets (Lease Assets)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Assets & Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Fixed Assets	**28.6**	**25.1**	**23.2**	**22.1**	**20.3**	**18.5**
Inventories	3.4	4.3	4.5	7.8	8.8	8.1
Trade receivables	24.0	28.2	36.3	41.5	44.8	44.6
Other current assets	2.7	3.3	3.9	4.5	5.3	7.3
Cash (-)	-6.7	-10.3	-10.8	-11.7	-13.6	-16.5
Total Current Assets	**36.8**	**46.1**	**55.5**	**65.5**	**72.5**	**76.6**
Total Assets	**65.4**	**71.2**	**78.7**	**87.6**	**92.7**	**95.0**
Shareholders Equity	24.7	24.9	28.4	33.2	34.4	36.0
Minority	0.0	-0.1	0.0	0.0	0.0	0.0
Total Equity	**24.7**	**24.8**	**28.4**	**33.2**	**34.4**	**36.0**
Long term interest bearing debt	7.0	9.3	8.5	7.8	6.5	5.1
Provisions	1.6	2.6	2.8	2.9	2.9	3.0
Lease Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	0.2	1.0	1.1	1.3	1.3
Total Long Term Liabilities	**8.7**	**12.1**	**12.3**	**11.8**	**10.7**	**9.5**
Short term interest bearing debt	7.7	5.1	5.1	4.6	3.9	3.1
Trade payables	13.8	20.8	25.8	29.8	33.5	34.9
Other current liabilities	10.5	8.3	7.1	8.2	10.2	11.6
Total Current Liabilities	**32.1**	**34.3**	**38.0**	**42.6**	**47.5**	**49.6**
Total Liabilities and Shareholders' Equity	**65.4**	**71.2**	**78.7**	**87.6**	**92.7**	**95.0**
Net Capital Employed	**34.3**	**31.7**	**34.9**	**37.9**	**35.4**	**32.0**
Net Working Capital	**5.7**	**6.7**	**11.7**	**15.8**	**15.2**	**13.5**

GROWTH & MARGINS	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Sales growth	*-8.6%*	*43.7%*	*14.6%*	*15.2%*	*12.5%*	*4.2%*
EBITDA (adj.)* growth	***-94.5%***	***748.1%***	***126.9%***	***23.5%***	***1.1%***	***4.7%***
EBITA (adj.) growth*	*-94.5%*	*748.1%*	*126.9%*	*23.5%*	*1.1%*	*4.7%*
*EBIT (adj)*growth*	*n.m.*	*n.m.*	*614.6%*	*37.0%*	*1.5%*	*6.6%*

PLC: Summary tables

GROWTH & MARGINS	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Net Profit growth	*n.m.*	*n.m.*	*n.m.*	*62.0%*	*-3.1%*	*5.6%*
EPS adj. growth	*n.m.*	*n.m.*	*n.m.*	*62.0%*	*-3.1%*	*5.6%*
DPS adj. growth	*-55.6%*	*n.m.*			*n.m.*	*0.0%*
EBITDA (adj) margin*	*0.9%*	*5.2%*	*10.2%*	*11.0%*	*9.8%*	*9.9%*
EBITA (adj) margin*	*0.9%*	*5.2%*	*10.2%*	*11.0%*	*9.8%*	*9.9%*
EBIT (adj) margin*	*n.m.*	*1.0%*	*6.5%*	*7.7%*	*7.0%*	*7.1%*

RATIOS	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Net Debt/Equity	0.3	0.2	0.1	0.0	-0.1	-0.2
Net Debt/EBITDA	20.0	1.2	0.3	0.1	-0.3	-0.8
Interest cover (EBITDA/Fin.interest)	0.8	3.5	8.2	31.6	16.0	14.3
Capex/D&A	198.5%	131.5%	50.1%	60.8%	35.8%	35.8%
Capex/Sales	8.5%	5.4%	1.9%	2.0%	1.0%	1.0%
NWC/Sales	12.5%	10.2%	15.6%	18.3%	15.6%	13.4%
ROE (average)	-9.7%	-0.8%	10.8%	15.1%	13.4%	13.6%
ROCE (adj.)	-3.3%	1.6%	10.2%	12.9%		
WACC	10.0%	10.0%	10.0%	10.0%		
ROCE (adj.)/WACC	-0.3	0.2	1.0	1.3		

