

Analysier

11 July 2023

Buy

Recommendation unchanged

Share price: EUR 1.36

closing price as of 10/07/2023

Target price: EUR 2.00

Target Price unchanged

Upside/Downside Potential 47.1%

Reuters/Bloomberg

PLC.MI/PLC IM

Market capitalisation (EURm) 35

Current N° of shares (m) 26

Free float 26%

Daily avg. no. trad. sh. 12 mth (k) 11

Daily avg. trad. vol. 12 mth (k) 14.31

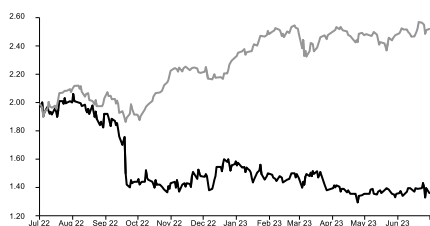
Price high/low 12 months 2.06 / 1.30

Abs Perfs 1/3/12 mths (%) 0.37/-2.16/-32.34

Key financials (EUR)	12/21	12/22e	12/23e
Sales (m)	75	74	77
EBITDA (m)	8	(2)	1
EBITDA margin	10.2%	nm	1.0%
EBIT (m)	5	(5)	(2)
EBIT margin	6.5%	nm	nm
Net Profit (adj.)(m)	3	(4)	(2)
ROCE	10.2%	-9.8%	-4.4%
Net debt/(cash) (m)	3	7	9
Net Debt/Equity	0.1	0.3	0.4
Debt/EBITDA	0.3	-3.8	12.0
Int. cover(EBITDA/Fin. int)	8.2	(4.8)	1.1
EV/Sales	0.8	0.7	0.6
EV/EBITDA	7.5	nm	58.5
EV/EBITDA (adj.)	7.5	nm	58.5
EV/EBIT	11.8	nm	nm
P/E (adj.)	18.8	nm	nm
P/BV	1.9	1.7	1.6
OpFCF yield	-1.4%	-11.2%	-5.9%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	0.11	(0.15)	(0.08)
BVPS	1.09	0.94	0.86
DPS	0.00	0.00	0.00

Shareholders

Fraes 74%;



Source: FactSet

PLC FTSE Italy All Share (Rebased)

Analyst(s)

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Solid backlog at the end of H1 2023

The facts: in a press release published yesterday after market closing, the company disclosed commercial data concerning backlog and project pipeline.

Our analysis: PLC reported the following:

- ✓ **Backlog of EUR 93m**, of which EUR 60m in the EPC segment and EUR 33m in the Service segment;
- ✓ **Commercial pipeline** (i.e. agreements under negotiation) **worth EUR 95m**, of which EUR 77m in the EPC segment and EUR 18m in the Service segment;
- ✓ Projects under development for 130 MW in wind capacity and 50 MW in solar capacity, along with contracts for connection works concerning ~160 MW.

The chairman Mr. Esposito noted that PLC is the first player in the Italian market that has already made available 36kV high tension substations, while the “control room” that the group has been setting up over the last few quarters is expected to come into operation within the next few months. It will manage 183 substations and assets with an overall capacity of over 6 GW.

The CEO Mr. Percopo highlighted the solid development of the order intake, focused on PLC’s know-how and with a balanced risk/reward approach, in line with the business plan disclosed in December 2022.

The disclosed figures compare with PLC’s targets of EUR 75/80m and EUR 95/105m in revenues in FY 23 and FY 24 respectively. Following the release of preliminary FY 23 results (31 March 2023), the management already disclosed that the backlog secured at that time (~EUR 50m in the EPC segment) was already in line with the FY 23 target. Taking into account the recently disclosed order intake, which already included works to be completed in FY 24, **we argue that the company has significantly increased its visibility on the short-term business plan goals.**

Conclusion & Action: good news ahead of the release of the H1 23 results (due out on 29 September), which confirm the favourable commercial development and support our positive view on the company.

