

Analysar

28 September 2022

Buy

Recommendation unchanged

Share price: EUR 3.70

closing price as of 27/09/2022

Target price: EUR 5.70

Target Price unchanged

Upside/Downside Potential 54.1%

Reuters/Bloomberg

ABP.MI/ABP.IM

Market capitalisation (EURm) 113

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) 26.32

Price high/low 12 months 4.22 / 3.34

Abs Perfs 1/3/12 mths (%) -5.61/-6.57/-11.06

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 11.3

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

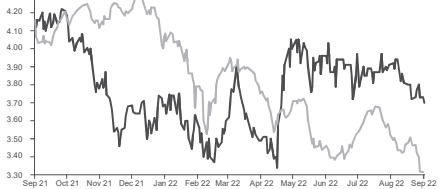
BVPS 1.45 1.76 2.09

DPS 0.00 0.00 0.00

Shareholders

Bruno Nocivelli 58%; Laura Salvatore 27%; Nicola Turra 4%;

Alessandra Perego 0.89%;



Source: FactSet

— ABP NOCIVELLI — FTSE AIM Italia (Rebased)

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Good FY 21/22 results in line with expectations

The facts: ABP Nocivelli published its FY 21/22 results today before market opening.

Our analysis: we summarise the main items of the release below.

	FY 2021/22a	FY 2020/21a	Y/Y	FY 2021/22e
Sales	51.7	60.5	-14.5%	65.0
Value of production	61.3	63.7	-4.5%	65.0
EBITDA	13.9	12.3	13.7%	13.8
EBITDA Margin	22.7%	19.2%	3.6pp	21.2%
EBIT	12.4	11.2	10.6%	12.7
EBIT Margin	20.2%	17.5%	2.8pp	19.5%
Net profit	9.6	8.6	10.7%	9.6
Net debt (cash)	-39.7	-31.5		-40.0

The value of production was slightly below our expectations and the previous year level. In particular, sales declined due to the end of some Consip contracts, partially offset by the construction activities. As a reminder, ABP adopts Italian GAAP. Therefore, the increase in work-in-progress revenues due to multi-annual construction projects are booked at their actual cost, without adding any profit margins.

The EBITDA was in line with our expectations, thanks to the improved profitability. We note that it included EUR 2.3m non-recurring income linked to some consultancy activities. The CEO Mr. Turra explained that the company actively managed its contracts, particularly in H2 21/22, in order to ease the inflationary pressure and maintain its margins.

The net cash reached EUR 39.7m, in line with our estimates, confirming a strong operating cash conversion rate of ~60% of the FY 21/22 EBITDA.

ABP's BoD will propose a DPS of EUR 4.9c (for a total cash outflow of EUR 1.5m), to be distributed on November 14, 2022.

Outlook. Despite the uncertainty, ABP expects to execute projects and deliver services according to plans, achieving the expected profitability. Indeed, the group has managed to renegotiate conditions, particularly those of the construction tenders, where the surge in materials and input costs was seriously threatening the group's margins. The company confirmed its EUR 600m backlog over the next 10 years, while it has applied to become supplier of relevant state-owned companies involved in the energy-efficiency renovations.

Conclusion & Action: the FY 21/22 results were good and basically in line with our expectations and confirmed the resiliency of the business.

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 28 September 2022 at 8:43 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 Pharmaceuticals-Banca Akros is a specialist or liquidity provider

Fine Foods and Pharmaceuticals-Banca Akros is acting as Nomad

Fine Foods and Pharmaceuticals-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
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 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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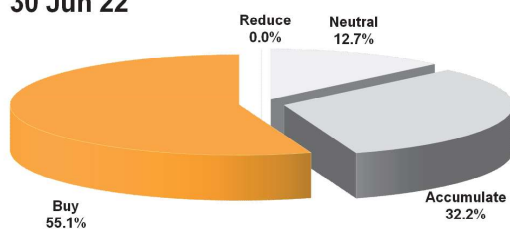
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Percentage of recommendations by the 30 June 2022

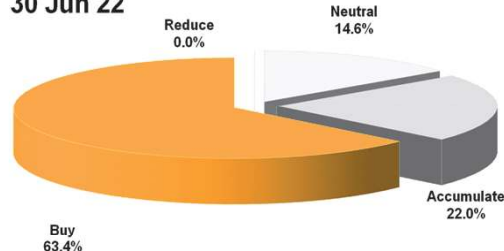
All recommendations

Recommendations on stocks under conflict of interest (*)

30 Jun 22



30 Jun 22



(*) 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.

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- **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
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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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