

**PLC****Sponsored Research****Italy | Energy****Analysar****2 October 2023****Buy**

Recommendation unchanged

**Share price: EUR 1.48**

closing price as of 29/09/2023

**Target price: EUR 2.00**

Target Price unchanged

**Upside/Downside Potential 35.1%**

Reuters/Bloomberg

PLC.MI/PLC IM

**Market capitalisation (EURm) 38**

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) 8.18

Price high/low 12 months 1.60 / 1.30

Abs Perfs 1/3/12 mths (%) -1.00/6.47/-1.33

**Key financials (EUR) 12/22 12/23e 12/24e**

Sales (m) 60 77 89

EBITDA (m) (6) 1 5

EBITDA margin nm 1.0% 5.1%

EBIT (m) (13) (2) 2

EBIT margin nm nm 1.8%

Net Profit (adj.)(m) (13) (2) (0)

ROCE -47.5% -4.8% 3.6%

Net debt/(cash) (m) 3 17 17

Net Debt/Equity 0.2 1.4 1.5

Debt/EBITDA -0.5 21.8 3.9

Int. cover(EBITDA/Fin. int) (104.1) 2.7 2.7

EV/Sales 0.7 0.7 0.6

EV/EBITDA nm 71.6 12.5

EV/EBITDA (adj.) nm 71.6 12.5

EV/EBIT nm nm 34.8

P/E (adj.) nm nm nm

P/BV 3.1 3.3 3.3

OpFCF yield 8.3% -37.4% -1.9%

Dividend yield 0.0% 0.0% 0.0%

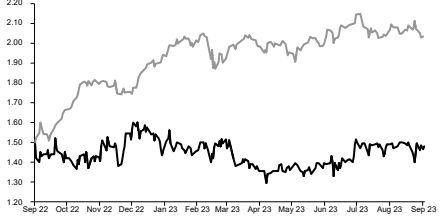
EPS (adj.) (0.50) (0.07) (0.00)

BVPS 0.52 0.45 0.45

DPS 0.00 0.00 0.00

**Shareholders**

Fraes 74%;



Source: FactSet

— PLC — FTSE Italy All Share (Rebased)

**Analyst(s)**

Gian Marco Gadini

gianmarco.gadini@bancaakros.it

+39 02 4344 4236

**H1 23 results slightly better than expected****The facts:** PLC released its H1 23 results on 29 September.**Our analysis:** we summarise the main lines of the release below.

EUR m	H1 23	H1 22	Δ% Y/Y	H1 23E
Total sales	33.1	26.8	23.5%	33.0
EBITDA	0.7	-1.7	nm	0.0
as a % of sales	2.2%	-6.3%		0.0%
EBIT	-0.6	-3.0	nm	-3.4
as a % of sales	-1.7%	-11.2%		-10.4%
Pre-tax profit	-1.7	-4.8	nm	-3.5
Net profit	-1.6	-4.4	nm	-3.2
Net financial debt	2.8	1.9	nm	5.0

Revenues were in line with our expectations, while EBITDA was slightly above the break-even point.

The Construction segment recovered significantly, as it posted EUR 17.6m in revenues (+66% Y/Y on a lfl basis) and an EBITDA margin of 5% (loss of over 18% in H1 22). PLC System overcame the challenges that affected its performance in H1 22 and grew thanks to new contracts focused on the group core competencies. On the other hand, activities at Schmack Biogas suffered by the postponement of some projects due to the adoption of new incentive schemes at the end of FY 22. The division's backlog at the end of H1 23 was EUR 60m and is due to be executed by the end of 2024.

The Service segment (net of the Monsson perimeter) revenues grew by 8% to EUR 12.7m, while EBITDA margin improved from 17% to 18%, confirming its resiliency and profitability.

Below EBITDA, the expected impact of write-offs was mainly concentrated in the discontinued assets (Monsson and Idroelettrica 2014), which dragged ~EUR 1m off the continuing operations' net income.

The net debt came in at EUR 2.8m, flat vs. EUR 2.9m as at 31 Dec 2022 thanks to the effective working capital management (with contractual activities balanced out by down-payments) and despite the EUR 1.9m write-off of the shareholders' loan granted to Monsson under the disposal agreement.

**Outlook.** The management confirmed the FY 23 EBITDA guidance of EUR 0/1m.

**Conclusion & Action:** results were slightly better than our estimates. In particular, we note the tight control over the net financial position, which was stable despite waived financial credit of almost EUR 2m. PLC seems well on track to recover, in line with the FY 23/27 business plan.