Disclaimer

This research has been prepared by Andrea Devita; Enrico Esposti; Gabriele Gambarova; Matteo Cuconato; Andrea Belloli; Paola Saglietti; Luigi Tramontana; Francesco Sala; Andrea Bonfà; Gian Marco Gadini (members of AIAF); Marcello Renna (ordinary member of SIAT), who are financial analysts with Banca Akros SpA ("Banca Akros"), which is responsible for the preparation of the research.

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This research has been produced and is being distributed as of 11 July 2023 at 8:31 AM CET.

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Almawave-The Bank was acting as Global Coordinator and Joint Bookrunner of the pertinent IPO

Almawave-Banca Akros is a specialist or liquidity provider

Anima Holding-Banca Akros acted as Joint Bookrunner of the bond issuance (listed in Dublin) organized in April 2021

Anima Holding-Banca Akros' parent group holds more than 3% or is a member of shareholders pacts

Atlantia-Banca Akros acted as intermediary for the public exchange offer organized in October and November 2022

Banca Ifis-Banca Akros is acting as corporate broker

Banca Sistema-Banca Akros is acting as corporate broker

Banco Bpm-Banca Akros acted:

- as Joint Bookrunner of the bond issuance organized in June 2021, January 2022 and November 2022

- as Joint Lead Manager of the bond issuance organized in July 2021 and January 2023

- as Other Bookrunner of the bond issuance organized in April 2022

- as Joint Bookrunner of the bond issuance organized in February and March 2022 (Issuer's Green, Social and Sustainability Bond Framework: Banco BPM EU750m 5Y Green Covered; ISIN IT0005489932), June 2023

Be Shaping the Future - Banca Akros was acting as intermediary for the public exchange offer organized in November and December 2022

Cattolica Assicurazione-Banca Akros acted as intermediary for the public exchange offer organized in October 2021 and for the sell out organized in July 2022

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Culti Milano-Banca Akros is a specialist or liquidity provider

DEA Capital-Banca Akros is acting as corporate broker

DEA Capital- Banca Akros is acting as collecting intermediary for the public exchange offer organized in January and February 2023

Digital Bros-Banca Akros is a specialist or liquidity provider

Digital Magics-Banca Akros is a specialist or liquidity provider

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Digital Value- Banca Akros is acting as corporate broker

Eni-Banca Akros is acting as guarantor and placement agent of the bond issuance (sustainability-linked 2023/2028) organized in January 2023

Exprivia Banca Akros is acting as Financial Advisor and coordinator of the collection of acceptances for the PTO launched in May 2023 by Abaco Innovazione S.p.A.

Fiera Milano-Banca Akros is a specialist or liquidity provider

Fine Foods and Pharmaceuticals-Banca Akros is a specialist or liquidity provider

Fine Foods and Pharmaceuticals-Banca Akros is acting as Nomad

Fine Foods and Pharmaceuticals-The Bank was acting as Sponsor in the MTA/Star transition process (12 luglio 2021)

First Capital-Banca Akros is acting as corporate broker

Gambero Rosso-Banca Akros is acting as Nomad

Gas Plus-Banca Akros is a specialist or liquidity provider

Generalfinance-Banca Akros is acting as corporate broker

Generalfinance-Banca Akros supported Generalfinance in the placement of Class A3 Senior Notes in December 2022.