PER SHARE DATA (EUR)***	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Average diluted number of shares	26.0	26.0	26.0	26.0	26.0	26.0
EPS (reported)	-0.09	0.00	0.11	0.18	0.18	0.19
EPS (adj.)	-0.09	-0.01	0.11	0.18	0.17	0.18
BVPS	0.95	0.96	1.09	1.28	1.33	1.39
DPS	0.04	0.00	0.00	0.00	0.13	0.13

VALUATION	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
EV/Sales	1.0	0.6	0.8	0.6	0.5	0.4
EV/EBITDA	n.m.	10.7	7.5	5.4	5.0	4.2
EV/EBITDA (adj.)*	**n.m.**	**10.7**	**7.5**	**5.4**	**5.0**	**4.2**
EV/EBITA	112.2	10.7	7.5	5.4	5.0	4.2
EV/EBITA (adj.)*	**112.2**	**10.7**	**7.5**	**5.4**	**5.0**	**4.2**
EV/EBIT	n.m.	52.8	11.8	7.7	7.0	5.9
EV/EBIT (adj.)*	**n.m.**	**52.8**	**11.8**	**7.7**	**7.0**	**5.9**
P/E (adj.)	**n.m.**	**n.m.**	**18.8**	**10.7**	**11.1**	**10.5**
P/BV	1.5	1.3	1.9	1.5	1.5	1.4
Total Yield Ratio	0.0%	0.0%	0.0%	6.8%	6.8%	
EV/CE	1.3	1.1	1.6	1.4	1.3	1.3
OpFCF yield	-6.4%	-5.8%	-1.4%	3.6%	14.2%	16.7%
OpFCF/EV	-5.5%	-5.2%	-1.3%	3.5%	14.9%	19.6%
Payout ratio	-39.0%	0.0%	0.0%	0.0%	72.7%	68.9%
Dividend yield (gross)	2.5%	0.0%	0.0%	0.0%	6.8%	6.8%

EV AND MKT CAP (EURm)	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Price** (EUR)	1.47	1.24	2.08	1.93	1.93	1.93
Outstanding number of shares for main stock	26.0	26.0	26.0	26.0	26.0	26.0
Total Market Cap	**38.2**	**32.2**	**54.0**	**50.0**	**50.0**	**50.0**
Gross Financial Debt (+)	14.7	14.4	13.5	12.4	10.4	8.2
Cash & Marketable Securities (-)	-6.7	-10.3	-10.8	-11.7	-13.6	-16.5
Net Financial Debt	**8.0**	**4.1**	**2.7**	**0.7**	**-3.2**	**-8.3**
Lease Liabilities (+)	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt	**8.0**	**4.1**	**2.7**	**0.7**	**-3.2**	**-8.3**
Other EV components	**-1.4**	**-0.2**	**0.7**	**0.8**	**0.8**	**0.9**
Enterprise Value (EV adj.)	**44.8**	**36.1**	**57.4**	**51.4**	**47.6**	**42.6**

Source: Company, Banca Akros estimates.

Notes

** Where EBITDA (adj.) or EBITA (adj)= EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj)= EBIT-/+ Non Recurrent Expenses/Income - PPA amortisation*

***Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years*

****EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.*

Sector: Energy/Renewable Energy Equipment

Company Description: PLC is one of the leading operators in the Italian renewable energy market. It has a specific focus on solar and wind energy. Following the acquisition of Monsson, the group's international exposure has strengthened given its European customer base. In 2020, the group has increased its business diversification by entering the biogas and bio-methane market (through Schmack Biogas). The management's strategy will play a crucial role in making the company less dependent on the construction business and therefore to stabilise the financial performances by expanding the portion of recurring business (O&M), also through some selective M&A.

