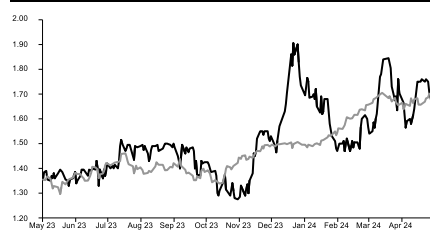


Company Update

Buy			
Recommendation unchanged			
Share price: EUR	1.65		
closing price as of 13/05/2024			
Target price: EUR	2.20		
from Target Price: EUR 2.00			
Upside/Downside Potential	33.3%		
Reuters/Bloomberg		PLC.MI/PLC IM	
Market capitalisation (EURm)	43		
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)	21.81		
Price high/low 12 months	1.91 / 1.28		
Abs Perfs 1/3/12 mths (%)	-3.23/11.49/21.77		
Key financials (EUR)	12/23	12/24e	12/25e
Sales (m)	67	73	83
EBITDA (m)	4	5	7
EBITDA margin	5.4%	6.2%	8.8%
EBIT (m)	2	3	5
EBIT margin	3.1%	3.4%	6.4%
Net Profit (adj.)(m)	1	1	4
ROCE	10.5%	12.6%	22.3%
Net debt/(cash) (m)	(1)	(5)	(4)
Net Debt/Equity	-0.1	-0.3	-0.2
Net Debt/EBITDA	-0.4	-1.0	-0.5
Int. cover(EBITDA/Fin.int)	8.1	9.0	19.4
EV/Sales	0.6	0.6	0.5
EV/EBITDA	11.8	9.0	5.6
EV/EBITDA (adj.)	11.8	9.0	5.6
EV/EBIT	20.5	16.1	7.7
P/E (adj.)	36.9	29.0	11.4
P/BV	3.5	2.7	2.4
OpFCF yield	7.3%	5.4%	1.9%
Dividend yield	0.0%	4.2%	4.5%
EPS (adj.)	0.05	0.06	0.14
BVPS	0.49	0.62	0.69
DPS	0.00	0.07	0.08

Shareholders

Fraes 74%;



Source: FactSet

Analyst(s)

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Reason: Company results (post view)

14 May 2024

FY 23 results well on track

PLC reported good FY 23 results on 27 March 2024, posting better-than-expected EBITDA and net cash position. PLC's solid backlog testifies to the resilient, underlying trends of investments in the renewables market and in the electric grid, which are expected to continue into the next few years. Visibility on the recovery path is increasing (+44% EBITDA CAGR through FY 26) and supports our positive view on the company. We have upgraded our target price to EUR 2.2/sh (+10%) to incorporate the better net cash position as at the end of FY 23.

- ✓ **FY 23 results.** The FY 23 EBITDA was much better than expected and the business plan target as it turned to positive EUR 3.6m (vs. guidance of EUR "0/1m") vs. the loss of EUR 6.6m in FY 22. The EBITDA margin of the Construction segment stood at 9.2% (vs. -39% in FY 22), while the Service segment posted an EBITDA margin of 22.5% (21.4% in FY 22). Net debt was better than expected, as the group reported a net cash position of EUR 1.3m (vs. EUR 2.9m net debt as at the end of FY 22), thanks to the start of new projects with the related downpayments and the smooth execution of the construction works. In late FY 23, the group started the disposal process of the biogas unit Schmack, which was finalised in March 2024, in line with the company's strategy to refocus on its core businesses.
- ✓ **Outlook.** PLC's management confirmed the FY 24 EBITDA guidance of EUR 4/6m, in line with the FY 23/27 business plan even with a smaller scope of consolidation than the original one. Despite the uncertain macroeconomic backdrop, PLC group is performing well in both the Construction and the Service segment, as testified to by the solid order intake and the FY 23 results. As at 31 December 2023, PLC had a backlog of EUR 56m in the Construction business (~1.4x book-to-bill ratio) and EUR 41m in the Service business, as well as EUR 60m and EUR 6m respectively of "commercial pipeline".
- ✓ **Estimates revision.** We have adjusted our estimates following the disposal of the biogas business. The EBITDA margin appears "optically" higher over the entire forecast period (by ~1.5/2pp), since Schmack was expected to yield a structurally lower EBITDA margin vis-à-vis the other business units. However, we have left our EBITDA unchanged in absolute terms (FY 27 EBITDA of ~EUR 11m). We have also factored in the better-than-expected net debt position as at the end of FY 23. We expect the underlying trends of investments in the renewables market and in the electric grid to continue in the next few years, thus leaving room for PLC to grow at a double-digit CAGR.
- ✓ **Investment case and valuation.** We have upgraded our target price to EUR 2.2/sh (+10% vs. the previous EUR 2.0/sh) to factor in the better-than-expected net cash position as at the end of FY 23 (~EUR 6m, or 10% of the equity value), while the main assumptions, after having included the perimeter effects, are unchanged. PLC is trading at an ~25% premium vs. peers on the FY 24 EV/EBITDA metric (9.4x), which is justified by the depressed EBITDA in the short term. However, multiples on FY 25/26 EBITDA (5.7x/4.5x respectively) are at ~12%/32% discount respectively, despite PLC's higher growth profile, with an EBITDA CAGR of ~44% through FY 26 (compared with a median of ~15%).

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Company description

PLC is one of the leading EPC and maintenance operators in the Italian electrical infrastructure and renewable energy markets, with a specific focus on solar and wind energy plants and electricity substations. Based in Acerra (Naples) with operating offices in Puglia, Lazio, Sicily and Sardinia, PLC operates at all levels of the renewable energy value chain, namely:

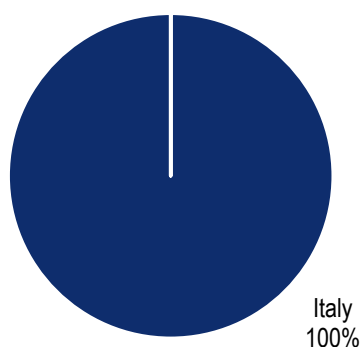
- ✓ **Construction:** PLC designs and builds turnkey electrical substations and renewable power plants under the EPC formula (Engineering, procurement and construction). It also develops solar and wind fields and sells them to qualified investors under the BOT formula (Build Operate Transfer);
- ✓ **Services:** PLC provides a wide range of specialised O&M (Operations and Maintenance) services, including maintenance of high- and medium-voltage power interconnections, photovoltaic plants and wind turbines, as well as the revamping of photovoltaic systems and power interconnections;

As part of the 2023-2027 strategy, PLC aim to refocuses its activities in Italy and in core businesses. To realise this strategy the company already disposed Monsson and Idroelettrica 2014. Furthermore, the company sold Schmack Biogas in an opportunistic deal closed in March 2024.

The **top managers** are Mr. Francesco Esposito (chairman) and Mr. Andrea Orlando (CEO, in charge as of 9 May 2024).

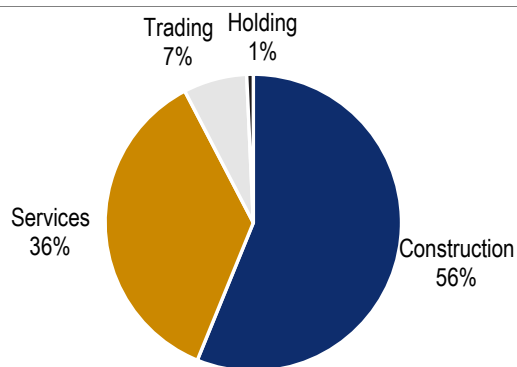
The **shareholding structure** is as follows: Fraes Srl (holding company owned by Chiara Esposito, who is also member of the BoD of PLC, and Ms. Annamaria Scognamiglio) 73.5%. A shareholder pact underwritten by some minority shareholders on 16 June 2023 locks another 11.1% of the share capital. Free float 15.4%.

