MAIRE TECNIMONT

OUTPERFORM

Sector: Energy

Price: Eu3.91 - **Target: Eu4.70**

Very Solid 2023 Guidance and Robust Outlook

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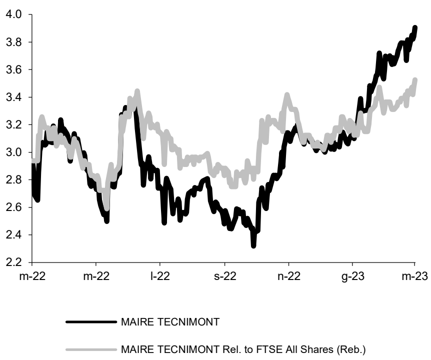
Stock Rating			
Rating:	from NEUTRAL to OUTPERFORM		
Target Price (Eu):	from 3.00 to 4.70		
	2023E	**2024E**	**2025E**
Chg in Adj EPS	12.0%	21.2%	33.6%

MAIRE TECNIMONT - 12M Performance



Stock Data			
Reuters code:			MTCM.MI
Bloomberg code:			MT IM
Performance	**1M**	**3M**	**12M**
Absolute	5.6%	28.1%	32.9%
Relative	4.6%	16.9%	22.3%
12M (H/L)			3.91/2.32
3M Average Volume (th):			688.48

Shareholder Data	
No. of Ord shares (mn):	329
Total no. of shares (mn):	329
Mkt Cap Ord (Eu mn):	1,284
Total Mkt Cap (Eu mn):	1,284
Mkt Float - Ord (Eu mn):	629
Mkt Float (in %):	49.0%
Main Shareholder:	
Maire Gestioni	51.0%

Balance Sheet Data	
Book Value (Eu mn):	569
BVPS (Eu):	1.73
P/BV:	2.3
Net Financial Position (Eu mn):	-33
Enterprise Value (Eu mn):	1,317

- **4Q22 results.** Maire's 4Q22 revenues, EBITDA and net financial position were broadly in line with our projections, while group net income was slightly weaker. In detail, 4Q22 revenues reached Eu947mn (+17% YoY, +5% QoQ, vs. exp. Eu954mn), EBITDA came in at Eu58mn (+16% YoY, +7% QoQ, vs. exp. Eu57mn) and group net income was Eu29mn (+25% YoY, +52% QoQ, vs. exp. Eu39mn). By division, Hydrocarbons reported adj. EBITDA of Eu41mn (-12% YoY, -17% QoQ, vs. exp. Eu53mn), with an EBITDA margin of 4.8% (vs. exp. 5.8%), while Green Energy reported EBITDA of Eu17mn (vs. exp. Eu4mn). On the balance sheet, the net financial position (pre-IFRS16) closed cash positive for Eu-94mn (vs. exp. Eu-89mn). The BoD proposed a dividend of Eu0.124ps, ex-div. date on 24 April. On the commercial side, the quarter featured a very robust order intake, with acquisitions reaching Eu2.0bn in 4Q22 (Eu3.6bn in FY22). The backlog increased to Eu8.6bn at YE22 from Eu8.0bn at the end of September.
- **New 2023-2032 strategic plan.** Maire presented its new "Unbox the Future" 2023-2032 Strategic Plan during yesterday's Capital Markets Day. The Plan maps out a new phase in Maire's industrial cycle, with the Group accelerating its positioning in Energy Transition by leveraging Sustainable Technologies with an Integrated Engineering & Construction approach. Maire has identified four clusters that are already part of its core business and that are to be shaped by the Energy Transition transformation: i) Nitrogen; ii) H_2 and Circular Carbon; iii) Fuels and Chemicals and iv) Polymers.
- **2023 guidance.** In terms of 2023 guidance, Maire said production volumes are expected to rise in the coming quarters, with FY23 revenues envisaged in the region of Eu3.8-4.2bn and an EBITDA margin of 6-7%. The YE23 adj. net financial position is seen in line with YE22, after planned CapEx of Eu95-115mn.
- **2032 targets.** At the end of the 10-year plan in 2032, revenues are expected to double vs. 2022, while EBITDA is expected to increase 3-4x (EBITDA margin 8-9%). Net cash is expected to grow tenfold versus YE22, after cumulated CapEx for approx. Eu1bn, boosting the technology portfolio and supporting project development as well as dividends (payout potentially rising from 45% in 2023-27 to 66% thereafter).
- **Estimates and valuation.** Following the very robust indications provided by the company, we are raising our 2023 revenue and EBITDA estimates by around 12% and 20% respectively. We are also projecting a higher order intake and greater investments, supporting growth in the following years. As for the valuation, we are raising our target price from Eu3.00ps to Eu4.70ps, on the back of our newly-raised projections and higher market multiples (5.5x 2022-23 EV/EBITDA).
- **Action on the stock. From Neutral to OUTPERFROM.** Maire's new 2023-32 strategic plan highlighted very solid 2023 guidance and robust medium to long-term growth potential. We missed out on the share price rebound over the last six months due to concerns over a potential deceleration in order awards and cost inflation pressures. Having said that, we are now moving to OUTPERFORM as we see additional upside on our new higher projections and valuation.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	2,865	3,464	4,012	4,276	4,518
EBITDA Adj (Eu mn)	174	209	262	293	322
Net Profit Adj (Eu mn)	83	90	118	130	145
EPS New Adj (Eu)	0.254	0.274	0.360	0.397	0.443
EPS Old Adj (Eu)	0.254	0.303	0.321	0.327	0.331
DPS (Eu)	0.183	0.124	0.165	0.184	0.205
EV/EBITDA Adj	6.4	5.0	5.0	4.3	3.7
EV/EBIT Adj	8.6	6.6	6.6	5.9	5.2
P/E Adj	15.4	14.3	10.9	9.8	8.8
Div. Yield	4.7%	3.2%	4.2%	4.7%	5.2%
Net Debt/EBITDA Adj	0.7	0.2	0.1	0.0	-0.2