European Coverage of the Members of ESN

Automobiles & Parts	Mem(*)
Brembo	BAK
Faurecia	CIC
Ferrari	BAK
Gestamp	GVC
Indelb	BAK
Michelin	CIC
Pirelli & C.	BAK
Plastic Omnium	CIC
Renault	CIC
Sogefi	BAK
Stellantis	BAK
Valeo	CIC

Banks	Mem(*)
Banca Mps	BAK
Banco Sabadell	GVC
Banco Santander	GVC
Bankinter	GVC
Bbva	GVC
Bnp Paribas	CIC
Bper	BAK
Caixabank	GVC
Credem	BAK
Credit Agricole Sa	CIC
Intesa Sanpaolo	BAK
Societe Generale	CIC
Unicaja Banco	GVC
Unicredit	BAK

Basic Resources	Mem(*)
Acerinox	GVC
Altri	CBI
Arcelormittal	GVC
Ence	GVC
Neodecortech	BAK
Semapa	CBI
The Navigator Company	CBI
Tubacex	GVC

Chemicals	Mem(*)
Air Liquide	CIC
Arkema	CIC
Plasticos Compuestos	GVC

Consumer Products & Services	Mem(*)
Abeo	CIC
Beneteau	CIC
Brunello Cucinelli	BAK
Capelli	CIC
De Longhi	BAK
Europcar	CIC
Fila	BAK
Geox	BAK
Givaudan	CIC
Groupe Seb	CIC
Hermes Intl.	CIC
Hexaom	CIC
Interparfums	CIC
Kaufman & Broad	IAC
Kering	CIC
L'Oreal	CIC
Lvmh	CIC
Maisons Du Monde	CIC
Moncler	BAK
Monnalisa	BAK
Ovs	BAK
Piaggio	BAK
Richemont	CIC
Safilo	BAK
Salvatore Ferragamo	BAK
Smcp	CIC
Swatch Group	CIC
Technogym	BAK
Tod'S	BAK
Trigano	CIC
Ubisoft	CIC

Energy	Mem(*)
Cgg	CIC
Ecoslops	CIC
Eni	BAK
Galp Energia	CBI
Gas Plus	BAK
Gtt	CIC
Maurel Et Prom	CIC
Neoen	CIC
Plc	BAK
Repsol	GVC
Rubis	CIC
Saipem	BAK
Technip Energies	CIC
Technipfmc Plc	CIC
Tecnicas Reunidas	GVC
Tenaris	BAK
Totalenergies	CIC
Vallourec	CIC

Fin. Serv. Holdings	Mem(*)
Cir	BAK
Corp. Financiera Alba	GVC
Digital Magics	BAK
Eurazeo	CIC
Gbl	CIC
Peugeot Invest	CIC
Rallye	CIC
Tip Tamburi Investment Partners	BAK
Wendel	CIC

Fin. Serv. Industrials	Mem(*)
Dovalue	BAK
Nexi	BAK
Tinexta	BAK

Financial Services Banks	Mem(*)
Amundi	CIC
Anima	BAK
Azimut	BAK
Banca Generali	BAK
Banca Ifis	BAK
Banca Mediolanum	BAK
Banca Sistema	BAK
Bff Bank	BAK
Dea Capital	BAK
Finecobank	BAK
Illimity Bank	BAK
Mediobanca	BAK
Poste Italiane	BAK
Rothschild & Co	CIC

Food & Beverage	Mem(*)
Advini	CIC
Bonduelle	CIC
Campari	BAK
Danone	CIC
Diageo	CIC
Ebro Foods	GVC
Enervit	BAK
Fleury Michon	CIC
Italian Wine Brands	BAK
Lanson-Bcc	CIC
Laurent Perrier	CIC
Ldc	CIC
Lindt & Sprüngli	CIC
Nestle	CIC
Orsero	BAK
Pernod Ricard	CIC
Remy Cointreau	CIC
Tipiak	CIC
Vilmorin	CIC
Viscofan	GVC
Vranken	CIC