Revenue breakdown by geography



Source: company data

Revenue breakdown by activity



Source: company data

SWOT Analysis

Strengths / Opportunities

- ✓ Leading position in the Italian renewables market
- ✓ High retention rate in O&M services
- ✓ Large funds and political commitment to energy transition
- ✓ Highly fragmented market with consolidation opportunities

Weaknesses / Threats

- ✓ 100% concentration on the Italian market
- ✓ Scarcity of skilled personnel in the market
- ✓ Delays and uncertainty in bureaucratic authorisation for BOT projects
- ✓ Supply chain disruptions

FY 2023 results

FY 2023 results

EUR m	FY 2023	FY 2022pf*	Δ% Y/Y	2023E
Total sales	66.7	47.4	40.8%	65.2
o/w Construction	37.4	18.0	108.1%	35.0
o/w Services	24.1	21.0	14.6%	24.2
EBITDA	3.6	(6.6)	nm	0.8
As a % of sales	5.4%	-13.9%		1.2%
EBIT	2.1	(12.5)	nm	(2.1)
As a % of sales	3.1%	-26.4%		-3.2%
Net profit	0.8	(15.9)	nm	(1.8)
Net financial debt	(1.3)	2.9	nm	5.0

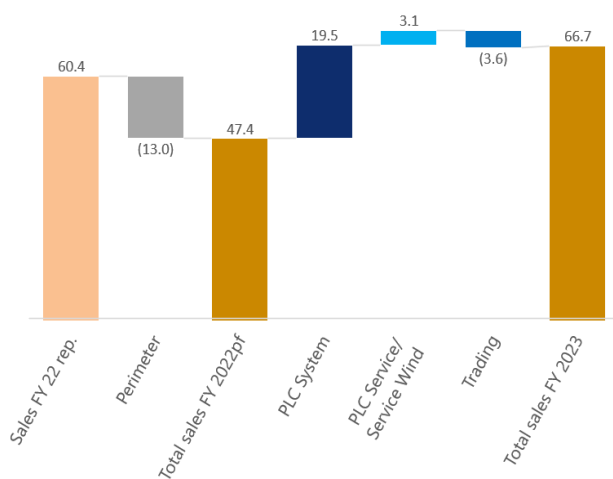
Source: Company data, Banca Akros estimates

FY 22 data were rebased to exclude Schmack Biogas (active in both the Construction and Service segments) and Idroelettrica 2014 (Construction segment) from the scope of consolidation. The Schmack Biogas perimeter was discontinued as of FY 2023 and Idroelettrica 2014 as of H1 23. The aggregated effect on revenues and EBITDA is shown in the waterfall charts below (EUR 13m lower revenues and EUR 0.4m lower EBITDA for FY 22 data).

PLC's results showed a strong recovery on a like-for-like basis. In particular, Construction overcome most of the issues that affected results in FY 22, mainly due to the supply chain disruptions, which led to higher prices and longer lead time and, in turn, slowed down the execution of some projects significantly. In the Service segment operations were healthy.

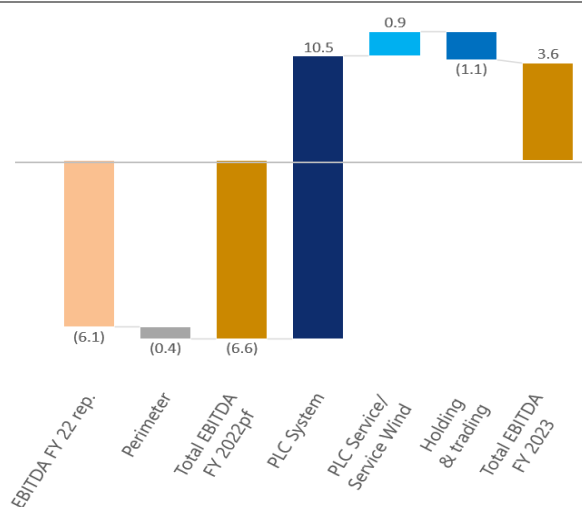
As a result, the FY 23 EBITDA was much better than expected and swung back to positive EUR 3.6m vs. the loss of EUR 6.6m (EUR 6.1m on a reported basis). The EBITDA margin of the Construction segment stood at 9.2% (vs. -39% in FY 22), while the Service segment posted a 22.5% EBITDA margin (21.4% in FY 22).

FY 2023: revenue bridge



Source: Company data

FY 2023: EBITDA bridge

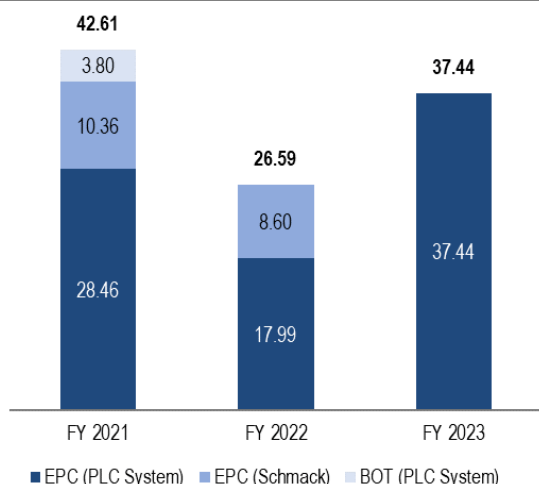


Source: Company data

The **Construction business** improved significantly on a Y/Y basis, although some delays were still recorded in older PLC System’s projects. Nevertheless, PLC System more than doubled its revenues and achieved an EBITDA margin of ~9% thanks to new orders received since H2 22, which are progressing as scheduled in terms of margins and timing. At the end of FY 23 the backlog of the Construction division was EUR ~56m, providing good visibility for FY 24 and the first part of FY 25.

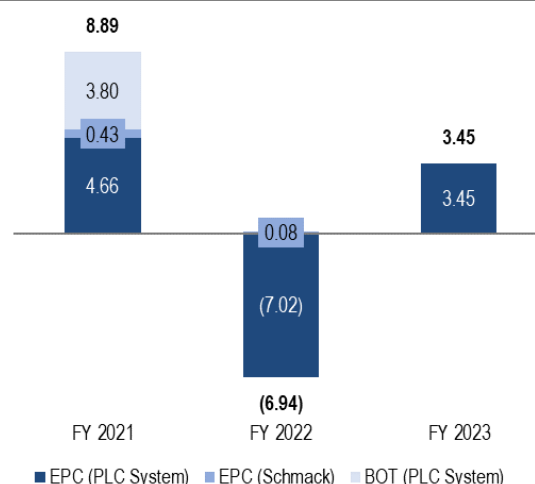
The impact of the discontinuation of the Schmack Biogas scope was negligible at the EBITDA level.

