

# ABP Nocivelli

Sponsored Research

Italy | Materials, Construction & Infrastructure



Analysar

28 March 2024

## Buy

Recommendation unchanged

Share price: EUR 4.00

closing price as of 27/03/2024

Target price: EUR 5.70

Target Price unchanged

Upside/Downside Potential 42.5%

Reuters/Bloomberg

ABP.MI/ABP IM

Market capitalisation (EURm) 122

Current N° of shares (m) 30

Free float 11%

Daily avg. no. trad. sh. 12 mth (k) 6

Daily avg. trad. vol. 12 mth (k) 23.94

Price high/low 12 months 4.10 / 3.48

Abs Perfs 1/3/12 mths (%) -2.44/2.04/11.11

Key financials (EUR) 06/23 06/24e 06/25e

Sales (m) 73 81 98

EBITDA (m) 15 15 17

EBITDA margin 20.9% 19.0% 17.8%

EBIT (m) 13 13 16

EBIT margin 18.4% 16.6% 15.8%

Net Profit (adj.)(m) 11 10 12

ROCE 43.3% 38.9% 39.1%

Net debt/(cash) (m) (40) (46) (52)

Net Debt/Equity -0.6 -0.6 -0.6

Debt/EBITDA -2.6 -3.0 -3.0

Int. cover(EBITDA/Fin. int) 52.7 96.0 108.8

EV/Sales 1.0 0.9 0.7

EV/EBITDA 5.0 4.9 4.0

EV/EBITDA (adj.) 5.0 4.9 4.0

EV/EBIT 5.6 5.6 4.5

P/E (adj.) 10.9 12.1 10.5

P/BV 1.8 1.7 1.5

OpFCF yield 0.9% 6.9% 6.5%

Dividend yield 1.2% 1.2% 1.2%

EPS (adj.) 0.35 0.33 0.38

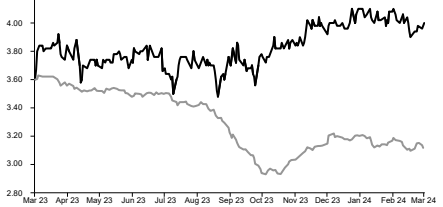
BVPS 2.06 2.35 2.68

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)

## Analyst(s)

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## H1 23/24 pre: we expect sound results

The facts: ABP is due to report its H1 23/24 results on 29 March.

Our analysis: we summarise our estimates below.

	H1 23/24	H1 22/23	Y/Y
Sales	43.0	41.8	3.0%
Value of production	43.0	40.6	5.9%
EBITDA	9.5	9.2	3.4%
EBITDA Margin	22.0%	22.5%	-0.5pp
EBIT	8.4	8.1	3.9%
EBIT Margin	19.5%	19.9%	-0.4pp
Net profit	6.2	5.9	6.1%
Net debt (cash)	(47.0)	(45.2)	4.1%

We expect ABP to report revenues and EBITDA slightly up on a Y/Y basis. Indeed, although many construction projects have already kicked off, the execution is expected to start in H2 23/24 and to accelerate as of FY 24/25.

As such, we expect the current portfolio of contracts to have delivered modest revenue growth and stable profitability.

At the net cash level, we expect the NWC to release cash, after the unexpected absorption booked at the end of FY 22/23 due to tax credits and advance payments to suppliers. We expect the OFCF to be ~EUR 11m in H1 23/24 and to boost ABP's net cash position to ~EUR 47m from EUR 40m as at the end of FY 22/23. The net cash position includes also EUR 1.5m in dividend distribution (paid in November 2023).

**Conclusion & Action:** we expect H1 23/24 results to confirm the company's strong profitability and cash generation. Recommendation and target confirmed.