Healthcare	Mem(*)
Abionyx Pharma	CIC
Amplifon	BAK
Atrys Health	GVC
Biomerieux	CIC
Crossject	CIC
Diasorin	BAK
El.En.	BAK
Fermentalg	CIC
Fine Foods	BAK
Genfit	CIC
Gpi	BAK
Guerbet	CIC
Ipsen	CIC
Korian	CIC
Oncodesign	CIC
Orpea	CIC
Prim Sa	GVC
Recordati	BAK
Shedir Pharma	BAK
Theraclion	CIC
Vetoquinol	CIC
Virbac	CIC
Vytrus Biotech	GVC

Industrial Goods & Services	Mem(*)
Applus	GVC
Avio	BAK
Biesse	BAK
Bollore	CIC
Bureau Veritas	CIC
Caf	GVC
Catenon	GVC
Cellnex Telecom	GVC
Cembre	BAK
Clasquin	IAC
Cnh Industrial	BAK
Corticeira Amorim	CBI
Ctt	CBI
Danieli	BAK
Datalogic	BAK
Enav	BAK
Enogia	CIC
Exel Industries	CIC
Fiera Milano	BAK
Fincantieri	BAK
Getlink	CIC
Global Dominion	GVC
Haulotte Group	CIC
Interpump	BAK
Inwit	BAK
Legrand	CIC
Leonardo	BAK
Logista	GVC
Manitou	CIC
Nbi Bearings Europe	GVC
Nicolas Correa	GVC
Openjobmetis	BAK
Osai	BAK
Prima Industrie	BAK
Prosegur	GVC
Prosegur Cash	GVC
Prysmian	BAK
Rai Way	BAK
Rexel	CIC
Saes	BAK
Salcef	BAK
Schneider Electric Se	CIC
Somfy	CIC
Talgo	GVC
Teleperformance	CIC
Verallia	CIC
Vidrala	GVC
Zignago Vetro	BAK

Insurance	Mem(*)
Axa	CIC
Catalana Occidente	GVC
Cattolica Assicurazioni	BAK
Generali	BAK
Linea Directa Aseguradora	GVC
Mapfre	GVC

Net Insurance	BAK
Unipolsai	BAK
Materials, Construction	**Mem(*)**
Acs	GVC
Aena	GVC
Atlantia	BAK
Buzzi Unicem	BAK
Cementir	BAK
Cementos Molins	GVC
Clerhp Estructuras	GVC
Crh	CIC
Eiffage	CIC
Fcc	GVC
Ferrovial	GVC
Groupe Adp	CIC
Groupe Poujoulat	CIC
Groupe Sfpi S.A.	CIC
Heidelberg Cement	CIC
Herige	CIC
Holcim	CIC
Imerys	CIC
Maire Tecnimont	BAK
Mota Engil	CBI
Obrascon Huarte Lain	GVC
Sacyr	GVC
Saint-Gobain	CIC
Sciuker Frames	BAK
Sergeferrari Group	CIC
Spie	CIC
Tarkett	CIC
Thermador Groupe	CIC
Vicat	CIC
Vinci	CIC
Webuild	BAK
Media	**Mem(*)**
Arnoldo Mondadori Editore	BAK
Atresmedia	GVC
Believe	CIC
Cairo Communication	BAK
Digital Bros	BAK
Gl Events	CIC
Il Sole 24 Ore	BAK
Ipsos	CIC
Jcdecaux	CIC
Lagardere	CIC
M6	CIC
Mediaset Espana	GVC
Mfe-Mediaforeurope	BAK
Miogroup	GVC
Nrj Group	CIC
Prisa	GVC
Publicis	CIC
Rcs Mediagroup	BAK
Tf1	CIC
Universal Music Group	CIC
Vivendi	CIC