Construction: revenue trend (EURm)



Source: Company data

Construction: EBITDA trend (EURm)

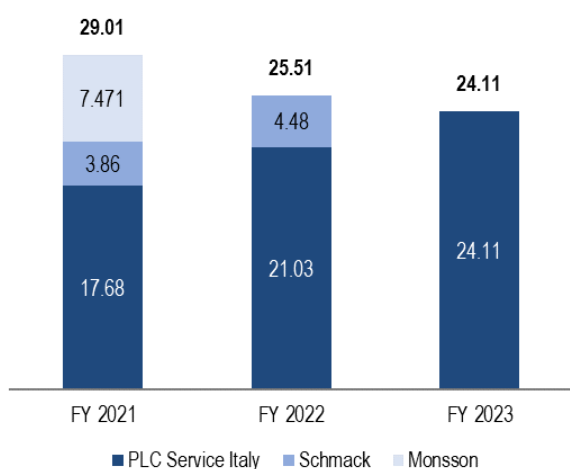


Source: Company data

The **Service segment** grew 14.6% Y/Y and posted a ~22.5% EBITDA margin, a tad better Y/Y (~1pp) on a pro-forma basis thanks to the business mix, which also included a higher contribution from revamping.

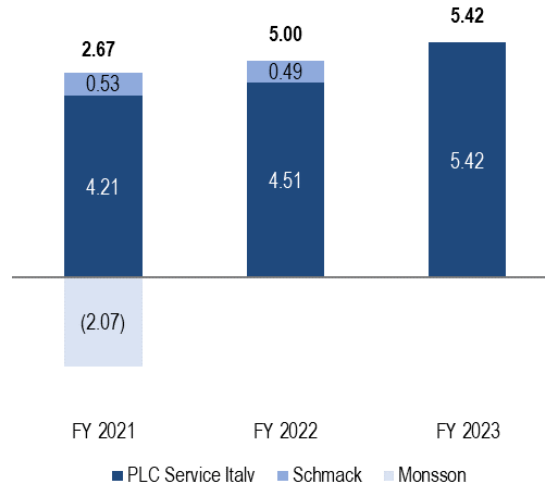
The impact of Schmack was slightly negative in absolute terms (~EUR 0.5m) but was beneficial at the EBITDA margin level, since the division delivered ~11% EBITDA margin in FY 22).

Services: revenue trend (EURm)



Source: Company data

Services: EBITDA trend (EURm)



Source: Company data

At last, the **Trading** segment's revenues declined by 44% Y/Y, due to the lower energy prices and volumes in the MSD market. The only active contract of the subsidiary MSD Service expired at the end of 2023, and management is considering discontinuing this non-core business. We note that this activity has always been considered marginal in the last few years, with EBITDA roughly at break-even.

The **Holding costs** rose by ~EUR 1.6m (~+36% Y/Y). This increase is mainly related to the following:

- ✓ EUR 1.1m due to new hirings and the centralisation of some functions (including R&D, procurement and business development) that were previously carried out by subsidiaries.
- ✓ EUR 0.1m due to non-recurring costs linked to the disposal of Monsson.

Net cash

The net cash reached EUR 1.27m at the end of FY 23 from a net debt of EUR 2.93m at the end of FY 22. We note that the NWC generated ~EUR 6m, thanks to the start of new projects (with the related downpayments) and the smooth execution of the construction works. We also note that the net debt included the waiver of the shareholders' loan (worth EUR 1.9m) granted to Monsson as part of the disposal agreement.

We also note that the gross debt is gradually declining at the holding company level and is being concentrated at the subsidiary level, i.e. closer to the cash-generating units.

The net debt includes lease liabilities of EUR 0.88m (vs. EUR 1.17m as at 31 Dec 2022).

Outlook

PLC's management **confirmed the FY 24 EBITDA guidance of EUR 4/6m**, in line with the FY 23/27 business plan even with a perimeter smaller than the original one.

Indeed, despite the uncertain macroeconomic backdrop, PLC group is performing well in both the Construction and the Service segment, as testified to by the solid order intake and the FY 23 results. As at 31 December 2023, **PLC had a backlog of EUR 56m in the Construction business and EUR 41m in the Service business**, as well as EUR 60m and EUR 6m respectively of "commercial pipeline".

Furthermore, the issues occurred in FY 22 appear to have been "mostly overcome", while the management see no significant risks on the growth prospects going forward.

FER2 about to be approved, FERX draft under discussion

In March 2022, the Ministry for Ecological Transition (“MITE”) published the first draft of the second decree on Renewable energy sources (“FER 2”), concerning the subsidy schemes for the renewable sources excluded from “FER 1”, namely offshore wind, biogas, solar thermal and geothermal energy.

After a long bureaucratic process, the permanent committee between State and Regions gave green light to the FER 2 draft on 28 September. According to the latest draft circulated as of September 2022, the offshore wind will have the lion’s share, with around 5 GW out of ~5.6 GW to be auctioned in the 2022/26 timeframe. The biogas and biomass capacity ought to be 150 MW.

On 23 March 2023, the deputy ministry for Ecological Transition stated that the FER2 decree had been filed with the EU Commission. In February 2024, the ministry said that the FER2 decree was about to get the final approval from the EU Commission.

Pending the enforcement of the FER 2 decree, GSE went on with the periodic auction under the FER1 scheme.

Italian renewable capacity: auctions’ results

MW	date	New capacity	Total capacity	Assigned	Coverage
First auction	Oct-19	730	730	588	80.5%
Second auction	Feb-20	730	872	522	59.9%
Third auction	Jun-20	990	1,341	434	32.4%
Fourth auction	Oct-20	990	1,882	466	24.8%
Fifth auction	Feb-21	1,045	2,461	298	12.1%
Sixth auction	Jun-21	1,170	3,316	821	24.8%
Seventh auction	Oct-21	2,330	4,825	1,470	30.5%
Eighth auction	Jan-22	0	3,355	444	13.2%
Ninth auction	Jun-22	0	2,857	520	18.2%
Tenth auction	Oct-22	0	2,321	144	6.2%
Eleventh auction	Jan-23	0	2,149	422	19.7%
Twelfth auction	Jun-23	0	1,731	103	6.0%
Thirteenth auction	Jan-24	0	1,628	1,041	63.9%
Total		7,985		7,398	
Not assigned		587			

