

**PLC****Sponsored Research****Italy | Energy****Analysar****22 March 2024****Buy**

Recommendation unchanged

**Share price: EUR 1.60**

closing price as of 21/03/2024

**Target price: EUR 2.00**

Target Price unchanged

**Upside/Downside Potential 25.0%**

Reuters/Bloomberg

PLC.MI/PLC IM

**Market capitalisation (EURm) 42**

Current N° of shares (m) 26

**Free float 26%**

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

Daily avg. trad. vol. 12 mth (k) 26.33

Price high/low 12 months 1.91 / 1.28

Abs Perfs 1/3/12 mths (%) 8.84/5.96/6.31

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

Sales (m) 60 65 89

EBITDA (m) (6) 1 5

EBITDA margin nm 1.2% 5.1%

EBIT (m) (13) (2) 2

EBIT margin nm nm 1.8%

Net Profit (adj.)(m) (13) (2) 1

ROCE -47.5% -7.5% 5.8%

Net debt/(cash) (m) 3 5 4

Net Debt/Equity 0.2 0.4 0.3

Debt/EBITDA -0.5 6.3 0.8

Int. cover(EBITDA/Fin. int) (104.1) 2.7 9.0

EV/Sales 0.7 0.8 0.5

EV/EBITDA nm 62.1 10.1

EV/EBITDA (adj.) nm 62.1 10.1

EV/EBIT nm nm 28.3

P/E (adj.) nm nm nm

P/BV 3.1 3.8 3.3

OpFCF yield 8.3% -5.0% 1.8%

Dividend yield 0.0% 0.0% 0.0%

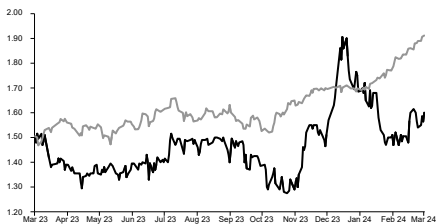
EPS (adj.) (0.50) (0.07) 0.03

BVPS 0.52 0.45 0.48

DPS 0.00 0.00 0.00

**Shareholders**

Fraes 74%;



Source: FactSet

PLC FTSE Italy All Share (Rebased)

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**FY 23pre: results expected in line with target****The facts:** PLC is due to release its H1 23 results on 27 March 2024.**Our analysis:** We summarise our estimates below.

EUR m	2023E	FY 2022p <sup>*</sup>	Δ% Y/Y	FY 2022	Δ% Y/Y
Total sales	65.2	47.3	37.9%	60.4	8.0%
o/w Construction	35.0	18.0	94.6%	26.6	31.6%
o/w Services	24.2	21.0	15.1%	25.5	-5.1%
EBITDA	0.8	-6.7	nm	-6.1	nm
as a % of sales	1.2%	-14.2%		-10.2%	
EBIT	-2.1		nm	-13.0	nm
as a % of sales	-3.2%			-21.5%	
Pre-tax profit	-2.4		nm	-13.1	nm
Net profit	-1.8		nm	-15.9	nm
Net financial debt	5.0		nm	2.9	nm

(\*) Pro-forma data for FY 22 are based on Banca Akros' calculation, to exclude the contribution of Schmack Biogas (discontinued as of FY 23 and sold on 7 March 2024)

We expect FY 23 results to be on track with business plan targets.

Revenues ought to grow significantly on a like-for-like basis (~38% Y/Y), i.e. excluding Schmack Biogas sold on 7 March 2024, which will not be included in the scope of consolidation in FY 23. We expect the Construction segment to have recovered strongly, in line with H1 23, thanks to the sound order intake.

As disclosed on 21 December, PLC had a backlog of EUR 112m at the end of November 2023, o/w EUR 62m in Construction contracts (including Schmack Biogas). The Service segment ought to confirm its positive growth and profitability.

We forecast an EBITDA of EUR 0.8m, in line with the "EUR 0/1m" guidance range.

As regards the net debt, we expect a marginal absorption, mainly due to the development of the Construction activity, and the cash impact of the waiver of credits linked to the disposal of Monsson. As such, we expect the net debt to reach EUR 5m, vs. EUR 2.9m as at 31 Dec 2022.

**Conclusion & Action:** we expect a solid release, in line with the business plan targets. The solid order intake increases the visibility on the short-term goals. We have changed our FY 23 estimates to factor in the deconsolidation of Schmack Biogas, while we will update our FY 24 estimates after the release. We confirm our positive recommendation.