GPI-Banca Akros is a specialist or liquidity provider

Hera-Banca Akros acted as Other Bookrunner of the bond issuance organized in April 2023

I Grandi Viaggi-Banca Akros is a specialist or liquidity provider

Il Sole 24 Ore-Banca Akros is acting as corporate broker

IndelB-Banca Akros is acting as corporate broker

Industrial Stars of Italy 4-Banca Akros is a specialist or liquidity provider

Industrial Stars of Italy 4-Banca Akros is acting as Nomad

Intesa Sanpaolo-Banca Akros acted as Co-Manager of the bond issuance organized in March 2022, September 2022, February 2023 and March 2023

Italian Wine Brands-Banca Akros is a specialist or liquidity provider

Landi Renzo-Banca Akros provided investment banking services to Landi Renzo on the occasion of the July 2022 capital increase

Lottomatica Group-Banca Akros acted as Joint Bookrunner of the pertinent IPO organized in April and May 2023

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Neodecortech-Banca Akros is acting as corporate broker

Net Insurance-Banca Akros is acting as corporate broker

Net Insurance-Banca Akros acted as Sponsor for the listing of the shares and warrants on Euronext STAR Milan in June 2022

Net Insurance-The Bank acted as Sponsor in the EXM/STAR transition process (August 2022)

Orsero-Banca Akros is acting as corporate broker

Osai-Banca Akros is acting as corporate broker

PLC-Banca Akros is a specialist or liquidity provider

Prima Industrie-Banca Akros is acting as corporate broker

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QF Mediolanum RE A-Banca Akros is a specialist or liquidity provider (closed-end funds)

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Revo Insurance-Banca Akros is acting as corporate broker

Saipem-Banca Akros was acting as intermediary for the share buyback programme organized in September 2021

Saipem-Banca Akros acted as a Joint Bookrunner of the capital increase organized in June 2022

Saipem-Banco BPM is among the lenders for the "Financial and Capital Strengthening Plan" announced in March 2022

Salcef-Banca Akros acted as Joint Global Coordinator e Joint Bookrunner of the Accelerated Bookbuilding organized in September and October 2021

Salcef-Banca Akros is a specialist or liquidity provider

Sciuker Frames-Banca Akros acted as corporate broker (October 2022)

Shedirpharma-Banca Akros is a specialist or liquidity provider

Spindox-Banca Akros is acting as corporate broker

Tiscali-Banca Akros assisted Linkem and Linkem Retail as financial advisor issuing a fairness opinion on the Linkem Retail/Tiscali merger exchange ratio

Unicredit-Banca Akros acted as Co-Lead Manager of the bond issuance organized in January 2022 (UniCredit EU 1.75b Snr Pref, ISIN XS2433141947)

Unidata-Banca Akros is acting as corporate broker

Unidata-Banca Akros was acting as intermediary for the share buyback programme organized in September 2021

Webuild-Banca Akros acted as a CoManager of the issuance organized in January 2021 and January 2022.

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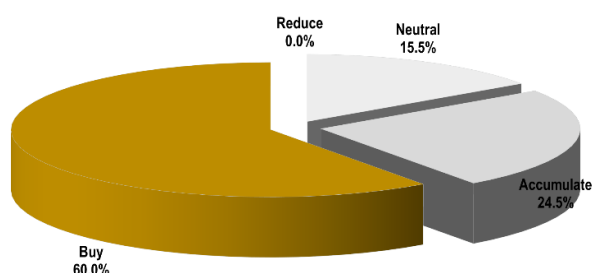
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Percentage of recommendations by the 30 June 2023

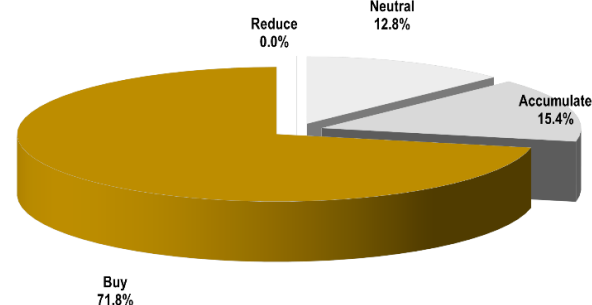
All recommendations

Recommendations on stocks under conflict of interest (*)

30 Jun 23



30 Jun 23



(*) Please note that the rate of issuers who are in potential conflict of interests with Banca Akros is equivalent to 35.45% of all issuers covered

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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 months
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months
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