Source: Banca Akros on GSE data

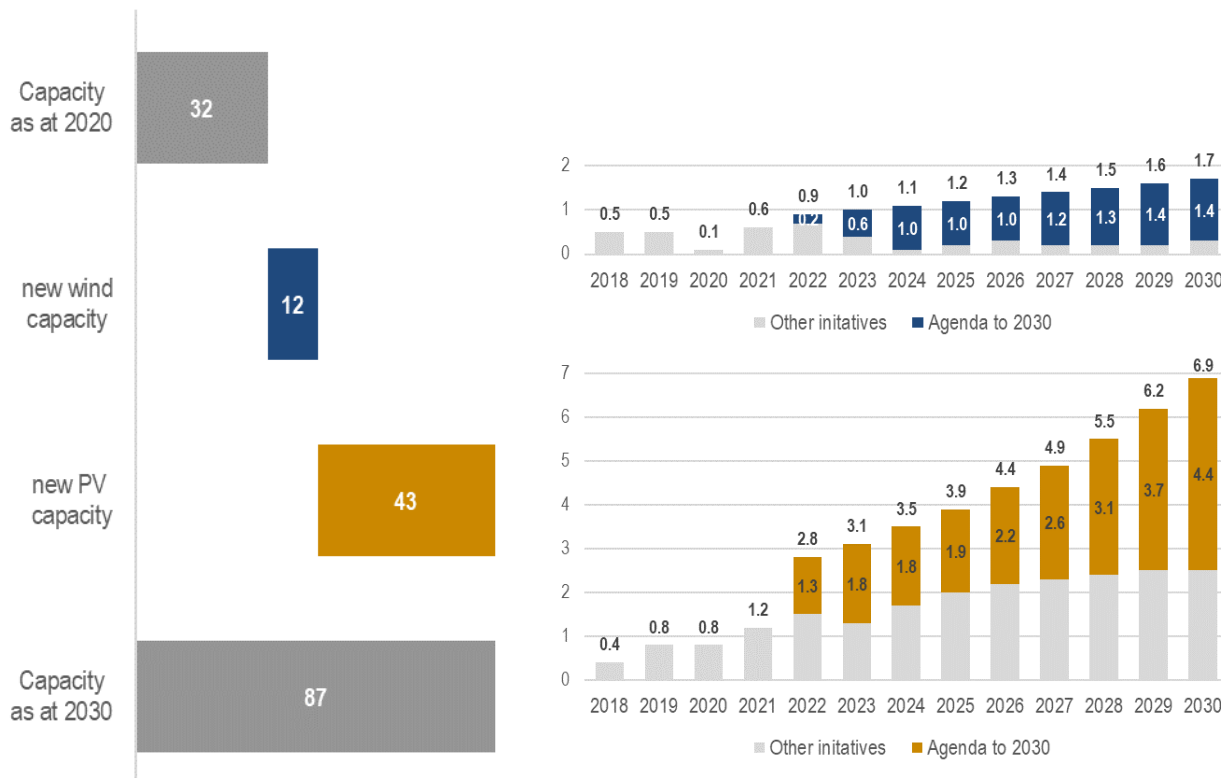
After a long streak of disappointing results, the latest auction assigned nearly two thirds of the tendered capacity, or 1 GW. We note that, for the first time, came into force the decree 57/2023, which provides for the **indexation of the subsidised tariff to inflation**, in accordance with Istat’s NIC index on a monthly basis. The first indexation factored in the cumulated inflation recorded since 1 August 2019.

On 7 August 2023, the Ministry for Energy Security launched a public consultation on a draft of the next incentive scheme, called “FERX”. The new scheme will cover all renewable sources and entails a new parameter, based on the “**avoided CO₂**” as computed by GSE on a life-time basis with respect to the equivalent greenhouse gases that would have been produced by an equivalent generation from fossil sources.

The draft also includes the expected auction quotas for the 2024/28 timeframe, which are a step-up compared with MITE's strategic agenda to 2030, in particular:

- ✓ Photovoltaic: 45 GW;
- ✓ Wind: 16.5 GW;
- ✓ Hydro: 0.6 GW.

Strategic agenda to 2030: non-programmable renewable sources



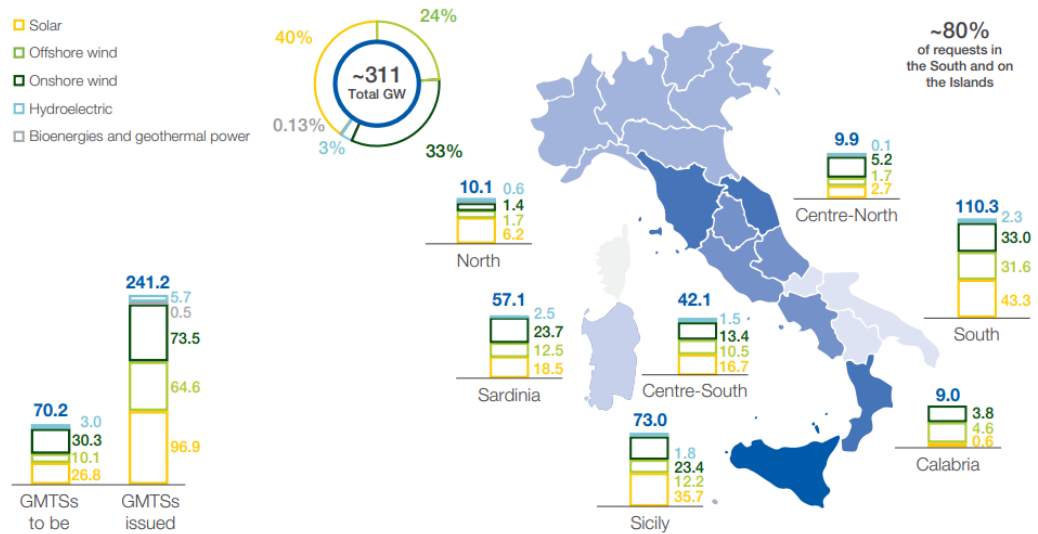
Source: Il Sole 24 Ore

Although capacity additions are still well below the medium-term goals implied by the Strategic Agenda, Terna reported a significant acceleration in FY 23.

In FY 23, **~5.8 GW of renewable capacity was added**, mainly thanks to solar plants (accounting for over 5.2 GW), almost doubling installations in FY 22 (~3 GW). However, the improvement was mainly driven by small-scale plants, as the **110% Superbonus** tax framework boosted residential renovation works. Indeed, plants with <12 kW installed capacity accounted for ~2 GW of the total installations, while large and utility-scale plants (>1 MW) contributed ~1.15 GW.

Based on Terna's last Development plan (published on 15 March 2023), we note the sharp increase in the connection requests over the last five years (over 224 GW in 2022 vs. 17 GW in 2018), as well as **~311 GW in "active requests"** for connection to the grid as at 31 December 2022, as summarised in the chart below.

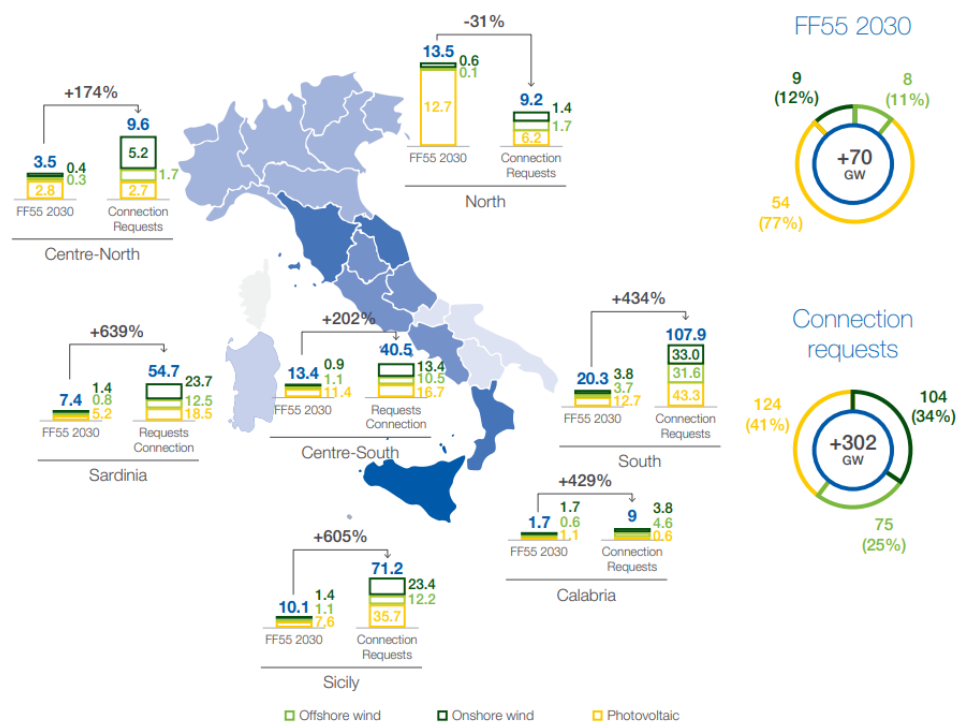
Connection requests to the grid as at 31 December 2022



Source: Terna's 2023 Development Plan overview

Terna noted that, although a connection request does not guarantee the effective construction of a plant, Southern Italy is clearly the preferred location, with over 80% of filed requests, including a large share of utility-scale plants. Furthermore, requests are nearly 4 times higher than the amount necessary to reach the Fit-for-55 targets.

