ABP Nocivelli

Sponsored Research

Italy | Materials, Construction & Infrastructure

Analyser

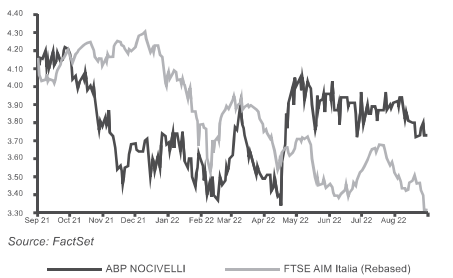
27 September 2022

Buy	
Recommendation unchanged	
Share price: EUR	**3.73**
closing price as of 26/09/2022	
Target price: EUR	**5.70**
Target Price unchanged	
Upside/Downside Potential	**52.8%**
Reuters/Bloomberg	ABP.MI/ABP IM
Market capitalisation (EURm)	**114**
Current N° of shares (m)	30
Free float	**11%**
Daily avg. no. trad. sh. 12 mth (k)	8
Daily avg. trad. vol. 12 mth (k)	0.00
Price high/low 12 months	4.22 / 3.34
Abs Perfs 1/3/12 mths (%)	-4.85/-5.81/-9.47

Key financials (EUR)	**06/21**	**06/22e**	**06/23e**
Sales (m)	64	65	87
EBITDA (m)	12	14	14
EBITDA margin	*19.2%*	*21.2%*	*16.6%*
EBIT (m)	11	13	13
EBIT margin	*17.5%*	*19.5%*	*15.3%*
Net Profit (adj.)(m)	9	10	10
ROCE	64.2%	68.8%	58.2%
Net debt/(cash) (m)	(32)	(40)	(47)
Net Debt/Equity	*-0.7*	*-0.7*	*-0.7*
Debt/EBITDA	-2.6	-2.9	-3.2
Int. cover(EBITDA/Fin. int)	76.6	86.1	90.1
EV/Sales	1.2	1.2	0.8
EV/EBITDA	6.5	5.9	4.6
EV/EBITDA (adj.)	6.5	5.9	4.6
EV/EBIT	7.1	6.3	5.0
P/E (adj.)	12.9	12.7	11.4
P/BV	2.5	2.2	1.8
OpFCF yield	*3.5%*	*7.5%*	*5.9%*
Dividend yield	*0.0%*	*0.0%*	*0.0%*
EPS (adj.)	0.28	0.31	0.33
BVPS	1.45	1.76	2.09
DPS	0.00	0.00	0.00

Shareholders

Bruno Nocivelli 58%; Laura Salvatore 27%; Nicola Turra 4%; Alessandra Perego 0.89%;



Source: FactSet

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FY 21/22 pre: solid EBITDA and cash generation expected

The facts: ABP Nocivelli is due to publish its FY 21/22 results on 28 September.

Our analysis: we summarise our estimates below.

	FY 2021/22e	FY 2020/21a	Y/Y
Sales	65.0	60.5	*7.4%*
Value of production	65.0	63.7	*2.0%*
EBITDA	13.8	12.3	*12.4%*
EBITDA Margin	*21.2%*	*19.2%*	*2.0pp*
EBIT	12.7	11.2	*13.6%*
EBIT Margin	*19.5%*	*17.5%*	*2.0pp*
Net profit	9.6	8.6	*10.7%*
Net debt (cash)	-40.0	-31.5	*26.8%*

We expect EBITDA to stand at ~EUR 14m, up by 12% Y/Y. As a reminder, value of production may vary compared with our estimates, particularly due to the construction activities and the pass-through revenues, whereas EBITDA is mainly generated by the energy supply agreements, which are more stable and predictable.

The net debt is seen to further improve by ~EUR 4.5m (vs. EUR 35.4m at the end of H1 21/22) thanks to the operating cash generation, which ought to exceed 60% of the EBITDA on a yearly basis.

Conclusion & Action: *we expect the company to meet our FY 21/22 estimates, showing a solid performance of both EBITDA and operating cash flow.*

Disclaimer

This research has been prepared by Giada Cabrino;Andrea Devita;Enrico Esposti;Gabriele Gambarova;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 27 September 2022 at 8:45 AM CET.

In compliance with art. 5 and 6 of Delegated Regulation 2016/598, Banca Akros hereby declared that it has a personal interest in some of the companies examined in this research,specifically.

