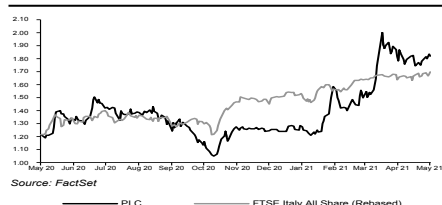


## Company Update

|                                     |                  |               |               |
|-------------------------------------|------------------|---------------|---------------|
| <b>Buy</b>                          |                  |               |               |
| Recommendation unchanged            |                  |               |               |
| Share price: EUR                    | 1.82             |               |               |
| closing price as of 21/05/2021      |                  |               |               |
| Target price: EUR                   | 2.30             |               |               |
| from Target Price: EUR 1.90         |                  |               |               |
| Upside/Downside Potential           | 26.4%            |               |               |
| Reuters/Bloomberg                   |                  | PLC.MI/PLC IM |               |
| Market capitalisation (EURm)        | 47               |               |               |
| Current N° of shares (m)            | 26               |               |               |
| Free float                          | 21%              |               |               |
| Daily avg. no. trad. sh. 12 mth (k) | 13               |               |               |
| Daily avg. trad. vol. 12 mth (k)    | 13.97            |               |               |
| Price high/low 12 months            | 2.00 / 1.05      |               |               |
| Abs Perfs 1/3/12 mths (%)           | 1.96/14.83/49.79 |               |               |
| <b>Key financials (EUR)</b>         | <b>12/20</b>     | <b>12/21e</b> | <b>12/22e</b> |
| Sales (m)                           | 66               | 83            | 93            |
| EBITDA (m)                          | 3                | 9             | 10            |
| EBITDA margin                       | 5.2%             | 10.5%         | 10.8%         |
| EBIT (m)                            | 1                | 6             | 8             |
| EBIT margin                         | 1.0%             | 7.8%          | 8.6%          |
| Net Profit (adj.)(m)                | (0)              | 4             | 5             |
| ROCE                                | 1.6%             | 17.7%         | 21.5%         |
| Net debt/(cash) (m)                 | 4                | 3             | (0)           |
| Net Debt Equity                     | 0.2              | 0.1           | 0.0           |
| Net Debt/EBITDA                     | 1.2              | 0.3           | 0.0           |
| Int. cover(EBITDA/Fin.int)          | 3.5              | 17.5          | 33.4          |
| EV/Sales                            | 0.6              | 0.6           | 0.5           |
| EV/EBITDA                           | 10.7             | 5.7           | 4.7           |
| EV/EBITDA (adj.)                    | 10.7             | 5.7           | 4.7           |
| EV/EBIT                             | 52.8             | 7.8           | 5.9           |
| P/E (adj.)                          | nm               | 11.2          | 9.0           |
| P/BV                                | 1.3              | 1.6           | 1.4           |
| OpFCF yield                         | -5.8%            | 4.9%          | 11.6%         |
| Dividend yield                      | 0.0%             | 0.0%          | 4.9%          |
| EPS (adj.)                          | (0.01)           | 0.16          | 0.20          |
| BVPS                                | 0.96             | 1.14          | 1.28          |
| DPS                                 | 0.00             | 0.00          | 0.09          |

### Shareholders

Fraes 74%; Previous Monsson's owners 6%;



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## Reason: Company newsflow

24 May 2021

### Riding the European renewables wave

We welcome the 2021-2024 business plan, which aims at the full integration of Monsson and Schmack and tapping into the opportunities unlocked by the green transition, further accelerated by the post-Covid public plans both in Italy and Europe. In 2023, PLC expects a net cash position of around EUR 5m. The increasing weight of the O&M segment ought to support profitability as well as cash generation, which will allow a dividend distribution as of 2022 and, maybe, some acquisitions in 2023 or 2024. We have increased our target price to EUR 2.3 per share (from EUR 1.9) and reiterate our Buy recommendation.

- ✓ The company has recently presented its **new business plan for 2021-2024**. The plan aims at the full integration of the Monsson and Schmack groups and envisages M&A activities (in particular in the Service segment) as of 2023. The management see the EBITDA in the region of EUR 9m in 2021 and gradually growing to EUR 12m in 2023. In 2023, PLC expect a net cash position of around EUR 5m, thanks to the strong cash generation which ought to support the new dividend policy: the DPS is seen at EUR 9c in 2022 and EUR 13c in 2023/24.
- ✓ In April 2021, PLC published its **first sustainability report** on FY 2020. We welcome the fact that the company started to be more transparent over its sustainability achievements and targets, which were developed starting from a careful analysis of the materiality matrix; all data have been collected in compliance with the GRI Standards.
- ✓ The **H2 2020 results** were strong, thanks to the resumption of the construction and installation activities, which were stopped amid the first Covid-19 wave. Despite the impact of the lockdowns, the comparison base is favourable, as FY 2019 was particularly impacted by the delayed adoption of the "FER1" draft law. The FY 2020 results were also supported by the consolidation of Schmack Biogas and MSD services (both acquired in H1 20). We point out that EBITDA came in below our expectations (EUR 5.8m) due to the postponement of the disposal of a 29 MW wind project to EDPR, though it is expected to be recovered in 2021 (for some EUR 3m in our estimates).
- ✓ **2021 outlook**. The company said that they had already secured construction contracts worth more than EUR 12m, of which about 75% is expected to be included in the FY 2021 turnover. Moreover, the biogas activities ought to be supported by the public incentive plans adopted in 2018. The Service segment, after a better-than-expected performance in 2020, is seen growing thanks to O&M and E&I activities.
- ✓ We have updated our valuation of PLC on the basis of a conservative **DCF model** (WACC: 10%; g: 0.5%) and a **peer group comparison**. The two methods provide a valuation of around EUR 2.3-2.4 per share, which incorporates an arbitrary discount to factor in the execution risk on the EPC/BOT business and the poor stock liquidity. We have aligned our target price to the lower end of this range.

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## 2021-24 business plan

The company has recently presented its new business plan for 2021-2024. The plan aims at the full integration of the Monsson and Schmack groups and envisages M&A activities (in particular in the Service segment) as of 2023. The management sees the EBITDA in the region of EUR 9m in 2021 and gradually growing to EUR 12m in 2023. In 2023, PLC expects a net cash position of around EUR 5m, thanks to the strong cash generation, which ought to support the new dividend policy: the DPS is seen at EUR 9c in 2022 and EUR 13c in 2023/24.

### A new corporate identity

When different business organisations come together, the creation of a new entity is completed by embracing a common and shared corporate identity. In PLC case, all of the individual companies involved relinquished the coordinated image that used to differentiate them to take on a new one that represented in a more effective way the nature and the goals of the new group.

Several entities, which were once individual companies, are now divisions of the same corporation. Each of their perceived identities is therefore now reflected in a family brand, a common root representing the whole. Furthermore, there is an additional element that identifies each division by its specific expertise. The name selected for the group acts as a launch pad for the new entity into the next era of the energy scenario, with a reference to what has become the unavoidable shift from fossil energy sources to renewables. The rounded and bladed lines, which are used to draw the brand logo, reproduce the shape of leaves, instantly recalling the concept of nature and its protection. The prevailing colour – green – typically identifies the scope of activity of the group within “green” operations.

### 2021 outlook

As regards the Construction segment, the company said that it had already secured contracts worth more than EUR 12m, of which about 75% is expected to be included in the FY 21 turnover. Moreover, the biogas activities ought to be supported by the public incentive plans adopted in 2018. The Service segment, after a better-than-expected performance in 2020, is seen growing thanks to O&M and E&I activities.

## Financial overview

PLC has provided a detailed business plan for its business units both based on a “internal growth” and an “external growth” scenario.

Here follows the summary of the main financial details on a stand-alone basis, which we have taken as our reference scenario for our estimates.

### PLC: revenues projections (internal growth)

|                       | 2020a       | 2021e       | Chg. Y/Y     | 2022e       | Chg. Y/Y     | 2023e        | Chg. Y/Y    | 2024e        | Chg. Y/Y    | CAGR 20/24    |
|-----------------------|-------------|-------------|--------------|-------------|--------------|--------------|-------------|--------------|-------------|---------------|
| PLC System            | 14.2        | 29.6        | 108.5%       | 35.4        | 19.6%        | 35.8         | 1.1%        | 35.7         | -0.3%       | +25.9%        |
| % of total revenues   | 20.7%       | 35.4%       |              | 36.6%       |              | 34.1%        |             | 31.5%        |             |               |
| PLC Service           | 14.4        | 13.4        | -6.9%        | 14.1        | 5.2%         | 15.4         | 9.2%        | 17.1         | 11.0%       | +4.4%         |
| % of total revenues   | 21.0%       | 16.0%       |              | 14.6%       |              | 14.7%        |             | 15.1%        |             |               |
| PLC Service Wind      | 2.9         | 2.8         | -3.4%        | 3.1         | 10.7%        | 3.5          | 12.9%       | 3.9          | 11.4%       | +7.7%         |
| % of total revenues   | 4.2%        | 3.4%        |              | 3.2%        |              | 3.3%         |             | 3.4%         |             |               |
| Monsson               | 24.3        | 19.1        | -21.4%       | 20.1        | 5.2%         | 22.4         | 11.4%       | 23.8         | 6.3%        | -0.5%         |
| % of total revenues   | 35.5%       | 22.9%       |              | 20.8%       |              | 21.3%        |             | 21.0%        |             |               |
| Schmack               | 7.9         | 17.0        | 115.2%       | 22.5        | 32.4%        | 26.3         | 16.9%       | 31.1         | 18.3%       | +40.9%        |
| % of total revenues   | 11.5%       | 20.4%       |              | 23.2%       |              | 25.0%        |             | 27.5%        |             |               |
| MSD Service           | 4.8         | 1.6         | -66.7%       | 1.6         | 1.2%         | 1.6          | 1.2%        | 1.7          | 1.2%        | -23.3%        |
| % of total revenues   | 7.0%        | 1.9%        |              | 1.7%        |              | 1.6%         |             | 1.5%         |             |               |
| <b>Total revenues</b> | <b>68.5</b> | <b>83.5</b> | <b>25.4%</b> | <b>96.8</b> | <b>16.0%</b> | <b>105.0</b> | <b>8.5%</b> | <b>113.3</b> | <b>7.8%</b> | <b>+14.2%</b> |

Source: Company presentation

### PLC: EBITDA projections (internal growth)

|                      | 2020a       | 2021e        | Chg. Y/Y      | 2022e        | Chg. Y/Y    | 2023e        | Chg. Y/Y     | 2024e        | Chg. Y/Y     | CAGR 20/24    |
|----------------------|-------------|--------------|---------------|--------------|-------------|--------------|--------------|--------------|--------------|---------------|
| PLC (holding)        | (1.1)       | (1.7)        |               | (1.7)        |             | (1.7)        |              | (1.7)        |              |               |
| PLC System           | 0.9         | 5.8          | 544.4%        | 4.7          | -19.0%      | 5.2          | 10.6%        | 5.3          | 1.9%         | +55.8%        |
| EBITDA margin        | 6.3%        | 19.6%        |               | 13.3%        |             | 14.5%        |              | 14.8%        |              |               |
| PLC Service          | 2.6         | 2.2          | -15.4%        | 2.5          | 13.6%       | 3.1          | 24.0%        | 3.8          | 22.6%        | +10.0%        |
| EBITDA margin        | 18.1%       | 16.4%        |               | 17.7%        |             | 20.1%        |              | 22.2%        |              |               |
| PLC Service Wind     | 0.3         | 0.1          | -66.7%        | 0.3          | 200.0%      | 0.4          | 33.3%        | 0.5          | 25.0%        | +13.6%        |
| EBITDA margin        | 10.3%       | 3.6%         |               | 9.7%         |             | 11.4%        |              | 12.8%        |              |               |
| Monsson              | 1.0         | 2.3          | 130.0%        | 2.6          | 13.0%       | 3.3          | 26.9%        | 3.8          | 15.2%        | +39.6%        |
| EBITDA margin        | 4.1%        | 12.0%        |               | 12.9%        |             | 14.7%        |              | 16.0%        |              |               |
| Schmack              | (0.3)       | 0.5          | -266.7%       | 1.4          | 180.0%      | 2.3          | 64.3%        | 3.4          | 47.8%        | nm            |
| EBITDA margin        | -3.8%       | 2.9%         |               | 6.2%         |             | 8.7%         |              | 10.9%        |              |               |
| MSD Service          | (0.0)       | 0.0          | -226.7%       | 0.0          | 1.2%        | 0.0          | 1.2%         | 0.0          | 1.2%         | nm            |
| EBITDA margin        | -0.5%       | 1.9%         |               | 1.9%         |             | 1.9%         |              | 1.9%         |              |               |
| <b>Total EBITDA</b>  | <b>3.4</b>  | <b>9.2</b>   | <b>170.6%</b> | <b>9.8</b>   | <b>6.5%</b> | <b>12.6</b>  | <b>28.6%</b> | <b>15.1</b>  | <b>20.1%</b> | <b>+45.2%</b> |
| <b>EBITDA margin</b> | <b>5.0%</b> | <b>11.0%</b> |               | <b>10.1%</b> |             | <b>12.0%</b> |              | <b>13.4%</b> |              |               |

Source: Company presentation

With regard to **PLC Service**, the group expects steady organic growth over the 2021-24 timeframe. Profitability ought to improve gradually (the EBITDA margin is seen rising from 17.9% in 2020 to 22.5% in 2024) thanks to the better mix: the highly-profitable BOT services are expected to increase their weight on revenues, more than offsetting the expected decline in PV services.