Terna's Development Plan scenario vs. connection requests as at 31 December 2022



Source: Terna's 2023 Development Plan overview

FY 24/27 estimates

We have adjusted our estimates following the disposal of the biogas business. In particular, we have included a non-recurring income of ~EUR 5m, which we expect to be the capital gain from the disposal, and a cash-in of ~EUR 7m in FY 24.

Based on the management statements, we expect PLC to reach the business plan EBITDA targets despite the disposal of the biogas business, mainly thanks to the faster-than-expected recovery of the Construction business.

The EBITDA margin appears “optically” higher, since Schmack was expected to yield a structurally lower EBITDA margin vis-à-vis the other business units. However, we have left our EBITDA unchanged in absolute terms.

We have also factored in the better-than-expected net debt position as at the end of FY 23. Although we note that the improvement was mainly linked to the cash-in of downpayments for construction works, it flags a healthy development of core activities, after the disruption suffered in FY 22.

We expect the underlying trends of investments in the renewables market and in the electric grid to continue in the next few years, thus leaving room for PLC to grow at a double-digit CAGR.

We are also keeping to our cautious stance on the long-term prospects of the Construction business, as we project FY 27 EBITDA ~15% below the company’s mid-point guidance respectively. Nevertheless, visibility on the short-medium term has definitely improved, thanks to the consistent order intake and the strict focus on the group’s core products and services.

PLC: FY 24/27E Banca Akros estimates

	FY 21PF	FY 22PF	FY 23A	Δ% Y/Y	FY 24E	Δ% Y/Y	FY 25E	Δ% Y/Y	FY 26E	Δ% Y/Y	FY 27E	Δ% Y/Y
Total revenues	67.6	60.4	66.7	10.4%	73.1	9.7%	83.4	14.1%	93.7	12.3%	105.3	12.4%
EBITDA	9.7	(6.1)	3.6	nm	4.5	25.1%	7.4	63.1%	9.4	27.5%	10.9	15.9%
As a % of sales	14.4%	-10.2%	5.4%		6.2%		8.8%		10.0%		10.4%	
EBIT	7.4	(13.0)	2.1	nm	2.5	20.7%	5.4	113.1%	7.4	37.8%	8.9	20.3%
As a % of sales	10.9%	-21.5%	3.1%		3.4%		6.4%		7.9%		8.5%	
Net profit adj.	3.0	(15.9)	0.8	nm	1.5	nm	3.7	-28.9%	5.5	46.3%	6.8	24.8%
NWC	11.8	1.2	(3.3)		(1.3)		1.1		1.3		2.0	
Capex	1.4	1.7	3.6		2.9		2.5		2.3		2.1	
Net debt (cash)	2.8	2.9	(1.3)	nm	(4.7)	nm	(3.7)	-21.0%	(6.6)	77.8%	(8.8)	32.7%

Source: Company data and Banca Akros estimates

PLC: estimates update summary

EURm	FY 24E			FY 25E			FY 26E		
	new	old	Δ%	new	old	Δ%	new	old	Δ%
Total revenues	73.1	89.3	-18.1%	83.4	101.8	-18.0%	93.7	113.7	-17.6%
EBITDA	4.5	4.5	0.0%	7.4	7.4	0.0%	9.4	9.4	0.1%
As a % of sales	6.2%	5.1%	1.1pp	8.8%	7.2%	1.6pp	10.0%	8.3%	1.8pp
EBIT	2.5	1.6	55.7%	5.4	4.5	20.2%	7.4	6.5	13.9%
As a % of sales	3.4%	1.8%	1.6pp	6.4%	4.4%	2.0pp	7.9%	5.7%	2.2pp
Net income adj.	1.5	0.8	nm	3.7	3.1	22.1%	5.5	4.8	14.1%
Net debt (cash)	(4.7)	3.8	nm	(3.7)	1.0	nm	(6.6)	(2.1)	nm

Source: Company data and Banca Akros estimates

We note that two bank loans (accounting for EUR 2.4m out of EUR 7.8m gross debt) include the following covenants.

Covenants on bank loans

Loan	Borrower	Issued	Due date	Residual amount as at 31 December 2023 (EURm)	Covenants (on consolidated data)
BNL	PLC Service	Jul-2018	Jul-2029	0.869	Net debt/EBITDA<3x Net debt/equity<3.5x
BNL	PLC SpA	Jan-2019	Jan-2025	1.562	Net debt/EBITDA<2x Net debt/equity<1.5x

Source: company data

The covenants are breached only if both parameters are not met at the same time. We do not expect any breach of covenants in the near future.

Valuation update

Our DCF model is still based on conservative assumptions (cost of equity = WACC: 10%; D/E: 0; g: 0.5%). We have upgraded the terminal year's EBITDA margin from 8.5% to 10% to consider the smaller scope of consolidation (revenues of EUR 106m vs. the previous EUR 129m) and the higher profitability. In absolute terms, the terminal year EBITDA is unchanged compared with our previous estimate of ~EUR 11m.

After the roll-forward of our DCF model, **we have upgraded our target price to EUR 2.2/sh (+10% vs. the previous EUR 2.0/sh)**. The surprise at the net cash level as at the end of FY 23 (~EUR 6m, or 10% of the equity value) explains that change, while the main assumptions, after having included the perimeter effects, are unchanged.

We stress that, despite the prudent view on the business plan, the prospects remain solid. **Given the healthy upside (>30%), we confirm our Buy recommendation.**

PLC: Free Cash Flow projection (EUR m)

	FY 24E	FY 25E	FY 26E	FY 27E	FY 28E	FY 29E
EBITA	1.6	4.5	6.5	8.0	8.1	7.8
Taxes	(0.4)	(1.1)	(1.6)	(2.0)	(2.0)	(2.0)
Tax rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
NOPLAT	1.2	3.4	4.9	6.0	6.1	5.9
Depreciation & other provisions	2.9	2.9	2.9	2.9	2.9	3.0
Operating Cash Flow	4.1	6.3	7.8	8.9	9.0	8.9
Capex	(2.9)	(2.5)	(2.3)	(2.1)	(3.0)	(3.0)
Change in Net Working Capital	(2.0)	(2.4)	(0.2)	(0.6)	(0.1)	0.0
Free Operating Cash Flow (FOCF)	(0.8)	1.3	5.3	6.2	6.0	5.9

Source: Banca Akros estimates

PLC: DCF assumptions

Perpetual Growth Rate	1.5%
WACC	10.0%

Source: Banca Akros estimates

PLC: DCF Analysis

NPV of OFCF (2024/29)	16.1
NPV of Terminal Value	40.9
Enterprise Value (EUR m)	57.0
Financial Assets as at 31/12/23 (EURm)	2.0
Net Financial Debt as at 31/12/23 (EUR m)	1.3
Minorities market value (EUR m)	(0.0)
Pension underfunding	(2.4)
Equity Value (EUR m)	57.9
Value per share (EUR)	2.2

Source: Banca Akros estimates

PLC is trading at an ~25% premium on the FY 24 EV/EBITDA metric (9.4x), which is justified by the depressed EBITDA in the short term. However, multiples on FY 25/26 EBITDA (5.7x/4.5x respectively) are at discount (~12%/32% resp.) despite PLC's higher growth profile, with an EBITDA CAGR of ~44% through FY 26 (compared with a median of ~15%).

