



Analysers

8 March 2024

Buy

Recommendation unchanged

Share price: EUR 1.57

closing price as of 07/03/2024

Target price: EUR 2.00

Target Price unchanged

Upside/Downside Potential 27.8%

Reuters/Bloomberg

PLC.MI/PLC IM

Market capitalisation (EURm) 41

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) 35.62

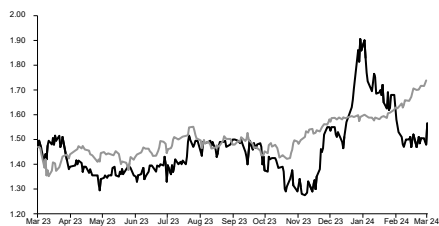
Price high/low 12 months 1.91 / 1.28

Abs Perfs 1/3/12 mths (%) -0.95/1.95/6.46

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)	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	6.4	0.8
Int. cover(EBITDA/Fin. int)	(104.1)	2.7	9.1
EV/Sales	0.7	0.6	0.5
EV/EBITDA	nm	63.7	9.9
EV/EBITDA (adj.)	nm	63.7	9.9
EV/EBIT	nm	nm	27.8
P/E (adj.)	nm	nm	49.6
P/BV	3.1	3.8	3.2
OpFCF yield	8.3%	-5.4%	2.2%
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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Closing of biogas business disposal

The facts: PLC announced yesterday the closing of the disposal of its 51% stake in Schmack Biogas Srl to Hitachi Zosen Inova AG (HZI).

Our analysis: Schmack Biogas is engaged in the construction, operation and maintenance of biogas plants. The disposal concerns Schmack Biogas and its subsidiaries Sicily Biomethan Srl (50%), BioForCH4 Srl (60%) and Biomethane Invest Srl (25%).

We summarise the last few years' results in the following table (data from the company's breakdown).

Schmack Biogas: FY 20/H1 23 revenues and EBITDA

	FY 2020	FY 2021	FY 2022	H1 23
Construction	2.8	10.4	8.6	1.5
Services	5.1	3.9	4.5	2.6
Total revenues	7.9	14.2	13.1	4.1
Construction	(0.6)	0.4	0.1	(0.4)
Services	0.5	0.5	0.5	0.2
Total EBITDA	(0.1)	1.0	0.6	(0.2)

Source: company data

The total consideration for PLC's 51% stake is EUR 10.6m, including intercompany loans and two variable ear-outs related to I) Schmack's operating and financial performance and II) to the favourable conclusion of the authorization processes for Schmack Biogas and its subsidiaries' ongoing projects.

The total consideration is slightly above our previous estimate (~EUR 9m) and, according to the press release, part of the cash-in may be distributed to shareholders. The deconsolidation of the biogas operations is likely to impact a few million euros in lower revenues but ought to have a negligible impact at the EBITDA level in FY 24 and as much as ~EUR 1m over the business plan timeframe. All in all, the total consideration implies an "exit multiple" of >9/10x EV/EBITDA, slightly higher than the group's FY 24 multiple.

Conclusion & Action: positive but discounted. We confirm our current estimates pending the release of the FY 23 results, as we deem the disposal broadly "neutral" from a valuation standpoint.