**PLC Service Wind** is set to continue the business reorganisation it started in 2020, which focuses more on specialty activities than on the O&M operations. As of 2022, the introduction of Erection&Installation services is expected to further boost revenue's growth. The EBITDA is seen declining in 2021, with a gradual improvement over the business plan period.

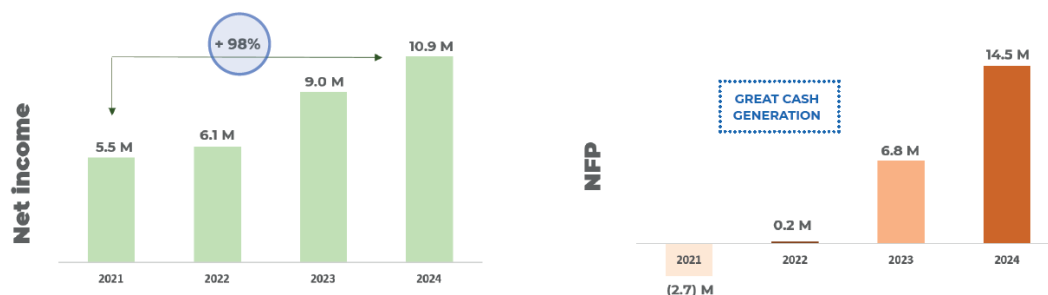
The assumptions for **PLC System** include:

- ✓ **EPC BOT**: the construction work at the C&C Uno, C&C Castelvetera and C&C Tre sites will continue through 2021 and are due to be completed in 2022. The Alisei Wind project ought to kick off in 2022, and a new 30 MW project is expected to be purchased. In 2023, based on these activities' "rolling model", the latter is expected to come into operation and another 30 MW concession will be bought. The group projects a price of EUR 0.25m/MW and a gross margin in the region of 29%. Moreover, the business plan's projections include the capital gain on the sale of wind (EUR 75K/MW) and solar (EUR 60K/MW) plants. The management highlighted that the forecast wind capital gain was based on the ongoing negotiations (EDPR and Falck Renewables) and mitigated by the expected increase in competition in the next few years' auctions.
- ✓ **EPC PV**: the annual production capacity is seen in the region of 15 MW. The price per MW is around EUR 0.65m with a 12% gross margin.
- ✓ **Substations**: the group expects to build 6 substations in 2021 and 7 per year thereafter. The average price is around EUR 2m per unit with a 16% gross margin.

As regards the **Monsson** scope of consolidation, the group plans to gradually expand the E&I capacity, from 110 turbines per year in 2021-22 to 120 in 2023-24. O&M and training activities ought to grow by 10/11% and 6/7% per year respectively.

**Schmack Biogas** is the biggest bet in PLC's portfolio. The bureaucratic hurdles and the Covid-19 pandemic significantly delayed the achievement of the original targets and led the management to review the budget towards the "worst case scenario"; the company now expects to reach in 2024 90% and 75% of the revenue and EBITDA target they had initially forecast for 2021. As of H2 2021, Schmack should enter the Italian market and invest in at least ten plants over the next few years.

#### PLC: net income and NFP "internal growth" scenario

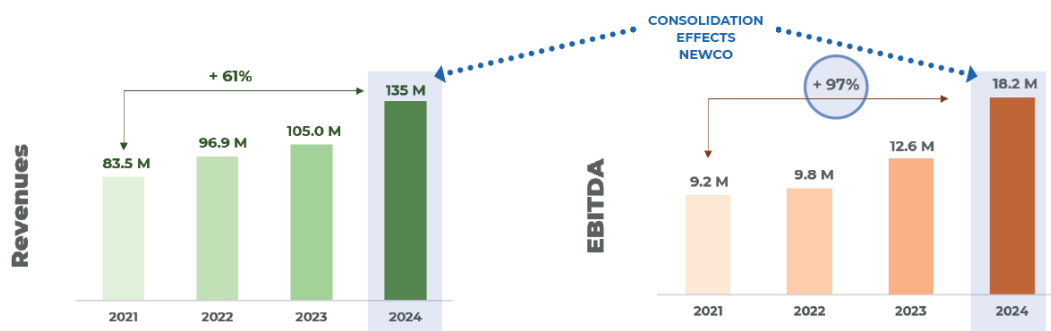


Source: Company data

Given the strong expected cash generation, the management have also provided an “external growth” scenario in which to invest the net cash. An acquisition is expected to be concluded in late 2023 and the “ideal KPIs” include:

- ✓ Target EV: EUR 21m (7x EV/EBITDA)
- ✓ Leverage: 70% of the purchase price (c. EUR 14.7m)
- ✓ Target company: revenues c. EUR 21m, EBITDA c. EUR 3m.

#### PLC: revenues and EBITDA “external growth” scenario

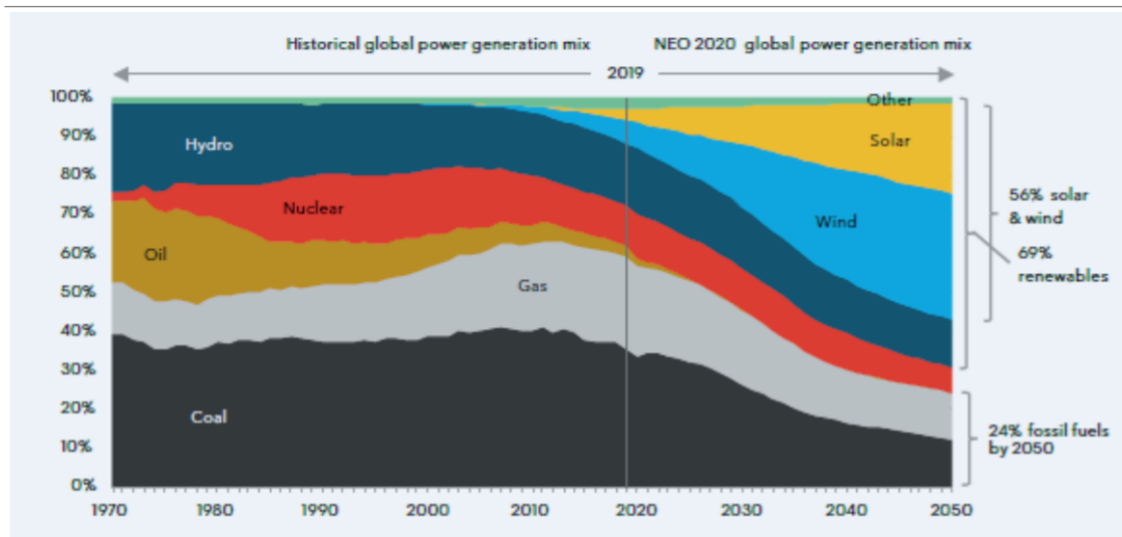


Source: Company data

## Market environment

According to the latest update of BloombergNEF's long-term economic transition scenario (2020), the contribution from fossil fuels to the global generation mix is expected to steadily decline from 62% to 24% by 2050 (it was 31% in the previous update), following the stronger commitment of governments towards a complete decarbonisation.

### Global electricity generation mix



Source: Bloomberg NEF

The penetration of wind and PV sources is mainly being driven by the low prices of generated energy, which in many cases is the cheapest available (in countries making up around 73% of the world GDP, according to BNEF). Furthermore, the increased demand for electricity arising from the electric mobility is shaping a new paradigm in the generation mix: in 2050, about 11.5% of the global production is expected to be drawn by electric vehicles, with even higher shares in the EU (21%) and China (13%).

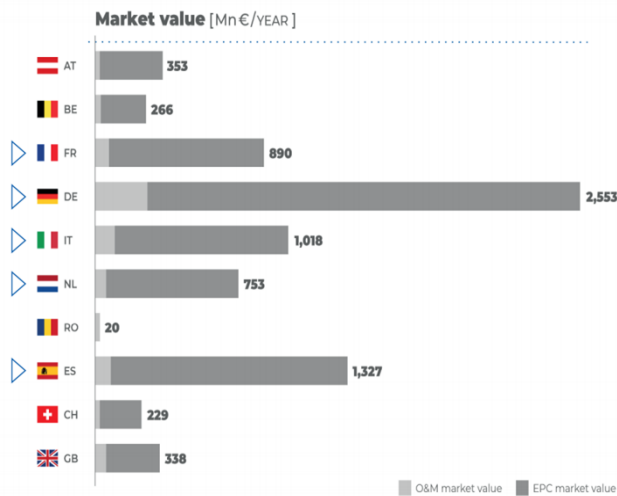
Besides the obvious downside to renewables (whose generation is variable from day to day and season to season), this model becomes more rigid and less poised for sudden peak demand. Although the latter is partially being addressed via batteries and peakers, fossil fuels are still the most suitable option and, in particular, gas-powered generation plants are expected to lead the transition.

Region-wise, the EU is expected to pursue the energy transition the fastest, with PV and wind forecast to account for 74% of the generation mix in 2050 (with predominant employment of solar plants in southern Europe).

The BNEF sees around USD 15.1 trillion being pumped into new power capacity between 2020 and 2050, with an average of USD 486bn p.a, mostly in generating capacity (92%). By technology, renewables will attract about 73% of the investments (USD 5.9tn for wind plants and USD 4.2tn for solar plants), whereas 11% (or USD 1.7tn) will fund new gas plants, of which 58% for new CCGT and 42% to peaker plants.

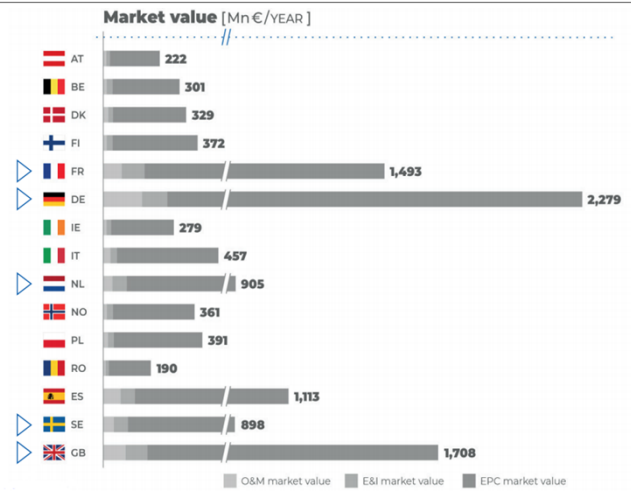
As regards **PLC's target markets** (France, Germany, Italy, the Netherlands and Spain in solar; France, Germany, the Netherlands, Sweden and the UK in wind), the company envisages 7% growth p.a. in both solar and wind capacity over the 2020-24 period. Consequently, the potential market value is largely concentrated in the EPC activities, as shown in the charts below.