Peer Group Valuation

	Market Cap (m)	EV/Sales			EV/EBITDA			P/E		
		2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
ABO WIND AG	497.9	1.9	1.8	1.6	10.3	9.4	8.3	17.3	16.1	13.9
EOLUS VIND AB	172.4	1.9	1.7	1.7	5.8	5.5	5.9	7.5	7.0	7.5
ENERGIEKONTOR	971.6	4.2	2.7	2.7	10.7	6.8	6.8	24.2	12.5	13.5
COMAL SPA	37.7	0.4	0.4	0.3	5.4	3.8	2.9	n.a.	n.a.	n.a.
Average		2.1	1.6	1.6	8.1	6.4	6.0	16.3	11.9	11.6
Average (ex Comal)		1.9	1.7	1.7	8.1	6.2	6.4	17.3	12.5	13.5

Source: Bloomberg consensus as of 13 May 2024

PLC: Summary tables

PROFIT & LOSS (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Sales	75.1	60.4	66.7	73.1	83.4	93.7
Cost of Sales & Operating Costs	-67.4	-66.5	-63.0	-68.6	-76.1	-84.2
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	7.7	-6.1	3.6	4.5	7.4	9.4
EBITDA (adj.)*	7.7	-6.1	3.6	4.5	7.4	9.4
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	7.7	-6.1	3.6	4.5	7.4	9.4
EBITA (adj)*	7.7	-6.1	3.6	4.5	7.4	9.4
Amortisations and Write Downs	-2.8	-6.9	-1.5	-2.0	-2.0	-2.0
EBIT	4.9	-13.0	2.1	2.5	5.4	7.4
EBIT (adj.)*	4.9	-13.0	2.1	2.5	5.4	7.4
Net Financial Interest	-0.9	-0.1	-0.4	-0.5	-0.4	-0.1
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	-2.1	5.0	0.0	0.0
Earnings Before Tax (EBT)	3.9	-13.1	-0.4	7.0	5.0	7.3
Tax	-1.0	0.7	1.2	-1.8	-1.2	-1.8
<i>Tax rate</i>	<i>25.7%</i>	<i>5.5%</i>	<i>n.m.</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	-3.5	0.0	0.0	0.0	0.0
Net Profit (reported)	2.9	-15.9	0.8	5.3	3.7	5.5
Net Profit (adj.)	2.9	-13.0	1.2	1.5	3.7	5.5
CASH FLOW (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Cash Flow from Operations before change in NWC	5.7	-5.5	2.3	7.3	5.7	7.5
Change in Net Working Capital	-5.2	10.6	4.5	-2.0	-2.4	-0.2
Cash Flow from Operations	0.6	5.2	6.8	5.3	3.3	7.3
Capex	-1.4	-1.7	-3.6	-2.9	-2.5	-2.3
Net Financial Investments	0.0	0.0	3.6	2.8	0.0	0.0
Free Cash Flow	-0.9	3.5	6.8	5.1	0.8	5.0
Dividends	0.0	0.0	0.0	-1.8	-1.9	-2.2
Other (incl. Capital Increase & share buy backs)	-1.0	5.6	-0.8	-0.1	-0.2	-0.2
Change in Net Financial Debt	-1.9	9.0	6.1	3.2	-1.3	2.6
NOPLAT	3.6	-9.5	1.5	1.8	3.9	7.4
BALANCE SHEET & OTHER ITEMS (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Net Tangible Assets	8.5	7.7	6.5	7.5	8.0	8.3
Net Intangible Assets (incl. Goodwill)	14.7	11.0	11.3	8.5	8.5	8.5
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
Total Fixed Assets	23.2	18.8	17.8	15.9	16.4	16.8
Inventories	4.5	4.4	6.2	5.4	6.1	6.9
Trade receivables	36.3	20.2	19.2	22.7	25.9	29.0
Other current assets	4.0	12.7	28.0	6.4	6.9	7.6
Cash (-)	-10.7	-8.4	-10.0	-11.8	-11.2	-12.9
Total Current Assets	55.5	45.8	63.4	46.3	50.1	56.5
Total Assets	78.7	64.6	81.2	62.2	66.5	73.2
Shareholders Equity	28.4	13.5	12.6	16.0	17.8	21.1
Minority	0.0	-0.0	0.0	0.0	0.0	0.0
Total Equity	28.4	13.5	12.6	16.1	17.9	21.1
Long term interest bearing debt	8.5	6.1	3.5	2.9	3.0	2.6
Provisions	2.8	2.5	2.4	2.5	2.5	2.6
Lease Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.0	1.0	0.7	0.8	0.9	1.0
Total Long Term Liabilities	12.3	9.6	6.7	6.1	6.5	6.1
Short term interest bearing debt	5.1	5.2	5.1	4.2	4.4	3.7
Trade payables	25.8	21.0	22.9	27.4	28.4	31.8
Other current liabilities	7.1	15.3	33.9	8.4	9.4	10.4
Total Current Liabilities	38.0	41.5	61.9	40.0	42.2	46.0
Total Liabilities and Shareholders' Equity	78.7	64.6	81.2	62.2	66.5	73.2
Net Capital Employed	35.0	20.0	14.5	14.6	17.6	18.1
Net Working Capital	11.8	1.2	-3.3	-1.3	1.1	1.3
GROWTH & MARGINS	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
<i>Sales growth</i>	<i>14.6%</i>	<i>-19.6%</i>	<i>10.4%</i>	<i>9.7%</i>	<i>14.1%</i>	<i>12.3%</i>
EBITDA (adj.)* growth	126.9%	n.m.	n.m.	25.1%	63.1%	27.5%
<i>EBITA (adj.)* growth</i>	<i>126.9%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>25.1%</i>	<i>63.1%</i>	<i>27.5%</i>
<i>EBIT (adj.)* growth</i>	<i>614.6%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>20.7%</i>	<i>113.1%</i>	<i>37.8%</i>

