

MAIRE TECNIMONT

Sector: Energy

OUTPERFORM

Price: Eu6.11 - Target: Eu7.00

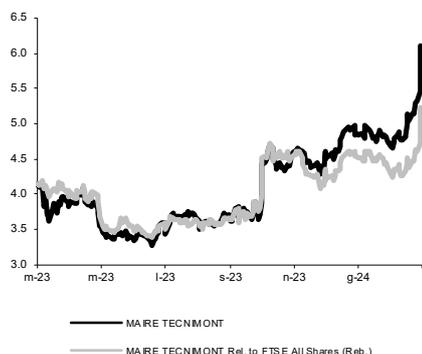
Very Strong 2024 Guidance, Robust Market Outlook

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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 5.30 to 7.00		
	2024E	2025E	2026E
Chg in Adj EPS	13.4%	7.9%	12.4%

MAIRE TECNIMONT - 12M Performance



Stock Data

Reuters code:	MTCM.MI
Bloomberg code:	MAIRE IM

Performance	1M	3M	12M
Absolute	30.5%	32.9%	46.2%
Relative	23.9%	22.8%	29.0%
12M (H/L)	6.11/3.27		
3M Average Volume (th):	635.17		

Shareholder Data

No. of Ord shares (mn):	329
Total no. of shares (mn):	329
Mkt Cap Ord (Eu mn):	2,008
Total Mkt Cap (Eu mn):	2,008
Mkt Float - Ord (Eu mn):	984
Mkt Float (in %):	49.0%
Main Shareholder:	
Maire Gestioni	51.0%

Balance Sheet Data

Book Value (Eu mn):	633
BVPS (Eu):	1.93
P/BV:	3.2
Net Financial Position (Eu mn):	236
Enterprise Value (Eu mn):	1,772

■ **4Q23 results.** Maire's 4Q23 results were slightly above our projections, thanks primarily to higher volumes and stronger margins at the Sust. Tech. Solutions (STS) division. In detail: 4Q23 revenues reached Eu1,171mn (+24% YoY, +4% QoQ, vs. exp. Eu1,106mn), EBITDA came in at Eu79mn (+36% YoY, +5% QoQ, vs. exp. Eu73mn) and group net income was Eu43mn (+50% YoY, +41% QoQ, vs. exp. Eu38mn). On the balance sheet, the net financial position (pre-IFRS16) closed cash positive at Eu-338mn (vs. exp. Eu-251mn). The BoD proposed a dividend of Eu0.197ps (vs. exp. Eu0.174ps), ex-div. date 24 April. On the commercial front, the quarter saw Eu0.3bn order intake, leading to total acquisitions in FY23 of Eu11.2bn. The backlog closed at Eu15.0bn as at YE23, up from Eu8.6bn as at YE22.

■ **New 2024-2033 Strategic Plan.** Maire presented its new, updated 2024-2033 "Out of the Unbox" strategic plan during yesterday's Capital Markets Day. The new plan marks a sharp acceleration in the Group positioning in Energy Transition, setting much higher growth targets compared to last year's plan thanks to the record high backlog reached as at YE23 and the robust market outlook. From a strategic standpoint, Maire confirmed an integrated approach, with the Group expected to continue to benefit from the synergies arising between the Integrated Engineering & Construction and Sustainable Technologies divisions.

■ **2024 guidance.** In terms of guidance for this year, Maire said production volumes are expected to rise in the coming quarters, with 2024 revenues foreseen in the region of Eu5.7-6.1bn (vs. exp. Eu5.2-5.4bn); EBITDA is seen in the Eu360-405mn range (vs. exp. Eu350mn). CapEx is indicated in the Eu140-170mn range, mainly to expand the technology portfolio, for a YE24 adj. net cash position expected above year-end 2023.

■ **2033 targets.** At the end of the 10-year plan in 2033, revenues are projected over Eu10bn and EBITDA around Eu1bn, reaching a double-digit margin. Maire projects sound cash generation during the plan period, with adjusted net cash expected to reach Eu500mn in 2028 and more than Eu1.6bn in 2033, after cumulative CapEx of more than Eu1bn (including M&A) and dividend cash-outs (payout assumed to increase to 55% in 2025 and 66% from 2026).

■ **Estimates and valuation.** Following the very robust indications provided by the company, we are raising our 2024 revenue and EBITDA estimates by around 15% and 13% respectively. We are also projecting higher order intake, supporting growth in the following years. As for the valuation, on the back of our newly increased projections, we move our TP from Eu5.30ps to Eu7.00ps (5.5x 2024 EV/EBITDA).

■ **Action on the stock.** We upgraded the stock to Outperform a year ago after the release of the "Unbox the Future" 2023-32 strategic plan. Maire's new 2024-33 strategic plan highlights much stronger targets, bringing forward by four years the objectives for 2032 in last year's plan. We believe visibility on projected growth in 2024 is high following the acquisition of the Hail and Ghasha Project in Abu Dhabi, while on the operational front we remain confident on the company's solid track record and execution capabilities. We confirm our positive view on the stock.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	3,464	4,260	5,867	6,460	6,664
EBITDA Adj (Eu mn)	209	274	379	430	473
Net Profit Adj (Eu mn)	90	125	171	198	221
EPS New Adj (Eu)	0.274	0.382	0.520	0.602	0.671
EPS Old Adj (Eu)	0.274	0.366	0.459	0.557	0.597
DPS (Eu)	0.124	0.197	0.269	0.348	0.463
EV/EBITDA Adj	5.0	3.8	4.7	4.0	3.6
EV/EBIT Adj	6.6	4.9	6.0	5.1	4.5
P/E Adj	22.3	16.0	11.7	10.2	9.1
Div. Yield	2.0%	3.2%	4.4%	5.7%	7.6%
Net Debt/EBITDA Adj	0.2	-0.8	-0.6	-0.6	-0.7

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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)

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Frequency of research: quarterly.

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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.

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OUTPERFORM:	47.15 %
NEUTRAL:	26.02 %
UNDERPERFORM	00.81 %
SELL:	00.00 %

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OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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