### Solar: potential market value (EURm p.a.)



Source: Company data

### Wind: potential market value (EURm p.a.)



Source: Company data

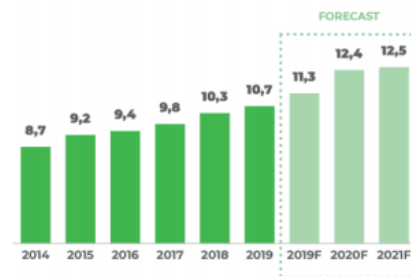
As regards Italy, both markets are expected to grow by 7% over 2019/22, supported by the new incentive schemes and the National Energy Strategy to be adopted by the Italian government.

### Renewables installed capacity in Italy (2014-22e)

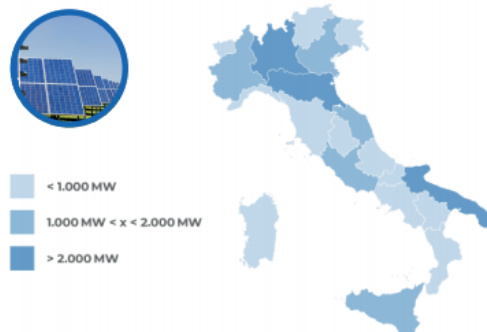
#### Evolution of pv installed capacity, in GW



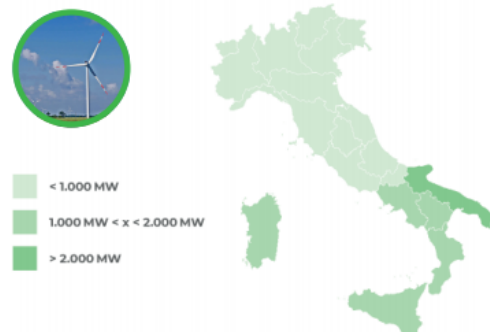
#### Evolution of wind installed capacity, in GW



#### PV Installed capacity by region (2018)



#### Wind Installed capacity by region (2018)



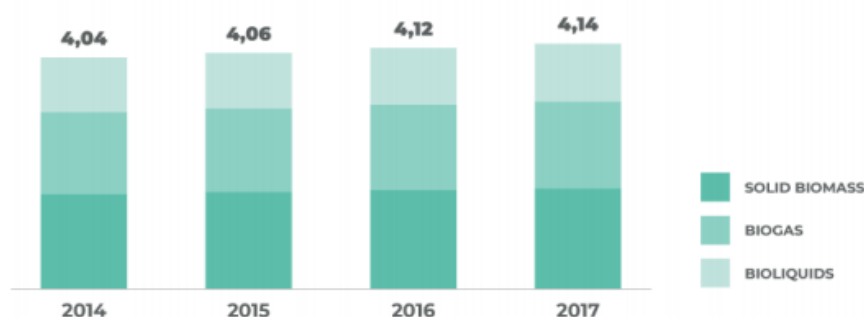
Source: Company presentation



Finally, the bioenergy industry, which includes biomass, biogas and bioliquids, has seen only a modest increase in installed capacity thus far. Just below one fourth (~900MW) is in the Lombardy region. However, according to the Italian business daily *Il Sole 24 Ore*, the Italian biogas industry is among the liveliest in Europe, with over 1,600 active plants and more than EUR 4.5bn in investments since 2008. It also includes the production of biomethane (approx. 1.7bn Scm per year), which is a pillar in the recycling of zootechnical waste. In this respect, it is worth noting the relevant reductions in greenhouse gases that could be achieved. In November 2020, the chairman of the Consorzio Italiano Biogas said that, provided that the recycled share increased from 15% to 65%, Italian agriculture would release around 12.4mt less CO<sub>2</sub> (-32% vs. 2019). Furthermore, 19m of CO<sub>2</sub> would be saved by using biomethane instead of other fossil resources, thus, overall, 31mt lower CO<sub>2</sub> emissions, i.e. approximately the amount produced by circulating cars in Italy.

### Bioenergy installed capacity in Italy (2014-17)

**Evolution of bioenergy installed capacity, in GW**



Source: Company presentation

## FY 2020 results

### PLC: H2/FY 2020 results

| EUR m            | H2 2019     | H2 2020     | % Chg.        | FY 2019      | FY 2020     | % Chg.        |
|------------------|-------------|-------------|---------------|--------------|-------------|---------------|
| <b>Sales</b>     | <b>29.4</b> | <b>41.1</b> | <b>40.0%</b>  | <b>45.6</b>  | <b>65.5</b> | <b>43.7%</b>  |
| o/w Construction | 10.8        | 10.7        | -0.7%         | 14.9         | 16.2        | 8.5%          |
| o/w Services     | 18.8        | 27.9        | 48.2%         | 30.7         | 46.5        | 51.5%         |
| <b>EBITDA</b>    | <b>1.55</b> | <b>2.25</b> | <b>44.9%</b>  | <b>0.40</b>  | <b>3.38</b> | <b>nm</b>     |
| Margin           | 5.3%        | 5.5%        |               | 0.9%         | 5.2%        |               |
| <b>EBIT</b>      | <b>0.43</b> | <b>0.89</b> | <b>106.0%</b> | <b>-1.57</b> | <b>0.68</b> | <b>nm</b>     |
| Margin           | 1.5%        | 2.2%        |               | neg.         | 1.0%        |               |
| Pre-tax          | 0.20        | 0.98        | 400.5%        | -2.16        | 0.22        | nm            |
| Net Result       | 0.17        | 0.39        | 125.0%        | -2.38        | -0.01       | nm            |
| <b>NFP</b>       | <b>8.00</b> | <b>4.11</b> | <b>-48.6%</b> | <b>8.00</b>  | <b>4.11</b> | <b>-48.6%</b> |

Source: Company data

The H2 2020 results were strong, thanks to the resumption of the construction and installation activities, which were stopped amid the first Covid-19 wave. Despite the impact of the lockdowns, the comparison base is favourable, as FY 2019 was particularly impacted by the delayed adoption of the “FER1” draft law. The FY 2020 results were also supported by the consolidation of Schmack Biogas and MSD services (both acquired in H1 20).

In particular, Schmack Biogas has been consolidated since January 2020 and has contributed EUR 2.79m to Construction revenues (with negative EUR 0.59m EBITDA) and EUR 22.15m to Service revenues (with positive EUR 4.26m EBITDA, 19.2% margin).

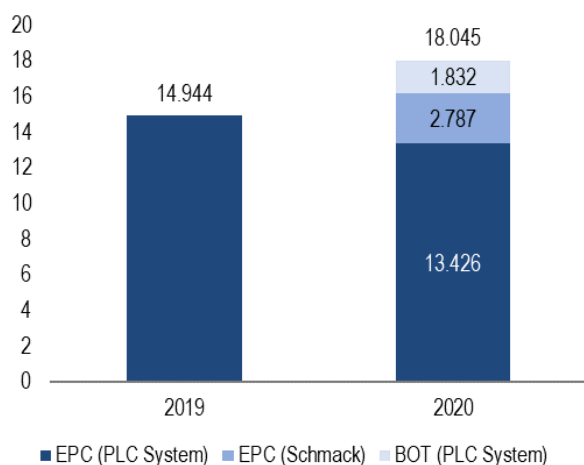
We note that the EBITDA came in below our expectations (EUR 5.8m) due to the postponement of the disposal of a 29 MW wind project to EDPR, though it is expected to be recovered in 2021 (some EUR 3m in our estimates).

### FY 2020 results: breakdown by division

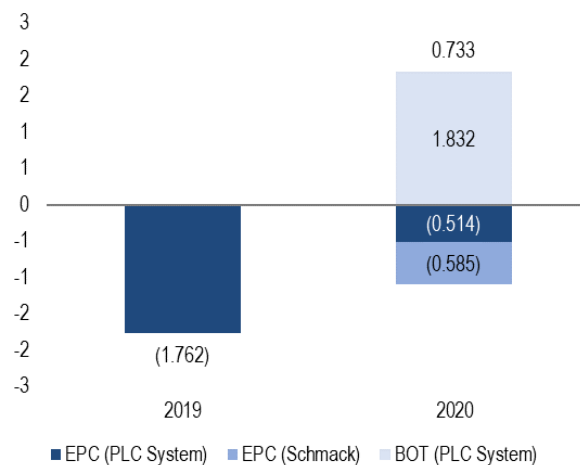
| EURm           | Construction |        |      | Services |       |       | Holding |       |     | Trading |       |     | Total |       |      |
|----------------|--------------|--------|------|----------|-------|-------|---------|-------|-----|---------|-------|-----|-------|-------|------|
|                | FY 20        | FY 19  | YoY  | FY 20    | FY 19 | YoY   | FY 20   | FY 19 | YoY | FY 20   | FY 19 | YoY | FY 20 | FY 19 | YoY  |
| Total revenues | 16.2         | 14.9   | 8.5% | 46.5     | 30.7  | 51.5% | 0.0     | 0.0   | nm  | 2.9     | -     | nm  | 65.5  | 45.6  | 44%  |
| EBITDA         | 0.73         | -1.76  | nm   | 5.42     | 4.79  | 13.2% | -2.85   | -2.63 | nm  | 0.08    | -     | nm  | 3.39  | 0.40  | 748% |
| margin         | 4.5%         | -11.8% |      | 11.7%    | 15.6% |       | nm      | nm    |     | 2.8%    | nm    |     | 5.2%  | 0.9%  |      |

Source: Company data

The **Construction segment**, particularly the EPC area, was impacted by the Covid-19 pandemic (~ -10% Y/Y at PLC System): indeed, work sites were shut down during the first lockdown (March-May 2020), thus slowing down the ongoing works and postponing the start of new projects. However, the segment’s revenues were up Y/Y, thanks to major investments in renewables that were unlocked in 2020. We highlight the contribution from Schmack, through which PLC is widening its operating activities into the biogas segment. Schmack’s EPC EBITDA suffered from the lockdown as well and did not benefit from the full synergy potential.

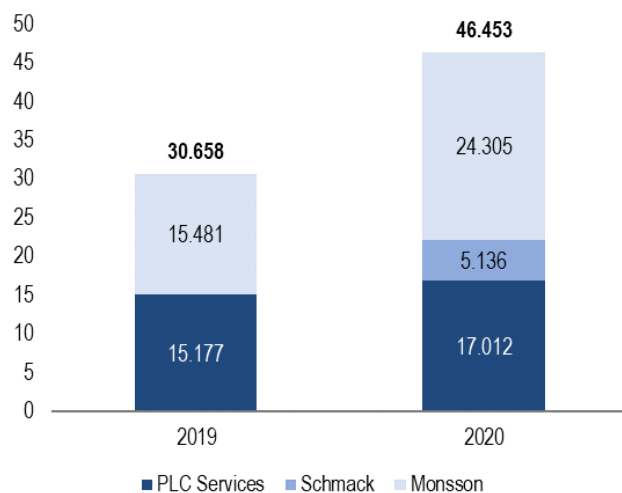
**Construction: FY 2020 revenue (EURm)**


Source: Company data

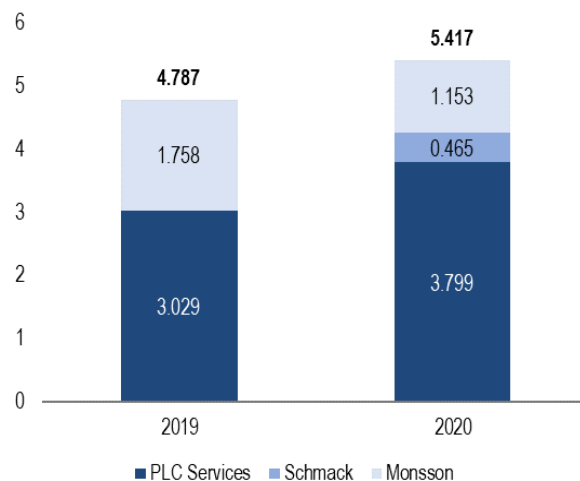
**Construction: FY 2020 EBITDA (EURm)**


Source: Company data

On the other hand, the **Service division's** operations were never stopped during the pandemic, except the Erection&Installation activities (i.e. Monsson's activities). In particular, PLC Service and PLC Service Wind booked EUR 17m in revenues (+12% Y/Y) with a solid 22.3% EBITDA margin (20.0% in FY 19). The overall profitability was diluted by the weaker performance of Monsson (4.7% vs. 11.4%, in spite of higher revenues) and the first consolidation of Schmack.