Personal Care, Drug & Grocery S	**Mem(*)**
Carrefour	CIC
Casino	CIC
Jeronimo Martins	CBI
Marr	BAK
Sonae	CBI
Unilever	CIC
Winfarm	CIC
Real Estate	**Mem(*)**
Almagro Capital	GVC
Igd	BAK
Lar España	GVC
Merlin Properties	GVC
Realia	GVC
Retail	**Mem(*)**
Burberry	CIC
Fnac Darty	CIC
Inditex	GVC
Unieuro	BAK
Technology	**Mem(*)**
Agile Content	GVC
Akka Technologies	CIC
Almawave	BAK
Alten	CIC
Amadeus	GVC
Atos	CIC
Axway Software	CIC
Capgemini	CIC
Cast	CIC
Dassault Systemes	CIC
Esi Group	CIC
Exprivia	BAK
Gigas Hosting	GVC
Indra Sistemas	GVC
Izertis	GVC
Lleida.Net	GVC
Memscap	IAC
Neurones	CIC
Ovhcloud	CIC
Reply	BAK
Sii	CIC
Sopra Steria Group	CIC
Stmicroelectronics	BAK
Tier 1 Technology	GVC
Visiativ	CIC
Vogo	CIC
Telecommunications	**Mem(*)**
Bouygues	CIC
Ekinops	CIC
Ezentis	GVC
Nos	CBI
Orange	CIC
Telecom Italia	BAK
Telefonica	GVC
Tiscali	BAK
Unidata	BAK

Vodafone	BAK
Travel & Leisure	**Mem(*)**
Accor	CIC
Autogrill	BAK
Compagnie Des Alpes	CIC
Edreams Odigeo	GVC
Elior	CIC
Fdj	CIC
Groupe Partouche	IAC
Hunyvers	CIC
I Grandi Viaggi	BAK
Ibersol	CBI
Int. Airlines Group	GVC
Melia Hotels International	GVC
Nh Hotel Group	GVC
Pierre Et Vacances	CIC
Sodexo	CIC
Utilities	**Mem(*)**
A2A	BAK
Acciona	GVC
Acea	BAK
Albioma	CIC
Alerion Clean Power	BAK
Audax	GVC
Derichebourg	CIC
Edf	CIC
Edp	CBI
Enagas	GVC
Encavis Ag	CIC
Endesa	GVC
Enel	BAK
Engie	CIC
E-Pango	CIC
Erg	BAK
Falck Renewables	BAK
Greenalia	GVC
Greenvolt	CBI
Hera	BAK
Holaluz	GVC
Iberdrola	GVC
Iren	BAK
Italgas	BAK
Naturgy	GVC
Red Electrica Corporacion	GVC
Ren	CBI
Seche Environnement	CIC
Snam	BAK
Solaria	GVC
Terna	BAK
Veolia	CIC
Voltalia	CIC

LEGEND: BAK: Banca Akros; CIC: CIC Market Solutions; CBI: Caixa-Banco de Investimento; GVC: GVC Gaesco Valores — as at 4 May 2022

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(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

Il presente documento è stato redatto da Gabriele Gambarova e Gian Marco Gadini (soci AIAF) che svolgono funzioni di analista presso Banca Akros SpA ("Banca Akros"), soggetto responsabile della produzione del documento stesso. **Esso è prodotto e distribuito dal giorno 17 June 2022, ore 08:41 italiane.**
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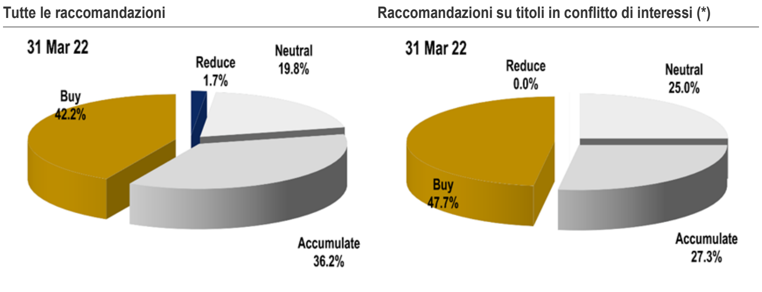
Percentuale delle raccomandazioni al 31 marzo 2022

