

Analysar

31 January 2023

Buy

Recommendation unchanged

Share price: EUR 3.73

closing price as of 30/01/2023

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) 5

Daily avg. trad. vol. 12 mth (k) 16.72

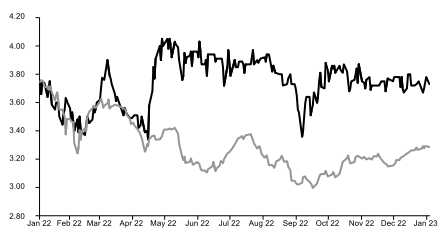
Price high/low 12 months 4.05 / 3.34

Abs Perfs 1/3/12 mths (%) -1.32/-0.53/2.47

Key financials (EUR)	06/22	06/23e	06/24e
Sales (m)	59	87	88
EBITDA (m)	14	14	15
EBITDA margin	23.8%	16.6%	16.8%
EBIT (m)	12	13	13
EBIT margin	21.1%	14.8%	15.0%
Net Profit (adj.)(m)	10	10	10
ROCE	64.1%	46.4%	46.4%
Net debt/(cash) (m)	(40)	(42)	(50)
Net Debt/Equity	-0.7	-0.7	-0.7
Debt/EBITDA	-2.8	-2.9	-3.3
Int. cover(EBITDA/Fin. int)	82.4	90.1	92.4
EV/Sales	1.4	0.8	0.7
EV/EBITDA	5.8	4.9	4.3
EV/EBITDA (adj.)	5.8	4.9	4.3
EV/EBIT	6.5	5.5	4.8
P/E (adj.)	12.6	11.8	11.5
P/BV	2.2	1.8	1.6
OpFCF yield	6.8%	3.4%	8.2%
Dividend yield	1.3%	1.3%	1.3%
EPS (adj.)	0.31	0.32	0.32
BVPS	1.76	2.08	2.36
DPS	0.05	0.05	0.05

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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New rules for public procurement

The facts: the Italian newspaper “Il Sole 24 Ore” has recently pointed out that large buyers in the utility sector expect the new rules for public procurement, approved by the Italian government on 16 December, to speed up the activity.

Our analysis: The new code was approved by the Italian government on 16 December 2022 and will come into force on 1 April 2023. It includes new principles, lighter requirements for the so-called “special sectors”, i.e. utilities (electricity, gas, thermal energy, water), telecommunications, railways and airports, and stabilise some “emergency measures” adopted in the last few years. Furthermore, rules for PPPs have been simplified.

The new code is expected to attract private investments and enhance the competitiveness, particularly compared with foreign players.

Conclusion & Action: ABP is expected to benefit from the simplification of the PPP framework since it supplies some of the main Italian utilities by working on the upgrade of their electrical grid.