**Services: FY 2020 revenue (EURm)**


Source: Company data

**Services: FY 2020 EBITDA (EURm)**


Source: Company data

Finally, the **Trading segment** has been added since June 2020, following the acquisition of MSD Service. The management said that they expected this segment to be marginal (EUR 2.87m revenues, EBITDA at break-even in FY20), and that they were not planning any further development for the time being.

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### **Divestments and cash**

Divestments in the period reached EUR 4.98m (vs. 0.7m in FY 2019) and were mainly related to the disposal of two windfarms (of 13.2MW and 36MW respectively) to Enel Green Power Italia: the total consideration was EUR 4.85m, implying a EUR 1.83 capital gain. PLC also sold its 50% stake in Solar Project One, the owner of a 0.5MW solar plant, for EUR 0.58m and booked EUR 0.23m capital gain. In both deals, PLC retained multi-annual O&M contracts.

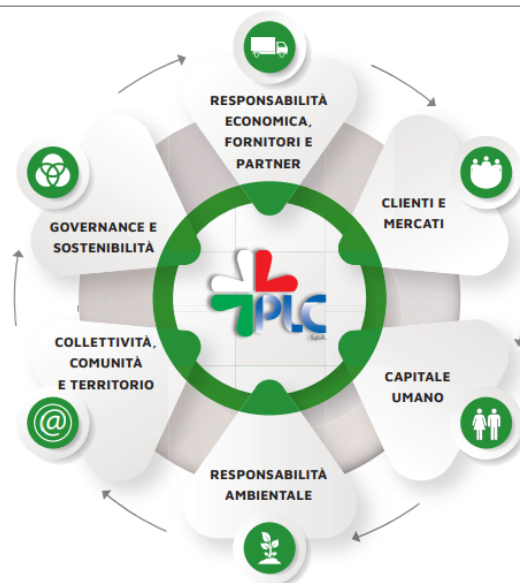
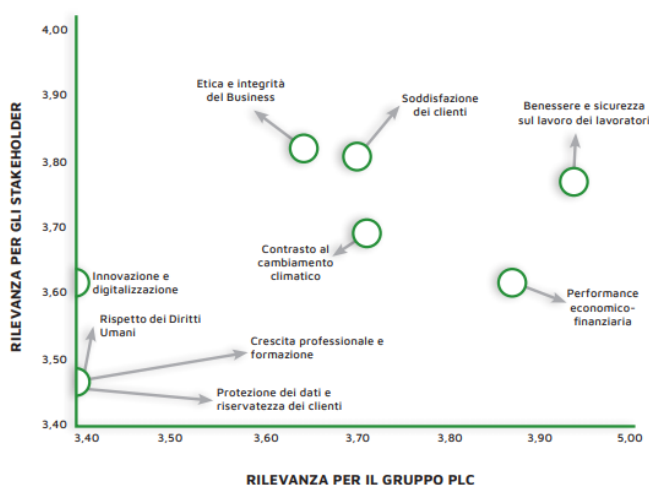
The NFP was down by almost EUR 4m Y/Y to EUR 4.11m at the end of 2020, thus showing the resiliency of the business model and the credit standing.

## ESG: focus on sustainability

In April 2021, PLC published its first sustainability report on FY 2020. We welcome the fact that the company started to be more transparent about its sustainability achievements and targets.

The report was prepared starting from a careful analysis of the materiality matrix; data were collected in compliance with the **GRI Standards** through an online questionnaire. The analysis showed that the most relevant points for PLC's stakeholders were both ethics & business integrity and client satisfaction, whereas for the PLC group as a whole, economic-financial performance and the well-being and safety of PLC's employees are the most important.

### PLC: materiality matrix



Source: Company data

## Environment

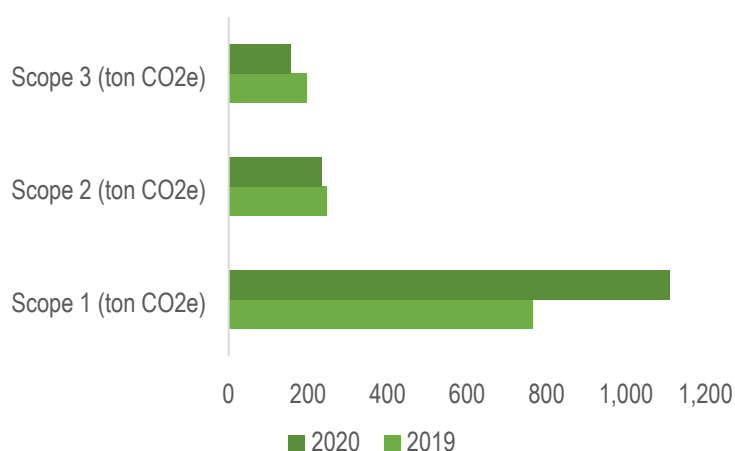
Over the last few years, PLC has promoted some initiatives to minimise the impact of its operations on the environment. In particular, the group has implemented an integrated management system called "Health, Safety and Environment", which fully meets the international standard set by the "ILO declaration on fundamental principles and rights at work" and the "Rio declaration on environment and development". The group's environmental management system has obtained the ISO 14001:2015 certificate. In addition, the subsidiary PLC System boasts SOA certifications, which allow it to participate in competitive bidding processes to build power generation, transformation and distribution plants.

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 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 will be one more installation for an additional capacity of 0.5 MWh.

As regards the group's energy consumption, we highlight that the FY 2020 figures reflect the full consolidation of Monsson, Schmack Biogas and MSD Trading; as such, most of the available data are not fully comparable. However, we welcome the remarkable increase in the share of renewable sources in the purchase of electricity, which was up to 48% in FY 2020 from 33% in FY 2019. The above figure includes PLC's GHG emissions trend in the last 2 years.

### GHG emissions (2019-20)



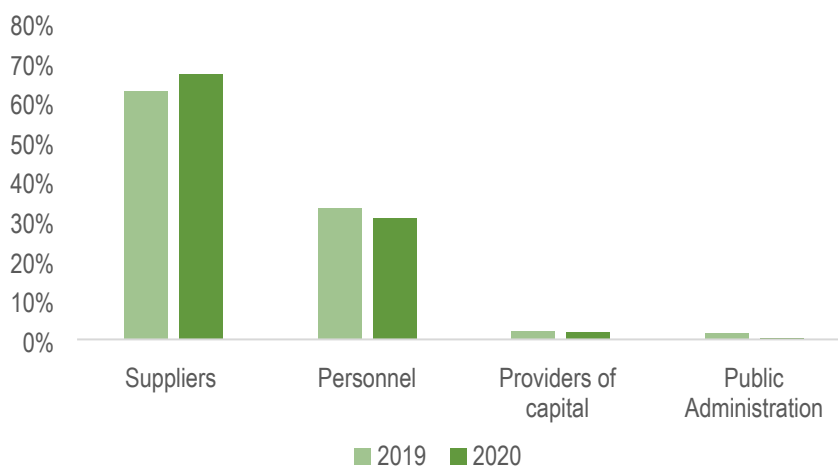
Source: Company data

### Social

PLC is fully involved social responsibility, diversity and inclusion. In 2020, the company increased its workforce by 98 units, that is an increase of 25% compared to 2019. In 2020, 15% of the total workforce and nearly half of the managers were female and more than half of them are between 30-50 years of age. The firm also has a clear stance on corruption; it has adopted a code of ethics and whistleblowing procedure, in compliance with legislative decree 231/2001. In 2020, PLC started to implement remote working and job rotation initiatives for its employees. In particular, the latter is aimed at improving employees' technical skills and retraining them. PLC offers its employees different types of training activities. The company is paying a great deal of attention to safety, as demonstrated by the increase in training hours on health and safety (+10% vs. FY 2019).

From 2019 to 2020 PLC's gross value added distribution increased by roughly 30%. Among stakeholders, suppliers are the ones who benefitted more from the distribution (67% in 2020).

### Gross value added distribution (as a % of total value generated)



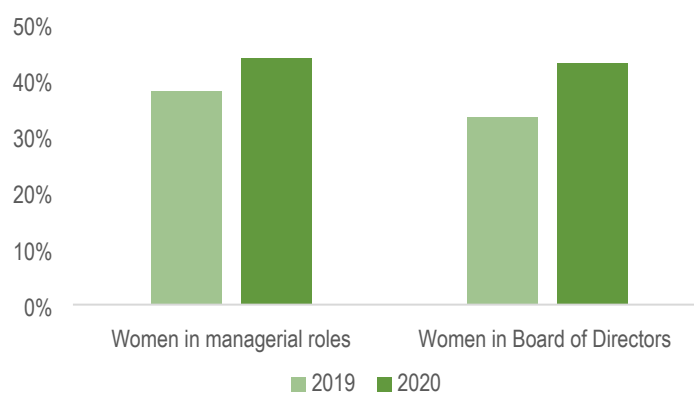
Source: Company data

### Governance

PLC's current BoD is composed of 7 members, including 3 independent and non-executive directors. In addition, 3 members are women (43%). In 2021, PLC's added one more woman to its BoD compared with 2020.

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 claw-back mechanism to deter management wrongdoing. In the following figure we point out the consistent improvement in PLC's gender equality policy in the last 2 years. In fact, the percentage of women in both executive and BoD positions rose respectively by 6 and 10 percentage points.

### Gender equality



Source: Company data

## Estimates revision

We have adjusted our FY 2021 and FY 2022 estimates to take into account the 2020 results (-4% and -3% on revenues, -5% and -4% on EBITDA), but we have kept our previous projections in terms of EBITDA margin basically unaltered. We have also included the positive surprise on the FY 2020 net financial position.

### PLC: estimates revision (FY 2021-22e)

| EURm            | FY 2021e |       |        | FY 2022e |       |       |
|-----------------|----------|-------|--------|----------|-------|-------|
|                 | New      | Old   | Chg.   | New      | Old   | Chg.  |
| Total revenues  | 82.9     | 86.5  | -4.2%  | 93.1     | 96.1  | -3.2% |
| EBITDA          | 8.73     | 9.17  | -4.8%  | 10.02    | 10.47 | -4.3% |
| margin          | 10.5%    | 10.6% |        | 10.8%    | 10.9% |       |
| EBIT            | 6.43     | 7.27  | -11.5% | 8.02     | 8.75  | -8.3% |
| margin          | 7.8%     | 8.40% |        | 8.6%     | 9.1%  |       |
| Net profit      | 4.82     | 4.00  | 20.5%  | 5.78     | 4.70  | 23.0% |
| Net debt (cash) | 2.79     | 4.20  |        | (0.03)   | 1.00  |       |

Source: Banca Akros estimates

Our new estimates for FY 2021 and FY 2022 are in line with the group's plan, whereas we have chosen to follow a more conservative view on the 2024 target, given the low visibility on the medium-term perspectives. Our exit revenues and EBITDA forecast now stand approx. 10% and 29% below the company's target.

Finally, we have included a dividend distribution that is in line with the group's plan (DPS of EUR 0.09c in 2022 and EUR 0.13 as of 2023), which implies a pay-out ratio in the region of 50-60% over the business plan period.