Abitare In-Banca Akros is acting as corporate broker

ABP Nocivelli- Banca Akros is a specialist or liquidity provider

Agos-Banca Akros acted as Joint Lead Manager of the issuance organized in October 2021

Alerion Clean Power-Banca Akros is acting as corporate broker

Alerion Clean Power-Banca Akros may be involved in extraordinary finance initiatives concerning the company

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

ASTM-Banca Akros acted as Joint Lead Manager of the bond issuance organized in November 2021

Autostrade per l'Italia - Gruppo Atlantia-Banca Akros acted as Other Bookrunner of the bond issuance organized in January 2022 and as a Bookrunner of the bond issuance organized in January 2021

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 and January 2022
- as Joint Lead Manager of the bond issuance organized in July 2021
- 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)

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

Cembre-Banca Akros is a specialist or liquidity provider

Cerved-Banca Akros was acting as intermediary for the public exchange offer organized in July and August 2021 and for the sell out organized in January-February 2022

Culti Milano-Banca Akros is a specialist or liquidity provider

DEA Capital-Banca Akros is acting as corporate broker

Digital Bros-Banca Akros is a specialist or liquidity provider

Digital Magics-Banca Akros is a specialist or liquidity provider

Digital Magics-Banca Akros is acting as Nomad

Digital Value- Banca Akros is acting as corporate broker

Enel-Banca Akros acted as a Joint Bookrunner of the tender offer on ENEL Finance International N.V.'s notes organized in January 2022

Enervit-Banca Akros is acting as corporate broker

Falck Renewables-Banca Akros is a specialist or liquidity provider

Falck Renewables- Banca Akros is acting as collecting intermediary for the public exchange offer organized in April-May 2022

Fiera Milano-Banca Akros is a specialist or liquidity provider

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

Fine Foods and Farmaceuticals-Banca Akros is acting as Nomad

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

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

GPI-Banca Akros is a specialist or liquidity provider

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 February 2021, March 2022 and September 2022

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

Met.Extra Group (ex Titanmet)-Banca Akros was acting as collecting intermediary for the public exchange offer organized in January 2022

Monnalisa-Banca Akros is acting as corporate broker

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 (1 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
QF Immobiliare Dinamico-Banca Akros is a specialist or liquidity provider (closed-end funds)
QF Mediolanum RE A-Banca Akros is a specialist or liquidity provider (closed-end funds)
QF Mediolanum RE B-Banca Akros is a specialist or liquidity provider (closed-end funds)
Reno De Medici-Banca Akros acted as intermediary for the public exchange offer organized in November-December 2021
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 is acting as corporate broker
SEIF – Società Editoriale Il Fatto-Banca Akros is a specialist or liquidity provider
Shedirpharma-Banca Akros is a specialist or liquidity provider
Spindox-Banca Akros is acting as corporate broker
Terna-Banca Akros acted as a Joint Bookrunner of the bond issuance organized in February 2022: Inaugural Green Hybrid PerpNC6
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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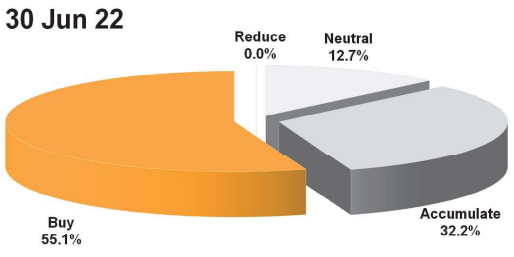
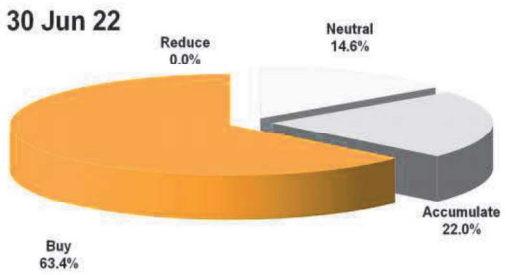
Percentage of recommendations by the 30 June 2022

All recommendations



Recommendations on stocks under conflict of interest (*)



(*) Please note that the rate of issuers who are in potential conflict of interests with Banca Akros is equivalent to 34.75% 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-month
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12-month
- **Neutral**: the stock is expected to generate total return of **-5% to +5%** during the next 12-month
- **Reduce**: the stock is expected to generate total return of **-5% to -15%** during the next 12-month
- **Sell**: the stock is expected to generate total return **under -15%** during the next 12-month
- **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.
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Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

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