PLC: Summary tables

GROWTH & MARGINS	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Net Profit growth	n.m.	n.m.	n.m.	22.9%	153.8%	46.3%
EPS adj. growth	n.m.	n.m.	n.m.	22.9%	153.8%	46.3%
DPS adj. growth				n.m.	7.1%	15.4%
EBITDA (adj)* margin	10.2%	n.m.	5.4%	6.2%	8.8%	10.0%
EBITA (adj)* margin	10.2%	-10.2%	5.4%	6.2%	8.8%	10.0%
EBIT (adj)* margin	6.5%	n.m.	3.1%	3.4%	6.4%	7.9%
RATIOS	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Net Debt/Equity	0.1	0.2	-0.1	-0.3	-0.2	-0.3
Net Debt/EBITDA	0.4	-0.5	-0.4	-1.0	-0.5	-0.7
Interest cover (EBITDA/Fin.interest)	8.2	n.m.	8.1	9.0	19.4	94.1
Capex/D&A	50.1%	24.8%	232.9%	146.3%	125.1%	117.1%
Capex/Sales	1.9%	2.8%	5.3%	4.0%	3.0%	2.5%
NWC/Sales	15.8%	2.0%	-5.0%	-1.8%	1.4%	1.4%
ROE (average)	10.8%	-62.3%	9.2%	10.3%	22.1%	28.2%
ROCE (adj.)	10.2%	-47.5%	10.5%	12.6%	22.3%	41.0%
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
ROCE (adj.)/WACC	1.0	-4.8	1.1	1.3	2.2	4.1
PER SHARE DATA (EUR)***	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Average diluted number of shares	26.0	26.0	26.0	26.0	26.0	26.0
EPS (reported)	0.11	-0.61	0.03	0.20	0.14	0.21
EPS (adj.)	0.11	-0.50	0.05	0.06	0.14	0.21
BVPS	1.09	0.52	0.49	0.62	0.69	0.81
DPS	0.00	0.00	0.00	0.07	0.08	0.09
VALUATION	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
EV/Sales	0.8	0.7	0.6	0.6	0.5	0.4
EV/EBITDA	7.5	n.m.	11.8	9.0	5.6	4.1
EV/EBITDA (adj.)*	7.5	n.m.	11.8	9.0	5.6	4.1
EV/EBITA	7.5	-7.3	11.8	9.0	5.6	4.1
EV/EBITA (adj.)*	7.5	-7.3	11.8	9.0	5.6	4.1
EV/EBIT	11.8	n.m.	20.5	16.1	7.7	5.2
EV/EBIT (adj.)*	11.8	n.m.	20.5	16.1	7.7	5.2
P/E (adj.)	18.8	n.m.	36.9	29.0	11.4	7.8
P/BV	1.9	3.1	3.5	2.7	2.4	2.0
Total Yield Ratio	0.0%	0.0%	4.2%	4.5%	5.2%	
EV/CE	1.6	2.2	2.9	2.8	2.4	2.1
OpFCF yield	-1.6%	8.3%	7.3%	5.4%	1.9%	11.6%
OpFCF/EV	-1.5%	7.7%	7.6%	5.7%	1.9%	12.8%
Payout ratio	0.0%	0.0%	0.0%	34.5%	52.0%	41.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	4.2%	4.5%	5.2%
EV AND MKT CAP (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Price** (EUR)	2.08	1.60	1.71	1.65	1.65	1.65
Outstanding number of shares for main stock	26.0	26.0	26.0	26.0	26.0	26.0
Total Market Cap	54.0	41.5	44.3	42.8	42.8	42.8
Gross Financial Debt (+)	13.5	11.3	8.7	7.1	7.5	6.3
Cash & Marketable Securities (-)	-10.7	-8.4	-10.0	-11.8	-11.2	-12.9
Net Financial Debt	2.8	2.9	-1.3	-4.7	-3.7	-6.6
Lease Liabilities (+)	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt	2.8	2.9	-1.3	-4.7	-3.7	-6.6
Other EV components	0.7	0.4	-0.3	2.5	2.5	2.6
Enterprise Value (EV adj.)	57.5	44.9	42.7	40.6	41.6	38.8

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 1/2

Automobiles & Parts	Mem(*)	Piaggio	BAK	Bonduelle	CIC	Cnh Industrial	BAK
Brembo	BAK	Richemont	CIC	Campari	BAK	Corticeira Amorim	CBI
Cie Automotive	GVC	Smcp	CIC	Carlsberg As-B	CIC	Ctt	CBI
Ferrari	BAK	Swatch Group	CIC	Danone	CIC	Danieli	BAK
Forvia	CIC	Technogym	BAK	Diageo	CIC	Dassault Aviation	CIC
Gestamp	GVC	Trigano	CIC	Ebro Foods	GVC	Datalogic	BAK
Landi Renzo	BAK	Ubisoft	CIC	Fleury Michon	CIC	De Nora	BAK
Michelin	CIC	Energy	Mem(*)	Heineken	CIC	Desa	GVC
Opmobility	CIC	Averne Group	CIC	Italian Wine Brands	BAK	Edenred	CIC
Pirelli & C.	BAK	Cgg	CIC	Lans on-Boc	CIC	Eleonor	GVC
Renault	CIC	Eni	BAK	Laurent Perrier	CIC	Elis	CIC
Sogefi	BAK	Galp Energia	CBI	Ldc	CIC	Enav	BAK
Stellantis	BAK	Gas Plus	BAK	Lindt & Sprüngli	CIC	Enogia	CIC
Valeo	CIC	Gtt	CIC	Nestle	CIC	Exel Industries	CIC
Banks	Mem(*)	Maurel Et Prom	CIC	Orsero	BAK	Fincantieri	BAK
Banco Sabadell	GVC	Plc	BAK	Pernod Ricard	CIC	Getlink	CIC
Banco Santander	GVC	Repsol	GVC	Remy Cointreau	CIC	Global Dominion	GVC
Bankinter	GVC	Rubis	CIC	Tipiak	CIC	Haulotte Group	CIC
Bbva	GVC	Saipem	BAK	Vs cofan	GVC	Interpump	BAK
Bnp Paribas	CIC	Technip Energies	CIC	Vranken	CIC	Legrand	CIC
Caixabank	GVC	Tecnicas Reunidas	GVC	Healthcare	Mem(*)	Leonardo	BAK
Credem	BAK	Tenaris	BAK	Amplifon	BAK	Lisi	CIC
Credit Agricole Sa	CIC	Totalenergies	CIC	Atrys Health	GVC	Logista	GVC
Intesa Sanpaolo	BAK	Vallourec	CIC	Biomerieux	CIC	Manitou	CIC
Societe Generale	CIC	Fin. Serv. Holdings	Mem(*)	Dias orin	BAK	Nbi Bearings Europe	GVC
Unicaja Banco	GVC	Cir	BAK	El En.	BAK	Nexas	CIC
Basic Resources	Mem(*)	Corp. Financiera Alba	GVC	Es silorluxottica	CIC	Nicolas Correa	GVC
Acerinox	GVC	Eurazeo	CIC	Eurofins	CIC	Osai	BAK
Altri	CBI	First Capital	BAK	Fine Foods	BAK	Prosegur	GVC
Arcelormittal	GVC	Gbl	CIC	Genfit	CIC	Prosegur Cash	GVC
Ence	GVC	Peugeot Invest	CIC	Gpi	BAK	Prysmian	BAK
The Navigator Company	CBI	Tip Tamburi Investment Partners	BAK	Guerbet	CIC	Rexel	CIC
Tubacex	GVC	Wendel	CIC	Imd	BAK	Saes	BAK
Chemicals	Mem(*)	Fin. Serv. Industrials	Mem(*)	Ipsen	CIC	Safran	CIC
Air Liquide	CIC	Dovalue	BAK	Prim Sa	GVC	Salcef	BAK
Arkema	CIC	Euronext	CIC	Reordati	BAK	Schneider Electric Se	CIC
Mgis	BAK	Nexi	BAK	Sartorius Stedim	CIC	Talgo	GVC
Plasticos Compuestos	GVC	Tinxta	BAK	Vetoquinol	CIC	Teleperformance	CIC
Consumer Products & Services	Mem(*)	Financial Services Banks	Mem(*)	Virbac	CIC	Thales	CIC
Abeo	CIC	Amundi	CIC	Vytrus Biotech	GVC	Tikehau Capital	CIC
Beneteau	CIC	Anima	BAK	Industrial Goods & Services	Mem(*)	Verallia	CIC
Capelli	CIC	Azimut	BAK	Airbus Se	CIC	Vidrala	GVC
De Longhi	BAK	Banca Generali	BAK	Als tom	CIC	Zignago Vetro	BAK
Fila	BAK	Banca Ifis	BAK	Antin Infrastructure	CIC	Insurance	Mem(*)
Geox	BAK	Banca Mediolanum	BAK	Applus	GVC	Axa	CIC
Givaudan	CIC	Banca Sistema	BAK	Arteche	GVC	Catalana Occidente	GVC
Groupe Seb	CIC	Bff Bank	BAK	Awo	BAK	Generali	BAK
Hermes Intl.	CIC	Dws	CIC	Biesse	BAK	Linea Directa As eguradora	GVC
Hexsom	CIC	Fincoobank	BAK	Bollore	CIC	Mapfre	GVC
Interparfums	CIC	Generalfinance	BAK	Bureau Veritas	CIC	Revo Insurance	BAK
Kaufman & Broad	IAC	Illimity Bank	BAK	Caf	GVC	Materials, Construction	Mem(*)
Kering	CIC	Mediobanca	BAK	Catenon	GVC	Abp Novivelli	BAK
L'Oreal	CIC	Poste Italiane	BAK	Cellnex Telecom	GVC	Acs	GVC
Lvmh	CIC	Food & Beverage	Mem(*)	Cembre	BAK	Aena	GVC
Maisons Du Monde	CIC	Ab Inbev	CIC	Chargeurs	CIC	Ariston Holding	BAK
Ovs	BAK	Advini	CIC	Clasquin	IAC	Buzzi	BAK