### PLC: new estimates summary (FY 2020a-24e)

|                 | FY 2020a | FY 2021e | YoY    | FY 2022e | YoY   | FY 2023e | YoY   | FY 2024e | YoY    |
|-----------------|----------|----------|--------|----------|-------|----------|-------|----------|--------|
| Total revenues  | 65.5     | 82.9     | 26.5%  | 93.1     | 12.3% | 98.6     | 6.0%  | 102.2    | 3.6%   |
| EBITDA          | 3.38     | 8.73     | 158.0% | 10.02    | 14.8% | 10.90    | 8.8%  | 10.49    | -3.8%  |
| margin          | 5.2%     | 10.5%    |        | 10.8%    |       | 11.1%    |       | 10.3%    |        |
| EBIT            | 0.68     | 6.43     | nm     | 8.02     | 24.8% | 9.20     | 14.7% | 8.89     | -3.5%  |
| margin          | 1.0%     | 7.8%     |        | 8.6%     |       | 9.3%     |       | 8.7%     |        |
| Net profit      | (0.00)   | 4.82     |        | 5.78     | 19.8% | 6.28     | 8.7%  | 5.36     | -14.6% |
| Net debt (cash) | 4.11     | 2.79     | -32.1% | (0.03)   | nm    | (4.20)   | nm    | (7.20)   | 71.6%  |

Source: Banca Akros estimates



## Valuation update

We have updated our valuation of PLC on the basis of a conservative **DCF model** (WACC: 10%; g: 0.5%) and a **peer group comparison**. **The two methods provide a valuation of around EUR 2.3-2.4 per share**, which incorporates an arbitrary discount to factor in the execution risk related to the EPC/BOT business and the poor stock liquidity.

### Peer multiple comparison

PLC has a unique business model, which is highly vertically integrated compare to the companies we have picked for the peer comparison. We found European companies that are active in at least one of PLC's businesses, such as EPC, BOT and O&M services.

**The average EV/EBITDA and P/E market multiples is around EUR 2.3 per share, after applying an arbitrary 40% discount (to the average European players excluding Comal) to factor in the execution risk related to PLC's smaller size and its poor stock liquidity.**

For the sake of completeness, we point out that BayWa sold a 49% stake in its renewables development business **BayWa Renewable Energy GmbH** for EUR 530m in March 2021. We computed a 9.7x EV/EBIT multiple, based on 2020 figures. BayWa Renewable Energy recorded EUR 111m EBIT in 2020 and sold renewables projects for 667 MW.

### Peer Group Valuation

|                           | Market Cap (m) | EV/Sales   |            |            | EV/EBITDA   |             |            | EV/EBIT     |             |             | P/E         |             |             |
|---------------------------|----------------|------------|------------|------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                           |                | 2020       | 2021E      | 2022E      | 2020        | 2021E       | 2022E      | 2020        | 2021E       | 2022E       | 2020        | 2021E       | 2022E       |
| ABO WIND AG               | 430.6          | 2.7        | 2.4        | 2.1        | 13.7        | 11.4        | 10.1       | 23.5        | 16.7        | 14.9        | 31.6        | 26.5        | 22.1        |
| ARISE AB                  | 1,874.6        | 9.2        | 7.4        | 3.2        | 19.2        | 12.8        | 4.6        | 42.5        | 18.8        | 4.0         | na          | 22.2        | 5.0         |
| ENERGIEKONTOR             | 783.9          | 6.2        | 4.5        | 3.2        | 13.8        | 11.2        | 8.5        | 22.2        | 17.1        | 13.3        | 38.8        | 25.9        | 18.0        |
| COMAL SPA                 | 34.1           | 1.1        | 0.8        | 0.6        | 11.4        | 9.8         | 5.5        | 13.7        | 12.7        | 6.5         | 0.0         | 24.5        | 12.1        |
| <b>Average</b>            |                | <b>4.8</b> | <b>3.8</b> | <b>2.3</b> | <b>14.6</b> | <b>11.3</b> | <b>7.2</b> | <b>25.5</b> | <b>16.3</b> | <b>9.6</b>  | <b>23.5</b> | <b>24.8</b> | <b>14.3</b> |
| <b>Average (ex Comal)</b> |                | <b>6.0</b> | <b>4.8</b> | <b>2.8</b> | <b>15.6</b> | <b>11.8</b> | <b>7.7</b> | <b>29.4</b> | <b>17.6</b> | <b>10.7</b> | <b>35.2</b> | <b>24.8</b> | <b>15.0</b> |

Source: Bloomberg consensus as at 20 May 2021

### Sum-up table: Peer multiples (2021E – 2022E)

|                             | EBITDA      |             | Net Profit  |             |
|-----------------------------|-------------|-------------|-------------|-------------|
|                             | 2021E       | 2022E       | 2021E       | 2022E       |
| PLC                         | 8.7         | 10.0        | 4.8         | 5.8         |
| Multiple (average ex Comal) | <b>11.8</b> | <b>7.7</b>  | <b>24.8</b> | <b>15.0</b> |
| Discount                    | 40%         | 7.1         | 4.6         | 14.9        |
| <b>Enterprise Value</b>     | <b>62.0</b> | <b>46.3</b> | <b>71.9</b> | <b>52.1</b> |
| + Net Cash                  | (2.8)       | 0.0         |             |             |
| - Pension underfunding      | (2.6)       | (2.5)       |             |             |
| + Financial assets          | 2.8         | 2.8         |             |             |
| - Minorities                | (0.1)       | (0.4)       |             |             |
| Equity Value                | <b>59.3</b> | <b>46.2</b> | <b>71.9</b> | <b>52.1</b> |
| N. of shares                | 25,961      | 25,961      | 25,961      | 25,961      |
| <b>Value per share</b>      | <b>2.3</b>  | <b>1.8</b>  | <b>2.8</b>  | <b>2.0</b>  |

**Our DCF model for PLC in a stand-alone scenario is based on a 4-year set of analytical estimates.** We believe this time horizon is consistent with the current company visibility on the evolution of the BOT projects, which represent the more volatile and uncertain part of the company business model.

We have set a **10% WACC**, which corresponds to the Cost of Equity (KE), taking into consideration our forecast which points to a net cash position by the end of 2022 and the structural capability of the company to generate cash in absence of acquisitions. The KE has been obtained by applying a **Market Risk Premium of 5.0%** and a **Risk Free Rate of 3.5%**, in line with ESN standards, and a **Company Risk Factor (Beta) of 1.3x**, calculated using the Stern & Stuart methodology adopted by ESN, which is based on a fundamental approach (i.e. assessing business risk, company risk and financial risk) that takes into account the less predictable nature of the EPC-BOT business, small size of the company and the limited trade volumes. Lastly, we are assuming a **0.5% terminal growth rate**. **In the terminal year** we have assumed a 10% EBITDA margin, Capex=D&A; neutral NWC and 25% tax rate.

In the following pages we provide our detailed estimates on Free Cash Flow and a sensitivity to WACC and “g” changes.

#### PLC: DCF Analysis

|                                    |             |
|------------------------------------|-------------|
| Cumulated DCF                      | 21.9        |
| Perpetual Growth Rate (g)          | 0.5%        |
| Normalised Annual CF               | 6.7         |
| Terminal Value (EUR m)             | 70.5        |
| Disc. Rate of Terminal Value       | 0.64        |
| Discounted Terminal Value          | 45.4        |
| Financial assets                   | 2.8         |
| <b>Enterprise Value (EUR m)</b>    | <b>70.2</b> |
| Net Financial Debt (EUR m, 2020)   | (4.1)       |
| Minorities (estimated value)       | 0.1         |
| Pension provisions                 | (2.8)       |
| <b>Equity Market Value (EUR m)</b> | <b>63.4</b> |
| Number of shares (m)               | 26.0        |
| <b>Fair Value per share (EUR)</b>  | <b>2.44</b> |
| Price (EUR) as at 21/05/21         | 1.82        |
| Potential upside (downside)        | 34.1%       |

Source: Banca Akros estimates

## Appendix: Profile of listed peers

|                           |          | Revenues | EBITDA | EBITDA<br>margin | Net<br>income | Cumulative park portfolio   | MW<br>installed<br>2020      | Project pipeline                                      |
|---------------------------|----------|----------|--------|------------------|---------------|---|------------------------------|---|
| ABO WIND AG (EUR)         | AB9 GY   | 149      | 24.4   | 16.4%            | 13.1          | 1115 plants:<br>1781 MW wind and 62 MW solar,<br>turnkey 2000 MW            | na                           | 2700 MW   |
| ARISE AB (SEK)            | ARISE SS | 454      | 218    | 48%              | -122          | 14 wind farms<br>>1,300 MW  | 139 MW<br>wind               | 700 MW  |
| ENERGIEKONTOR AG<br>(EUR) | EKT GY   | 63.7     | 38.9   | 61%              | 20.4          | 34 wind farms and 1 solar park,<br>> 1 GW capacity and<br>2 bn KWh per year | 1208 MW                      | 6000 MW of which<br>4650 MW wind<br>and 1350 MW solar |
| COMAL SPA (EUR)           | CML IM   | 20.9     | 3.1    | 14.6%            | 1.43          | 40 solar plants<br>with 650 MWp of power                                    | 200 MW<br>(52 MW<br>in 2018) | 151 MW  |

### ABO WIND AG

ABO Wind is a globally successful project developer for renewable energies. The company is listed on the Hamburg stock exchange, the shares have been included in the Frankfurt Xetra trading platform and have also been traded on various other German stock exchanges. ABO Wind has developed and sold wind energy, solar and biogas projects with an output of 3,500 megawatts, more than 1,500 of them as turnkey projects. These projects are located in 16 countries on four continents and exceed the capacity of four average nuclear power plants. Two thirds of the projects under development are wind projects and one third are solar projects. The ABO Wind experts provide assessments, handle the approval process and financing, and take care of grid connection and construction. ABO Wind takes on all the steps in project development from site acquisition to construction. Its strategy is to enter emerging markets, boosted by cooperation with local partners, and establish a local presence early on in order to engage and work with local and regional communities and authorities.

### ARISE AB

Arise is an integrated wind power company managing the entire value chain - from exploration to financing, construction, divestment and long-term management of its own and other companies' wind farms. The company is listed on the Nasdaq Stockholm index. It is one of Sweden's leading independent companies in renewable energy. Its development and management segments include the project development and management of renewable electricity production. The company works continuously on the development of a range of projects and has more than 1,300 MW in the portfolio in various phases in Sweden, Norway and Scotland. It manages about 1,100 MW, of which 231 MW is under construction in Sweden and Norway. The wind power operations comprise 10 wind farms totalling 139 MW in southern Sweden. Arise AB is actively working to expand its project portfolio, mainly to improve the eolithic in Sweden and solar energy in Poland and the UK.

### COMAL SPA

Comal S.p.A. is active in the plant engineering sector to produce energy from solar sources. The company is listed on AIM Italy. The company builds high-power photovoltaic systems with the EPC-M formula (Engineering, Procurement, Construction Management) and O&M (Operation & Maintenance). Comal takes care of the design, construction of structural and robotic components, system installation, testing, commissioning and maintenance. In addition to the construction of photovoltaic systems, the company also carries out ordinary and extraordinary maintenance on plants that produce energy from conventional sources (mostly central thermoelectric). They have built and installed more than 40 photovoltaic systems in Italy and South Africa, with an energy capacity of over 600 MW. In addition, it is a pioneer in the construction of photovoltaic systems in Grid Parity - economic convenience without incentives.

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## **Energiekontor AG**

Energiekontor has a solid business policy and a lot of experience in renewable energy production. The company is listed on the General Standard segment of the Frankfurt Stock Exchange and can be traded on all German stock exchanges. It is one of the pioneers in the industry and one of Germany's leading project developers. Its core business ranges from the planning and construction to the operational management of wind farms in Germany and abroad, including solar energy. In addition, Energiekontor operates wind and solar farms with a nominal output of almost 280 megawatts in its own portfolio. The company intends to be a pioneer when it comes to economic viability in realising the first wind farms and solar parks at market prices, without state subsidies, in all target markets as quickly as possible. Since the company was founded, it has realised 127 wind farms and 12 solar parks with a total output of over 1 gigawatt. This corresponds to an investment volume of around EUR 1.7 billion.

