

MAIRE

Sector: Energy

NEUTRAL

Price: Eu7.19 - Target: Eu7.80

Results in Line, Guidance Confirmed, Advancing Nextchem

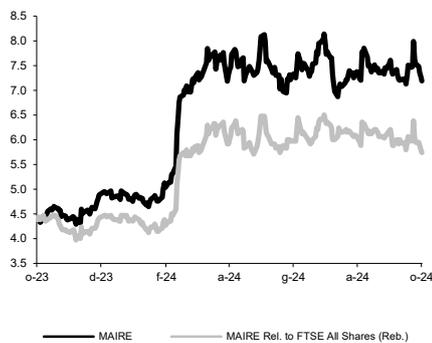
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Stock Rating

 Rating: Unchanged
 Target Price (Eu): Unchanged

	2024E	2025E	2026E
Chg in Adj EPS	8.1%	4.7%	4.8%

MAIRE - 12M Performance



Stock Data

 Reuters code: MTCM.MI
 Bloomberg code: MAIRE IM

Performance	1M	3M	12M
Absolute	-5.5%	-10.1%	63.9%
Relative	-7.8%	-10.5%	38.4%
12M (H/L)	8.14/4.29		
3M Average Volume (th):	475.26		

Shareholder Data

No. of Ord shares (mn):	329
Total no. of shares (mn):	329
Mkt Cap Ord (Eu mn):	2,363
Total Mkt Cap (Eu mn):	2,363
Mkt Float - Ord (Eu mn):	1,157
Mkt Float (in %):	49.0%
Main Shareholder:	
Maire Gestioni	51.0%

Balance Sheet Data

Book Value (Eu mn):	668
BVPS (Eu):	2.03
P/BV:	3.5
Net Financial Position (Eu mn):	240
Enterprise Value (Eu mn):	2,123

- 3Q24 results.** Maire's 3Q24 results were broadly in line with our expectations, with solid YoY growth for both the Integrated E&C Solutions division and the Sustainable Technology Solutions division. In detail: 3Q24 revenues closed at Eu1,510mn (+34% YoY, +11% QoQ, vs. exp. Eu1,505mn), EBITDA at Eu98mn (+31% YoY, +11% QoQ, in line) and group net income at Eu47mn (+53% YoY, -1% QoQ, vs. exp. Eu51mn). By division, Integrated E&C Solutions reported adj. EBITDA of Eu76mn (+37% YoY, +10% QoQ, in line), with an EBITDA margin of 5.4% (in line), while Sustainable Tech. Solutions reported EBITDA of Eu22mn (+15% YoY, +16% QoQ, vs. exp. Eu21mn), with an EBITDA margin of 24.0% (vs. exp. 23.6%). On the balance sheet, the net financial position (pre-IFRS16) closed cash positive at Eu-363mn (vs. exp. Eu-378mn), broadly flat QoQ.
- Backlog down to Eu14.8bn.** On the commercial front, the quarter featured a 'soft' order intake, reaching Eu300mn. The backlog closed at Eu14,757mn (vs. exp. Eu14,968mn), down from the Eu16,344mn recorded at the end of June.
- 2024 guidance confirmed.** Maire confirmed its 2024 guidance, with FY24 revenues foreseen in the region of Eu5.7-6.1bn and EBITDA in the Eu360-405mn range, an EBITDA margin of 6.3-6.6%. Maire confirmed expectations for a revenue acceleration in 4Q24, thanks to a growing contribution from Hail and Ghasha. The adj. net cash position is seen in line with 3Q24.
- Robust market outlook.** Despite the current oil price volatility, Maire confirmed favourable market momentum arising from the very robust current Oil&Gas investment cycle and the Energy Transition, with market opportunities worth Eu58bn; the Middle East and Asia remain the most promising areas.
- New Nextchem structure.** Maire unveiled a new organisational structure for Nextchem, featuring three business lines, designed to address energy transition challenges: 1) Sustainable Fertilisers, leveraging global leadership in urea technologies to advance nitrogen-based solutions, encompassing fertilisers and ammonia as a versatile energy carrier; 2) Low Carbon Energy Vectors, building on Nextchem's expertise in hydrogen production and sulphur recovery, focusing on developing technologies to produce low-emissions clean fuels and chemicals, and to convert carbon into sustainable plastics; 3) Circular Solutions, focusing on advancing circularity by providing technological solutions to transform waste into valuable chemical resources.
- Estimates and valuation.** Following 3Q24 results, we are confirming our FY24 revenue and EBITDA projections, while raising the bottom line to reflect lower depreciation and net financial charges. In terms of the valuation, we are confirming our target price of Eu7.80ps, still based on market multiples (6.0x 2024 EV/EBITDA).
- Action on the stock:** Following a very strong share price rebound, we downgraded the stock to NEUTRAL after 1Q24 results, given the limited upside to our target price. While we continue to appreciate Maire's strategy and robust medium-to-long-term growth potential, we confirm our NEUTRAL recommendation.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	3,464	4,260	6,007	6,615	6,824
EBITDA Adj (Eu mn)	209	274	390	445	490
Net Profit Adj (Eu mn)	90	125	206	229	249
EPS New Adj (Eu)	0.274	0.382	0.628	0.696	0.759
EPS Old Adj (Eu)	0.274	0.382	0.581	0.665	0.724
DPS (Eu)	0.124	0.197	0.323	0.400	0.521
EV/EBITDA Adj	5.0	3.8	5.4	4.8	4.3
EV/EBIT Adj	6.6	4.9	6.5	5.7	5.1
P/E Adj	26.3	18.8	11.5	10.3	9.5
Div. Yield	1.7%	2.7%	4.5%	5.6%	7.2%
Net Debt/EBITDA Adj	0.2	-0.8	-0.6	-0.5	-0.6

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	28.24 %
OUTPERFORM:	48.09 %
NEUTRAL:	23.67 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (61 in total) is as follows:

BUY:	55.74 %
OUTPERFORM:	34.43 %
NEUTRAL:	09.83 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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