29 April 2024

European Coverage of the Members of ESN 2/2

Cementir	BAK	Winfarm	CIC	Lottomatica Group	BAK
Cementos Mblins	GVC	Real Estate	Mem(*)	Melia Hotels International	GVC
Clerhp Estructuras	GVC	Igd	BAK	Nh Hotel Group	GVC
Crh	CIC	Inmobiliaria Colonial	GVC	Pluxee	CIC
Eiffage	CIC	Inversa Prime	GVC	Sicity By Car	BAK
Fcc	GVC	Ktes ios Socimi	GVC	Sodexo	CIC
Ferrovial	GVC	Lar España	GVC	Utilities	Mem(*)
Fluidra	GVC	Merlin Properties	GVC	A2A	BAK
Groupe Adp	CIC	Realia	GVC	Acciona	GVC
Groupe Poujoulat	CIC	Retail	Mem(*)	Acciona Energia	GVC
Heidelberg Materials	CIC	Aramis Group	CIC	Acea	BAK
Herige	CIC	Burberry	CIC	Audax	GVC
Holcim	CIC	Fnac Darty	CIC	Derichebourg	CIC
Imerys	CIC	Inditex	GVC	Edp	CBI
Maire Tecnimont	BAK	Unieuro	BAK	Enagas	GVC
Mbla Engil	CBI	Technology	Mem(*)	Encavis Ag	CIC
Obrascon Huarte Lain	GVC	Agile Content	GVC	Endesa	GVC
Sacyr	GVC	Almawave	BAK	Enel	BAK
Saint-Gobain	CIC	Alten	CIC	Engie	CIC
Sergeferrari Group	CIC	Amadeus	GVC	Erg	BAK
Sika	CIC	Atos	CIC	Greenvolt	CBI
Spie	CIC	Axway Software	CIC	Hera	BAK
Tarkett	CIC	Capgemini	CIC	Holaluz	GVC
Thermador Groupe	CIC	Dassault Systemes	CIC	Iberdrola	GVC
Vicat	CIC	Digital Value	BAK	Iren	BAK
Vinci	CIC	Esi Group	CIC	Italgas	BAK
Webuild	BAK	Gigas Hosting	GVC	Naturgy	GVC
Media	Mem(*)	Indra Sistemas	GVC	Neoen	CIC
Arnoldo Mondadori Editore	BAK	Izeris	GVC	Opdenenergy	GVC
Atresmedia	GVC	Lleida.Net	GVC	Redeia	GVC
Believe	CIC	Neurones	CIC	Ren	CBI
Deezer	CIC	Ovhcloud	CIC	Seche Environnement	CIC
Digital Bros	BAK	Sopra Steria Group	CIC	Snam	BAK
Fill Up Media	CIC	Spindox	BAK	Solaria	GVC
GI Events	CIC	Tier1 Technology	GVC	Solarprofit	GVC
Il Sole 24 Ore	BAK	Vs iativ	CIC	Terna	BAK
Ipsos	CIC	Vogo	CIC	Veolia	CIC
Jodecaux	CIC	Worldline	CIC	Volitalia	CIC
Lagardere	CIC	Telecommunications	Mem(*)		
MB	CIC	Bouygues	CIC		
Mogroup	GVC	Nos	CBI		
Nrj Group	CIC	Orange	CIC		
Prisa	GVC	Parlem Telecom	GVC		
Publicis	CIC	Telefonica	GVC		
Tf1	CIC	Unidata	BAK		
Universal Music Group	CIC	Travel & Leisure	Mem(*)		
Vivendi	CIC	Accor	CIC		
Vocento	GVC	Compagnie Des Alpes	CIC		
Personal Care, Drug & Grocery	Mem(*)	Edreams Odigeo	GVC		
Bic	CIC	Elior	CIC		
Carrefour	CIC	Fdj	CIC		
Casino	CIC	Groupe Paribouche	IAC		
Jeronimo Martins	CBI	Hunyuers	CIC		
Marr	BAK	I Grandi Viaggi	BAK		
Sonae	CBI	Ibersol	CBI		
Unilever	CIC	Int. Airlines Group	GVC		

29 April 2024

LEGEND:	BAK: Banca Akros	CIC: CIC Market Solutions	CBI: Caixa-Banco de Investimento	GVC: GVC Gaesco Valores
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(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

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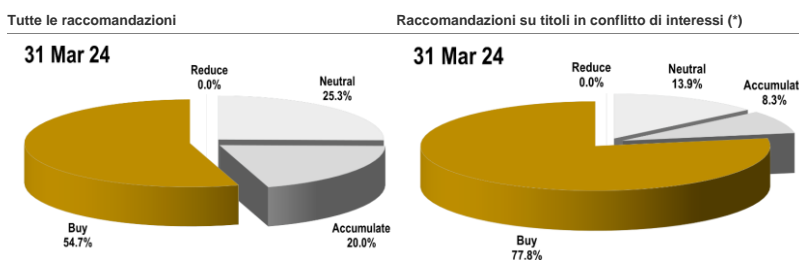
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Percentuale delle raccomandazioni al 31 marzo 2024



(*) Si informa che la percentuale degli emittenti in potenziale conflitto di interessi con Banca Akros è pari al 37.9% del totale degli emittenti oggetto di copertura

Recommendation history for PLC

Date	Recommendation	Target price	Price at change date
08-Feb-23	Buy	2.00	1.48
19-Oct-22	Neutral	1.60	1.47
29-Sep-22	Buy	0.00	1.50
11-Oct-21	Buy	2.80	2.30
24-May-21	Buy	2.30	1.85

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: Gian Marco Gadini (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 months
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- **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
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months
- **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

Recommendation	Nr.of stocks covered	%
Buy	51	55%
Accumulate	17	18%
Neutral	24	26%
Reduce	0	0%
Sell	1	1%

For full ESN Recommendation and Target price history (in the last 12 months), please see ESN Website [Link](#)

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