**PLC: Summary tables**

| <b>PROFIT &amp; LOSS (EURm)</b>                   | <b>12/2018</b> | <b>12/2019</b> | <b>12/2020</b> | <b>12/2021e</b> | <b>12/2022e</b> | <b>12/2023e</b> |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| <b>Sales</b>                                      | <b>49.9</b>    | <b>45.6</b>    | <b>65.5</b>    | <b>82.9</b>     | <b>93.1</b>     | <b>98.6</b>     |
| Cost of Sales & Operating Costs                   | -42.6          | -45.2          | -62.2          | -74.2           | -83.0           | -87.7           |
| Non Recurrent Expenses/Income                     | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             | 0.0             |
| <b>EBITDA</b>                                     | <b>7.3</b>     | <b>0.4</b>     | <b>3.4</b>     | <b>8.7</b>      | <b>10.0</b>     | <b>10.9</b>     |
| <b>EBITDA (adj.)*</b>                             | <b>7.3</b>     | <b>0.4</b>     | <b>3.4</b>     | <b>8.7</b>      | <b>10.0</b>     | <b>10.9</b>     |
| Depreciation                                      | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             | 0.0             |
| <b>EBITA</b>                                      | <b>7.3</b>     | <b>0.4</b>     | <b>3.4</b>     | <b>8.7</b>      | <b>10.0</b>     | <b>10.9</b>     |
| <b>EBITA (adj)*</b>                               | <b>7.3</b>     | <b>0.4</b>     | <b>3.4</b>     | <b>8.7</b>      | <b>10.0</b>     | <b>10.9</b>     |
| Amortisations and Write Downs                     | -0.5           | -2.0           | -2.7           | -2.3            | -2.0            | -1.7            |
| <b>EBIT</b>                                       | <b>6.8</b>     | <b>-1.6</b>    | <b>0.7</b>     | <b>6.4</b>      | <b>8.0</b>      | <b>9.2</b>      |
| <b>EBIT (adj.)*</b>                               | <b>6.8</b>     | <b>-1.6</b>    | <b>0.7</b>     | <b>6.4</b>      | <b>8.0</b>      | <b>9.2</b>      |
| Net Financial Interest                            | -0.2           | -0.5           | -1.0           | -0.5            | -0.3            | -0.6            |
| Other Financials                                  | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             | 0.0             |
| Associates  | -0.0           | -0.1           | -0.1           | 0.0             | 0.0             | 0.0             |
| Other Non Recurrent Items                         | -0.0           | -0.1           | 0.0            | 0.0             | 0.0             | 0.0             |
| <b>Earnings Before Tax (EBT)</b>                  | <b>6.5</b>     | <b>-2.2</b>    | <b>-0.3</b>    | <b>5.9</b>      | <b>7.7</b>      | <b>8.6</b>      |
| Tax   | -1.5           | -0.2           | 0.3            | -1.0            | -1.5            | -1.7            |
| <i>Tax rate</i>                                   | <i>23.6%</i>   | <i>n.m.</i>    | <i>81.0%</i>   | <i>17.0%</i>    | <i>20.0%</i>    | <i>20.0%</i>    |
| Discontinued Operations                           | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             | 0.0             |
| Minorities  | 0.0            | 0.0            | 0.1            | -0.1            | -0.4            | -0.6            |
| <b>Net Profit (reported)</b>                      | <b>5.0</b>     | <b>-2.5</b>    | <b>-0.0</b>    | <b>4.8</b>      | <b>5.8</b>      | <b>6.3</b>      |
| <b>Net Profit (adj.)</b>                          | <b>4.8</b>     | <b>-2.4</b>    | <b>-0.2</b>    | <b>4.2</b>      | <b>5.2</b>      | <b>5.7</b>      |
| <b>CASH FLOW (EURm)</b>                           | <b>12/2018</b> | <b>12/2019</b> | <b>12/2020</b> | <b>12/2021e</b> | <b>12/2022e</b> | <b>12/2023e</b> |
| Cash Flow from Operations before change in NWC    | 5.5            | -0.5           | 2.6            | 7.2             | 8.2             | 8.6             |
| Change in Net Working Capital                     | 4.6            | 1.9            | -1.0           | -3.5            | -1.0            | -1.2            |
| <b>Cash Flow from Operations</b>                  | <b>10.1</b>    | <b>1.4</b>     | <b>1.7</b>     | <b>3.7</b>      | <b>7.2</b>      | <b>7.4</b>      |
| Capex   | -14.4          | -3.9           | -3.6           | -1.4            | -1.7            | -1.0            |
| Net Financial Investments                         | 0.0            | 0.7            | 4.3            | 0.0             | 0.0             | 0.0             |
| <b>Free Cash Flow</b>                             | <b>-4.3</b>    | <b>-1.8</b>    | <b>2.5</b>     | <b>2.3</b>      | <b>5.5</b>      | <b>6.4</b>      |
| Dividends   | -2.0           | -1.0           | 0.0            | 0.0             | -2.3            | -3.4            |
| Other (incl. Capital Increase & share buy backs)  | 6.1            | 5.6            | -1.0           | 1.0             | 0.3             | -1.2            |
| <b>Change in Net Debt</b>                         | <b>0</b>       | <b>3</b>       | <b>1</b>       | <b>3</b>        | <b>3</b>        | <b>2</b>        |
| NOPLAT  | 4.9            | -1.1           | 0.5            | 4.7             | 5.9             |                 |
| <b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>     | <b>12/2018</b> | <b>12/2019</b> | <b>12/2020</b> | <b>12/2021e</b> | <b>12/2022e</b> | <b>12/2023e</b> |
| Net Tangible Assets                               | 7.5            | 9.7            | 8.9            | -0.9            | -1.2            | -1.9            |
| Net Intangible Assets (incl. Goodwill)            | 17.7           | 18.9           | 16.2           | 16.2            | 16.2            | 16.2            |
| 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             |
| <b>Total Fixed Assets</b>                         | <b>25.3</b>    | <b>28.6</b>    | <b>25.1</b>    | <b>15.3</b>     | <b>15.0</b>     | <b>14.3</b>     |
| Inventories                                       | 3.6            | 3.4            | 4.3            | 6.1             | 6.8             | 7.2             |
| Trade receivables                                 | 21.6           | 24.0           | 28.2           | 33.6            | 34.0            | 36.0            |
| Other current assets                              | 10.8           | 2.7            | 3.3            | 18.8            | 20.1            | 21.7            |
| Cash (-)  | -6.2           | -6.7           | -10.3          | -10.9           | -12.1           | -14.2           |
| <b>Total Current Assets</b>                       | <b>42.3</b>    | <b>36.8</b>    | <b>46.1</b>    | <b>69.2</b>     | <b>72.9</b>     | <b>79.1</b>     |
| <b>Total Assets</b>                               | <b>67.6</b>    | <b>65.4</b>    | <b>71.2</b>    | <b>84.5</b>     | <b>87.9</b>     | <b>93.3</b>     |
| Shareholders Equity                               | 24.3           | 24.7           | 24.9           | 29.7            | 33.2            | 36.1            |
| Minority  | 0.1            | 0.0            | -0.1           | -0.0            | 0.2             | 0.4             |
| <b>Total Equity</b>                               | <b>24.4</b>    | <b>24.7</b>    | <b>24.8</b>    | <b>29.7</b>     | <b>33.3</b>     | <b>36.5</b>     |
| Long term interest bearing debt                   | 6.7            | 7.0            | 9.3            | 8.8             | 7.8             | 6.5             |
| Provisions  | 1.2            | 1.6            | 2.6            | 2.6             | 2.5             | 4.0             |
| Lease Liabilities                                 | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             | 0.0             |
| Other long term liabilities                       | 0.0            | 0.1            | 0.2            | 0.2             | 0.3             | 0.3             |
| <b>Total Long Term Liabilities</b>                | <b>8.0</b>     | <b>8.7</b>     | <b>12.1</b>    | <b>11.7</b>     | <b>10.6</b>     | <b>10.7</b>     |
| Short term interest bearing debt                  | 6.8            | 7.7            | 5.1            | 4.8             | 4.3             | 3.5             |
| Trade payables                                    | 16.3           | 13.8           | 20.8           | 27.1            | 26.1            | 27.6            |
| Other current liabilities                         | 12.1           | 10.5           | 8.3            | 20.1            | 22.5            | 23.9            |
| <b>Total Current Liabilities</b>                  | <b>35.1</b>    | <b>32.1</b>    | <b>34.3</b>    | <b>52.0</b>     | <b>52.9</b>     | <b>55.1</b>     |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>67.6</b>    | <b>65.4</b>    | <b>71.2</b>    | <b>93.4</b>     | <b>96.8</b>     | <b>102.3</b>    |
| <b>Net Capital Employed</b>                       | <b>32.9</b>    | <b>34.3</b>    | <b>31.7</b>    | <b>26.5</b>     | <b>27.2</b>     | <b>27.6</b>     |
| <b>Net Working Capital</b>                        | <b>7.6</b>     | <b>5.7</b>     | <b>6.7</b>     | <b>11.2</b>     | <b>12.2</b>     | <b>13.4</b>     |
| <b>GROWTH &amp; MARGINS</b>                       | <b>12/2018</b> | <b>12/2019</b> | <b>12/2020</b> | <b>12/2021e</b> | <b>12/2022e</b> | <b>12/2023e</b> |
| <i>Sales growth</i>                               | <i>52.9%</i>   | <i>-8.6%</i>   | <i>43.7%</i>   | <i>26.5%</i>    | <i>12.3%</i>    | <i>6.0%</i>     |
| <b>EBITDA (adj.)* growth</b>                      | <b>-21.5%</b>  | <b>-94.5%</b>  | <b>748.1%</b>  | <b>158.0%</b>   | <b>14.8%</b>    | <b>8.8%</b>     |
| <b>EBITA (adj.)* growth</b>                       | <b>-21.4%</b>  | <b>-94.5%</b>  | <b>748.1%</b>  | <b>158.0%</b>   | <b>14.8%</b>    | <b>8.8%</b>     |
| <b>EBIT (adj.)* growth</b>                        | <b>-22.8%</b>  | <b>n.m.</b>    | <b>n.m.</b>    | <b>841.4%</b>   | <b>24.8%</b>    | <b>14.7%</b>    |