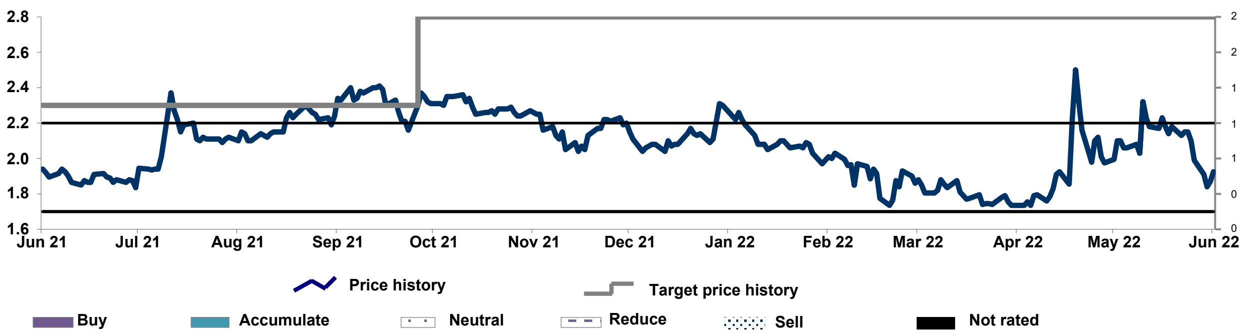


(*) Si informa che la percentuale degli emittenti in potenziale conflitto di interessi con Banca Akros è pari al 37.93% del totale degli emittenti oggetto di copertura

Recommendation history for PLC

Date	Recommendation	Target price	Price at change date
11-Oct-21	Buy	2.80	2.30
24-May-21	Buy	2.30	1.85
07-Jul-20	Buy	1.90	1.35
31-Mar-20	Rating Suspended	0.00	1.24
26-Sep-19	Rating Suspended	1.95	1.56

Source: Factset & ESN, price data adjusted for stock splits.
This chart shows Banca Akros continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
Current analyst: Gabriele Gambarova (since 02/07/2021)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated based on **total return**, measured by the upside/downside potential (including dividends and capital reimbursement) over a **12-month time horizon**. The final responsible of the recommendation of a listed company is the analyst who covers that company. The recommendation and the target price set by an analyst on one stock are correlated but not totally, because an analyst may include in its recommendation also qualitative elements as market volatility, earning momentum, short term news flow, possible M&A scenarios and other subjective elements.

The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B), Accumulate (A), Neutral (N), Reduce (R) and Sell (S)**.

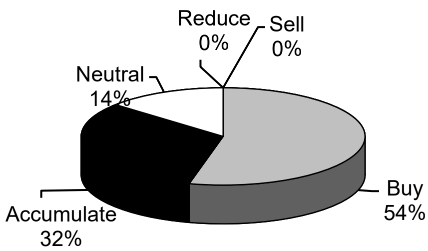
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy**: the stock is expected to generate total return of **over 15%** during the next 12-month
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12-month
- **Neutral**: the stock is expected to generate total return of **-5% to +5%** during the next 12-month
- **Reduce**: the stock is expected to generate total return of **-5% to -15%** during the next 12-month
- **Sell**: the stock is expected to generate total return **under -15%** during the next 12-month
- **Rating Suspended**: the rating is suspended due to: a) a capital operation (take-over bid, SPO, etc.) where a Member of ESN is or could be involved with the issuer or a related party of the issuer; b) a change of analyst covering the stock; c) the rating of a stock is under review by the Analyst.
- **Not Rated**: there is no rating for a stock when there is a termination of coverage of the stocks or a company being floated (IPO) by a Member of ESN or a related party of the Member.

Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets.

Banca Akros Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website Link
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