MAIRE TECNIMONT

OUTPERFORM

Sector: Energy

Price: Eu3.73 - **Target: Eu4.70**

Results in Line, Guidance Confirmed

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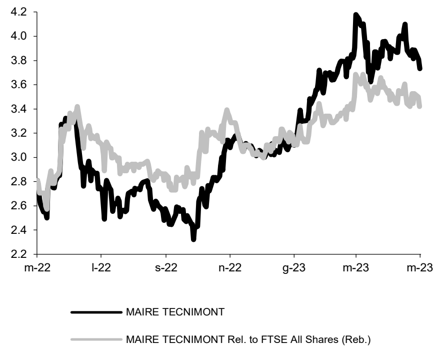
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2023E	**2024E**	**2025E**
Chg in Adj EPS	0.0%	0.0%	0.0%

MAIRE TECNIMONT - 12M Performance



Stock Data			
Reuters code:			MTCM.MI
Bloomberg code:			MT IM
Performance	**1M**	**3M**	**12M**
Absolute	-4.3%	1.5%	32.8%
Relative	-2.9%	2.2%	23.4%
12M (H/L)			4.18/2.32
3M Average Volume (th):			711.44

Shareholder Data	
No. of Ord shares (mn):	329
Total no. of shares (mn):	329
Mkt Cap Ord (Eu mn):	1,226
Total Mkt Cap (Eu mn):	1,226
Mkt Float - Ord (Eu mn):	601
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:	2.2
Net Financial Position (Eu mn):	-33
Enterprise Value (Eu mn):	1,260

- **1Q23 results.** Maire Tecnimont's 1Q23 results were a touch above our expectations at revenue and operating level thanks to slightly higher volumes at the Integrated E&C Solutions division and slightly higher profitability at the Sustainable Tech. Solutions division. The bottom line and net financial position were in line. In detail: 1Q23 revenues closed at Eu958mn (+32% YoY, +1% QoQ, vs. exp. Eu930mn), EBITDA at Eu58mn (+33% YoY, flat QoQ, vs. exp. Eu57mn), EBIT at Eu46mn (+44% YoY, +5% QoQ, vs. exp. Eu43mn), and group net income at Eu25mn (+37% YoY, -12% QoQ, in line). By division, Integrated E&C Solutions reported adj. EBITDA of Eu46mn (+6% YoY, +12% QoQ, in line), with an EBITDA margin of 5.1% (vs. exp. 5.3%), while Sustainable Tech. Solutions reported EBITDA of Eu12mn (vs. exp. Eu11mn), with an EBITDA margin of 20.9% (vs. exp. 18.2%). On the balance sheet, the net financial position (pre-IFRS16) closed cash positive at Eu-95mn (in line), stable QoQ. On the commercial front, order intake reached Eu303mn in the quarter (vs. exp. Eu250mn), leading to backlog of Eu7,852mn (vs. exp. Eu7,934mn), slightly down from the Eu8,614mn recorded as at YE22. CapEx in the quarter amounted to Eu41mn, including Eu36mn for the acquisition of Conser (technology licensor and process engineering design company focused on bio-degradable plastics).
- **Outlook.** The general market context is still impacted by the consequences of international geopolitical tensions. In a scenario still characterized by high prices for natural resources, the willingness to invest in low carbon infrastructures for the transformation of natural resources remains unchanged thanks to strong global demand for several commodities, and also due to the lack of production originating in countries impacted by the current conflict.
- **Guidance confirmed.** Maire Tecnimont confirmed the 2023 guidance issued along with 4Q22 results, with FY23 revenues envisaged in the region of Eu3.8-4.2bn and an EBITDA margin of 6-7%. Looking at the two different divisions, Integrated E&C Solutions revenues are seen at Eu36-3.9bn, with the EBITDA margin at 5-6%, while Sustainable Tech. Solutions at Eu0.2-0.3bn, with margins at 21-25%. The YE23 adj. net financial position continues to be seen in line with YE22, after CapEx of Eu95-115mn. The acquisitions have been completed of Conser and MyRemono, owner of CatC technology, expanding the portfolio of sustainable technologies to foster future growth.
- **Estimates and valuation.** Following 1Q23 results, we are leaving our projections for 2023 and the following years unchanged. As for the valuation, we confirm our target price of Eu4.70ps based on market multiples (5.5x 2023-24 EV/EBITDA).
- **Action on the stock.** We upgraded the stock to Outperform at the beginning of March after the release of 4Q22 results and the new 2023-32 strategic plan, which highlighted very solid 2023 guidance and robust medium-to-long-term growth potential. The new plan maps out a new phase in Maire's industrial cycle, with the Group accelerating its positioning in the Energy Transition by leveraging Sustainable Technologies with an Integrated Engineering & Construction approach. We confirm our positive view on the stock, OUTPERFORM.

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	0.274	0.360	0.397	0.443
DPS (Eu)	0.183	0.124	0.165	0.184	0.205
EV/EBITDA Adj	6.4	5.0	4.8	4.1	3.6
EV/EBIT Adj	8.6	6.6	6.3	5.6	4.9
P/E Adj	14.7	13.6	10.4	9.4	8.4
Div. Yield	4.9%	3.3%	4.4%	4.9%	5.5%
Net Debt/EBITDA Adj	0.7	0.2	0.1	0.0	-0.2