## PLC: Summary tables

| <b>GROWTH &amp; MARGINS</b>                 | <b>12/2018</b> | <b>12/2019</b> | <b>12/2020</b> | <b>12/2021e</b> | <b>12/2022e</b> | <b>12/2023e</b> |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|
| Net Profit growth                           | -23.2%         | n.m.           | n.m.           | n.m.            | 23.9%           | 8.5%            |
| EPS adj. growth                             | -23.2%         | n.m.           | n.m.           | n.m.            | 23.9%           | 8.5%            |
| DPS adj. growth                             | -88.4%         | -55.6%         | n.m.           | n.m.            | n.m.            | 44.4%           |
| EBITDA (adj)* margin                        | 14.7%          | 0.9%           | 5.2%           | 10.5%           | 10.8%           | 11.1%           |
| EBITA (adj)* margin                         | 14.7%          | 0.9%           | 5.2%           | 10.5%           | 10.8%           | 11.1%           |
| EBIT (adj)* margin                          | 13.6%          | n.m.           | 1.0%           | 7.8%            | 8.6%            | 9.3%            |
| <b>RATIOS</b>                               | <b>12/2018</b> | <b>12/2019</b> | <b>12/2020</b> | <b>12/2021e</b> | <b>12/2022e</b> | <b>12/2023e</b> |
| Net Debt/Equity                             | 0.3            | 0.3            | 0.2            | 0.1             | 0.0             | -0.1            |
| Net Debt/EBITDA                             | 1.0            | 20.0           | 1.2            | 0.3             | 0.0             | -0.4            |
| Interest cover (EBITDA/Fin.interest)        | 31.5           | 0.8            | 3.5            | 17.5            | 33.4            | 18.2            |
| Capex/D&A                                   | 2635.9%        | 198.5%         | 131.5%         | 60.9%           | 85.0%           | 58.8%           |
| Capex/Sales                                 | 28.8%          | 8.5%           | 5.4%           | 1.7%            | 1.8%            | 1.0%            |
| NWC/Sales                                   | 15.3%          | 12.5%          | 10.2%          | 13.5%           | 13.1%           | 13.5%           |
| ROE (average)                               | 22.4%          | -9.7%          | -0.8%          | 15.5%           | 16.7%           | 16.4%           |
| ROCE (adj.)                                 | 15.0%          | -3.3%          | 1.6%           | 17.7%           | 21.5%           |                 |
| WACC  | 9.5%           | 9.5%           | 9.5%           | 9.5%            | 9.5%            |                 |
| ROCE (adj.)/WACC                            | 1.6            | -0.4           | 0.2            | 1.9             | 2.3             |                 |
| <b>PER SHARE DATA (EUR)***</b>              | <b>12/2018</b> | <b>12/2019</b> | <b>12/2020</b> | <b>12/2021e</b> | <b>12/2022e</b> | <b>12/2023e</b> |
| Average diluted number of shares            | 24.0           | 26.0           | 26.0           | 26.0            | 26.0            | 26.0            |
| EPS (reported)                              | 0.21           | -0.09          | 0.00           | 0.19            | 0.22            | 0.24            |
| EPS (adj.)                                  | 0.20           | -0.09          | -0.01          | 0.16            | 0.20            | 0.22            |
| BVPS  | 1.01           | 0.95           | 0.96           | 1.14            | 1.28            | 1.39            |
| DPS   | 0.08           | 0.04           | 0.00           | 0.00            | 0.09            | 0.13            |
| <b>VALUATION</b>                            | <b>12/2018</b> | <b>12/2019</b> | <b>12/2020</b> | <b>12/2021e</b> | <b>12/2022e</b> | <b>12/2023e</b> |
| EV/Sales                                    | 1.1            | 1.0            | 0.6            | 0.6             | 0.5             | 0.4             |
| EV/EBITDA                                   | 7.2            | n.m.           | 10.7           | 5.7             | 4.7             | 4.1             |
| <b>EV/EBITDA (adj.)*</b>                    | <b>7.2</b>     | <b>n.m.</b>    | <b>10.7</b>    | <b>5.7</b>      | <b>4.7</b>      | <b>4.1</b>      |
| EV/EBITA                                    | 7.2            | 112.2          | 10.7           | 5.7             | 4.7             | 4.1             |
| <b>EV/EBITA (adj.)*</b>                     | <b>7.2</b>     | <b>112.2</b>   | <b>10.7</b>    | <b>5.7</b>      | <b>4.7</b>      | <b>4.1</b>      |
| EV/EBIT                                     | 7.8            | n.m.           | 52.8           | 7.8             | 5.9             | 4.8             |
| <b>EV/EBIT (adj.)*</b>                      | <b>7.8</b>     | <b>n.m.</b>    | <b>52.8</b>    | <b>7.8</b>      | <b>5.9</b>      | <b>4.8</b>      |
| <b>P/E (adj.)</b>                           | <b>9.8</b>     | <b>n.m.</b>    | <b>n.m.</b>    | <b>11.2</b>     | <b>9.0</b>      | <b>8.3</b>      |
| P/BV  | 1.9            | 1.5            | 1.3            | 1.6             | 1.4             | 1.3             |
| Total Yield Ratio                           | 2.1%           | 0.0%           | 0.0%           | 4.9%            | 7.1%            | 7.1%            |
| EV/CE                                       | 1.6            | 1.3            | 1.1            | 1.9             | 1.7             | 1.6             |
| OpFCF yield                                 | -9.2%          | -6.4%          | -5.8%          | 4.9%            | 11.6%           | 13.5%           |
| OpFCF/EV                                    | -8.1%          | -5.5%          | -5.2%          | 4.7%            | 11.7%           | 14.4%           |
| Payout ratio                                | 40.2%          | -39.0%         | 0.0%           | 0.0%            | 40.4%           | 53.7%           |
| Dividend yield (gross)                      | 4.3%           | 2.5%           | 0.0%           | 0.0%            | 4.9%            | 7.1%            |
| <b>EV AND MKT CAP (EURm)</b>                | <b>12/2018</b> | <b>12/2019</b> | <b>12/2020</b> | <b>12/2021e</b> | <b>12/2022e</b> | <b>12/2023e</b> |
| Price** (EUR)                               | 1.94           | 1.47           | 1.24           | 1.82            | 1.82            | 1.82            |
| Outstanding number of shares for main stock | 24.0           | 26.0           | 26.0           | 26.0            | 26.0            | 26.0            |
| <b>Total Market Cap</b>                     | <b>46.6</b>    | <b>38.2</b>    | <b>32.2</b>    | <b>47.2</b>     | <b>47.2</b>     | <b>47.2</b>     |
| Gross Financial Debt (+)                    | 13.5           | 14.7           | 14.4           | 13.6            | 12.1            | 10.0            |
| Cash & Marketable Securities (-)            | -6.2           | -6.7           | -10.3          | -10.9           | -12.1           | -14.2           |
| <b>Net Financial Debt</b>                   | <b>7.3</b>     | <b>8.0</b>     | <b>4.1</b>     | <b>2.8</b>      | <b>0.0</b>      | <b>-4.2</b>     |
| Lease Liabilities (+)                       | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             | 0.0             |
| <b>Net Debt</b>                             | <b>7.3</b>     | <b>8.0</b>     | <b>4.1</b>     | <b>2.8</b>      | <b>0.0</b>      | <b>-4.2</b>     |
| <b>Other EV components</b>                  | <b>-1.1</b>    | <b>-1.4</b>    | <b>-0.2</b>    | <b>-0.2</b>     | <b>-0.3</b>     | <b>1.2</b>      |
| <b>Enterprise Value (EV adj.)</b>           | <b>52.7</b>    | <b>44.8</b>    | <b>36.1</b>    | <b>49.9</b>     | <b>46.9</b>     | <b>44.2</b>     |

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

| <b>Aerospace &amp; Defense</b> | <b>Mem(*)</b> | <b>Electronic &amp; Electrical Eq.</b> | <b>Mem(*)</b> | <b>General Industrials</b>       | <b>Mem(*)</b> | <b>Ctt</b>                     | <b>CBI</b>    |
|--------------------------------|---------------|--|---------------|----------------------------------|---------------|--------------------------------|---------------|
| Avio                           | BAK           | Rexel                                  | CIC           | Cembre                           | BAK           | <b>Insurance</b>               | <b>Mem(*)</b> |
| Leonardo                       | BAK           | <b>Fin. Serv. Holdings</b>             | <b>Mem(*)</b> | Sergeferrari Group               | CIC           | Axa                            | CIC           |
| <b>Alternative Energy</b>      | <b>Mem(*)</b> | Cir                                    | BAK           | Spie                             | CIC           | Catalana Occidente             | GVC           |
| Encavis Ag                     | CIC           | Corp. Financiera Alba                  | GVC           | <b>General Retailers</b>         | <b>Mem(*)</b> | Cattolica Assicurazioni        | BAK           |
| Plc                            | BAK           | Digital Magics                         | BAK           | Emova Group                      | IAC           | Generali                       | BAK           |
| Siemens Gamesa Re              | GVC           | Eurazeo                                | CIC           | Fnac Darty                       | CIC           | Mapfre                         | GVC           |
| Volitalia                      | CIC           | Ffp                                    | CIC           | Inditex                          | GVC           | Net Insurance                  | BAK           |
| <b>Automobiles &amp; Parts</b> | <b>Mem(*)</b> | Gbl                                    | CIC           | Maisons Du Monde                 | CIC           | Unipolsai                      | BAK           |
| Brembo                         | BAK           | Rallye                                 | CIC           | Ovs                              | BAK           | <b>Materials, Construction</b> | <b>Mem(*)</b> |
| Faurecia                       | CIC           | Tip Tamburi Investment Partners        | BAK           | Unieuro                          | BAK           | Acs                            | GVC           |
| Ferrari                        | BAK           | Wendel                                 | CIC           | <b>Healthcare</b>                | <b>Mem(*)</b> | Aena                           | GVC           |
| Gestamp                        | GVC           | <b>Fin. Serv. Industrials</b>          | <b>Mem(*)</b> | Abionyx Pharma                   | CIC           | Astm                           | BAK           |
| Indelb                         | BAK           | Abitare In                             | BAK           | Amplifon                         | BAK           | Atlantia                       | BAK           |
| Landi Renzo                    | BAK           | Dovalue                                | BAK           | Atrys Health                     | GVC           | Buzzi Unicem                   | BAK           |
| Michelin                       | CIC           | Nexi                                   | BAK           | Crossject                        | CIC           | Capelli                        | CIC           |
| Piaggio                        | BAK           | Tinexta                                | BAK           | Diasorin                         | BAK           | Cementir                       | BAK           |
| Plastic Omnium                 | CIC           | <b>Financial Services Banks</b>        | <b>Mem(*)</b> | El.En.                           | BAK           | Clerhp Estructuras             | GVC           |
| Sogefi                         | BAK           | Amundi                                 | CIC           | Fermentalg                       | CIC           | Eiffage                        | CIC           |
| Stellantis                     | BAK           | Anima                                  | BAK           | Fine Foods                       | BAK           | Ezentis                        | GVC           |
| Valeo                          | CIC           | Azmut                                  | BAK           | Genfit                           | CIC           | Fcc                            | GVC           |
| <b>Banks</b>                   | <b>Mem(*)</b> | Banca Generali                         | BAK           | Guerbet                          | CIC           | Ferrovial                      | GVC           |
| Banca Mps                      | BAK           | Banca Ifis                             | BAK           | Korian                           | CIC           | Groupe Adp                     | CIC           |
| Banco Sabadell                 | GVC           | Banca Mediolanum                       | BAK           | Oncodesign                       | CIC           | Groupe Poujoulat               | CIC           |
| Banco Santander                | GVC           | Banca Sistema                          | BAK           | Orpea                            | CIC           | Groupe Sfpj S.A.               | CIC           |
| Bankia                         | GVC           | Bff Bank                               | BAK           | Recordati                        | BAK           | Herige                         | CIC           |
| Bankinter                      | GVC           | Fincobank                              | BAK           | Shedir Pharma                    | BAK           | Hexaom                         | CIC           |
| Bbva                           | GVC           | Poste Italiane                         | BAK           | Theraclion                       | CIC           | Imerys                         | CIC           |
| Bnp Paribas                    | CIC           | <b>Food &amp; Beverage</b>             | <b>Mem(*)</b> | Vetoquinol                       | CIC           | Kaufman & Broad                | IAC           |
| Bper                           | BAK           | Advini                                 | CIC           | Virbac                           | CIC           | Lafargeholcim                  | CIC           |
| Caixabank                      | GVC           | Bonduelle                              | CIC           | <b>Household Goods</b>           | <b>Mem(*)</b> | Maire Tecnimont                | BAK           |
| Credem                         | BAK           | Campari                                | BAK           | Abeo                             | CIC           | Mota Engil                     | CBI           |
| Credit Agricole Sa             | CIC           | Danone                                 | CIC           | De Longhi                        | BAK           | Obrascon Huarte Lain           | GVC           |
| Creval                         | BAK           | Ebro Foods                             | GVC           | Fila                             | BAK           | Sacyr                          | GVC           |
| Intesa Sanpaolo                | BAK           | Enervit                                | BAK           | Groupe Seb                       | CIC           | Saint Gobain                   | CIC           |
| Liberbank                      | GVC           | Fleury Michon                          | CIC           | <b>Industrial Engineering</b>    | <b>Mem(*)</b> | Salcef                         | BAK           |
| Mediobanca                     | BAK           | Italian Wine Brands                    | BAK           | Biesse                           | BAK           | Sonae Industria                | CBI           |
| Natixis                        | CIC           | Lanson-Bcc                             | CIC           | Caf                              | GVC           | Tarkett                        | CIC           |
| Rothschild & Co                | CIC           | Laurent Perrier                        | CIC           | Carraro                          | BAK           | Thermador Groupe               | CIC           |
| Societe Generale               | CIC           | Ldc                                    | CIC           | Cnh Industrial                   | BAK           | Vicat                          | CIC           |
| Unicredit                      | BAK           | Orsero                                 | BAK           | Danieli                          | BAK           | Vinci                          | CIC           |
| <b>Basic Resources</b>         | <b>Mem(*)</b> | Pernod Ricard                          | CIC           | Datalogic                        | BAK           | Webuild                        | BAK           |
| Acerinox                       | GVC           | Remy Cointreau                         | CIC           | Exel Industries                  | CIC           | <b>Media</b>                   | <b>Mem(*)</b> |
| Altri                          | CBI           | Tipiak                                 | CIC           | Fincantieri                      | BAK           | Arnoldo Mondadori Editore      | BAK           |
| Arcelormittal                  | GVC           | Vidrala                                | GVC           | Haulotte Group                   | CIC           | Atresmedia                     | GVC           |
| Corticeira Amorim              | CBI           | Vilmorin                               | CIC           | Interpump                        | BAK           | Cairo Communication            | BAK           |
| Ence                           | GVC           | Viscofan                               | GVC           | Manitou                          | CIC           | Digital Bros                   | BAK           |
| Semapa                         | CBI           | Vranken Pommery Monopole               | CIC           | Prima Industrie                  | BAK           | GI Events                      | CIC           |
| The Navigator Company          | CBI           | <b>Food &amp; Drug Retailers</b>       | <b>Mem(*)</b> | Prysmian                         | BAK           | Il Sole 24 Ore                 | BAK           |
| Tubacex                        | GVC           | Carrefour                              | CIC           | Saes                             | BAK           | Ipsos                          | CIC           |
| Verallia                       | CIC           | Casino Guichard-Perrachon              | CIC           | Talgo                            | GVC           | Jcdecaux                       | CIC           |
| <b>Chemicals</b>               | <b>Mem(*)</b> | Jeronimo Martins                       | CBI           | Zardoya Otis                     | GVC           | Lagardere                      | CIC           |
| Air Liquide                    | CIC           | Marr                                   | BAK           | <b>Industrial Transportation</b> | <b>Mem(*)</b> | M6-Metropole Television        | CIC           |
| Arkema                         | CIC           | Sonae                                  | CBI           | Bollore                          | CIC           | Mediaset                       | BAK           |
| Plasticos Compuestos           | GVC           | Winfarm                                | CIC           | Clasquin                         | IAC           | Mediaset Espana                | GVC           |

|                                     |               |                                      |               |                            |               |
|-------------------------------------|---------------|--------------------------------------|---------------|----------------------------|---------------|
| Nrj Group                           | CIC           | Atos                                 | CIC           | Fdj                        | CIC           |
| Publicis                            | CIC           | Axway Software                       | CIC           | Groupe Partouche           | IAC           |
| Rcs Mediagroup                      | BAK           | Capgemini                            | CIC           | I Grandi Viaggi            | BAK           |
| Teleperformance                     | CIC           | Cast                                 | CIC           | Ibersol                    | CBI           |
| Tf1                                 | CIC           | Catenon                              | GVC           | Int. Airlines Group        | GVC           |
| Ubisoft                             | CIC           | Ekinops                              | CIC           | Melia Hotels International | GVC           |
| Vivendi                             | CIC           | Esi Group                            | CIC           | Nh Hotel Group             | GVC           |
| Vogo                                | CIC           | Exprivia                             | BAK           | Pierre Et Vacances         | CIC           |
| <b>Oil &amp; Gas Producers</b>      | <b>Mem(*)</b> | Gigas Hosting                        | GVC           | Sodexo                     | CIC           |
| Ecoslops                            | CIC           | Gpi                                  | BAK           | Trigano                    | CIC           |
| Eni                                 | BAK           | Indra Sistemas                       | GVC           | <b>Utilities</b>           | <b>Mem(*)</b> |
| Galp Energia                        | CBI           | Lleida.Net                           | GVC           | A2A                        | BAK           |
| Gas Plus                            | BAK           | Neurones                             | CIC           | Acciona                    | GVC           |
| Maurel Et Prom                      | CIC           | Reply                                | BAK           | Acea                       | BAK           |
| Repsol                              | GVC           | Sii                                  | CIC           | Albioma                    | CIC           |
| Total                               | CIC           | Sopra Steria Group                   | CIC           | Alerion Clean Power        | BAK           |
| <b>Oil Services</b>                 | <b>Mem(*)</b> | Visiativ                             | CIC           | Audax                      | GVC           |
| Cgg                                 | CIC           | <b>Support Services</b>              | <b>Mem(*)</b> | Derichebourg               | CIC           |
| Gtt                                 | CIC           | Applus                               | GVC           | Edp                        | CBI           |
| Rubis                               | CIC           | Bureau Veritas                       | CIC           | Edp Renováveis             | CBI           |
| Saipem                              | BAK           | Cellnex Telecom                      | GVC           | Enagas                     | GVC           |
| Technipfmc Plc                      | CIC           | Enav                                 | BAK           | Endesa                     | GVC           |
| Tecnicas Reunidas                   | GVC           | Fiera Milano                         | BAK           | Enel                       | BAK           |
| Tenaris                             | BAK           | Global Dominion                      | GVC           | Erg                        | BAK           |
| Vallourec                           | CIC           | Inwit                                | BAK           | Falck Renewables           | BAK           |
| <b>Personal Goods</b>               | <b>Mem(*)</b> | Openjobmetis                         | BAK           | Greenalia                  | GVC           |
| Basicnet                            | BAK           | Prosegur                             | GVC           | Hera                       | BAK           |
| Brunello Cucinelli                  | BAK           | Prosegur Cash                        | GVC           | Holaluz                    | GVC           |
| Cellularline                        | BAK           | Rai Way                              | BAK           | Iberdrola                  | GVC           |
| Cie Fin. Richemont                  | CIC           | <b>Technology Hardware &amp; Eq.</b> | <b>Mem(*)</b> | Iren                       | BAK           |
| Geox                                | BAK           | Memscap                              | IAC           | Italgas                    | BAK           |
| Hermes Intl.                        | CIC           | Osmosis                              | CIC           | Naturgy                    | GVC           |
| Interparfums                        | CIC           | Stmicroelectronics                   | BAK           | Red Electrica Corporacion  | GVC           |
| Kering                              | CIC           | Tier 1 Technology                    | GVC           | Ren                        | CBI           |
| L'Oreal                             | CIC           | <b>Telecommunications</b>            | <b>Mem(*)</b> | Snam                       | BAK           |
| Lvmh                                | CIC           | Bouygues                             | CIC           | Solaria                    | GVC           |
| Moncler                             | BAK           | Euskaltel                            | GVC           | Terna                      | BAK           |
| Monnalisa                           | BAK           | Iliad                                | CIC           |                            |               |
| Safilo                              | BAK           | Nos                                  | CBI           |                            |               |
| Salvatore Ferragamo                 | BAK           | Orange                               | CIC           |                            |               |
| Smcp                                | CIC           | Retelit                              | BAK           |                            |               |
| Swatch Group                        | CIC           | Telecom Italia                       | BAK           |                            |               |
| Technogym                           | BAK           | Telefonica                           | GVC           |                            |               |
| Tod'S                               | BAK           | Tiscali                              | BAK           |                            |               |
| <b>Real Estate</b>                  | <b>Mem(*)</b> | Unidata                              | BAK           |                            |               |
| Igd                                 | BAK           | Vodafone                             | BAK           |                            |               |
| Lar España                          | GVC           | <b>Travel &amp; Leisure</b>          | <b>Mem(*)</b> |                            |               |
| Merlin Properties                   | GVC           | Accor                                | CIC           |                            |               |
| Quabit Inmobiliaria                 | GVC           | Autogrill                            | BAK           |                            |               |
| Realia                              | GVC           | Beneteau                             | CIC           |                            |               |
| <b>Software &amp; Computer Ser.</b> | <b>Mem(*)</b> | Codere                               | GVC           |                            |               |
| Agile Content                       | GVC           | Compagnie Des Alpes                  | CIC           |                            |               |
| Akka Technologies                   | CIC           | Edreams Odigeo                       | GVC           |                            |               |
| Alten                               | CIC           | Elior                                | CIC           |                            |               |
| Amadeus                             | GVC           | Europcar                             | CIC           |                            |               |

LEGEND: BAK: Banca Akros; CIC: CIC Market Solutions; CBI: Caixa-Banco de Investimento; GVC: GVC Gaesco Valores, SV, SA

as at 26 March 2021



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

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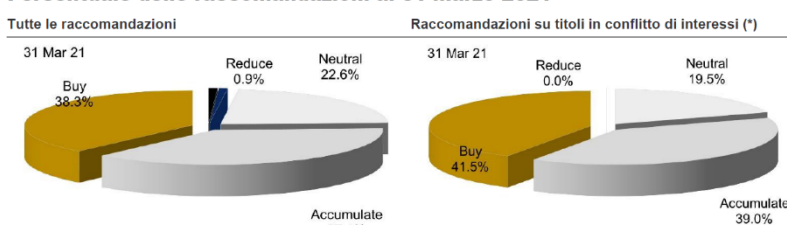
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#### Percentuale delle raccomandazioni al 31 marzo 2021



(\*) Si informa che la percentuale degli emittenti in potenziale conflitto di interessi con Banca Akros è pari al 35.65% del totale degli emittenti oggetto di copertura

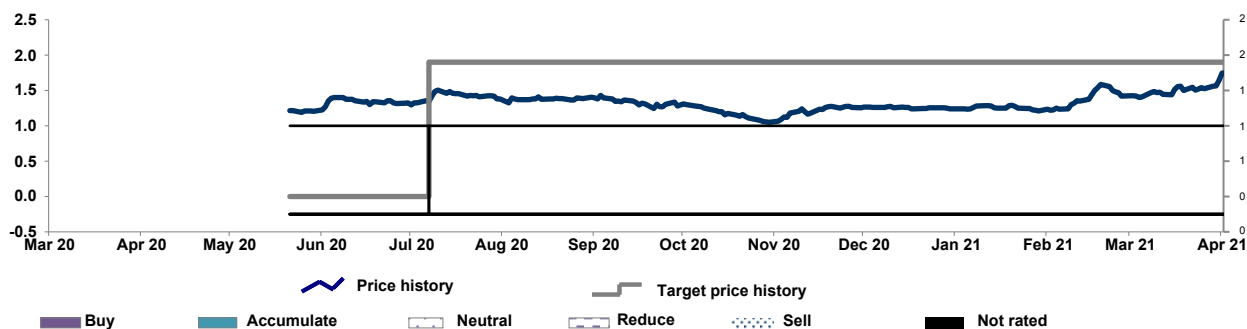
#### Recommendation history for PLC

| Date      | Recommendation   | Target price | Price at change date |
|-----------|------------------|--------------|----------------------|
| 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                 |
| 28-May-19 | Accumulate       | 1.95         | 1.64                 |

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: Emanuele Oggioni (since 01/12/2018)



## 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)**.

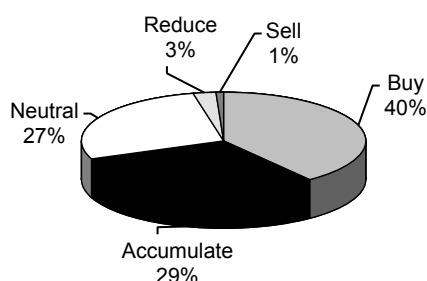
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

### 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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