

# MAIRE TECNIMONT

Sector: Energy

## OUTPERFORM

Price: Eu3.75 - Target: Eu4.70

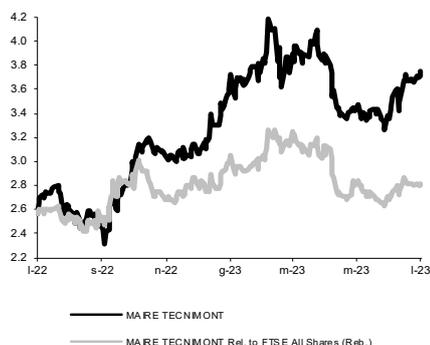
## Results in Line, Guidance Confirmed

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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		
<b>Performance</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	11.8%	-1.7%	46.4%
Relative	4.4%	-9.5%	12.2%
12M (H/L)	4.18/2.32		
3M Average Volume (th):	585.85		

### Shareholder Data

No. of Ord shares (mn):	329
Total no. of shares (mn):	329
Mkt Cap Ord (Eu mn):	1,233
Total Mkt Cap (Eu mn):	1,233
Mkt Float - Ord (Eu mn):	604
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):	1,266

■ **2Q23 results.** After the slightly better-than-expected figures released in 1Q23, Maire 2Q23 results showed a further improvement of revenues and margins. The net financial position improved slightly further too, with the cash-out for the dividend payment (around Eu41mn) more than offset by advance payments on new contracts. In detail: revenues closed at Eu1,008mn (+14% YoY, +5% QoQ, vs. exp. Eu990mn), EBITDA at Eu63mn (+17% YoY, +9% QoQ, vs. exp. Eu61mn) and net income at Eu26mn (+10% YoY, +5% QoQ, vs. exp. Eu29mn). The bottom line was slightly below our expectations, penalized by higher net financial charges and minorities. At divisional level, the Integr. E&C Solutions division reported adj. EBITDA of Eu49mn (+12% YoY, +6% QoQ, vs. exp. Eu48mn) with an EBITDA margin of 5.2%, while the Sust. Tech. Solutions division reported Eu14mn (+144% YoY, +17% QoQ, vs. exp. Eu13mn) with an EBITDA margin of 22.7%. On the balance sheet, the net financial position (pre-IFRS16) closed cash positive at Eu-105mn (in line) from Eu-95mn as at end-March.

■ **Eu9.0bn backlog.** At the end of June, Maire Tecnimont announced the award of two EPC lump-sum turn-key contracts for petrochemical work on the expansion of SATORP refining (a Saudi Aramco and TotalEnergies JV) at Jubail in Saudi Arabia for a total value of around US\$2bn. The contracts are for execution of two packages of work at the plant: "Derivatives Units" and the "High density polyethylene (HDPE) and logistics area". Thanks to these two contracts, order intake reached Eu2.1bn in the quarter (still not including the US\$220mn contract for the KIMA fertilizer plant in Egypt, which is subject to successful execution of the financing package). The backlog as at the end of June reached Eu9.0bn, up from Eu7.9bn in 1Q23.

■ **Outlook.** Thanks to contracts in 1H23, Maire Tecnimont has been able to strengthen its backlog by replacing the part converted into production in the first semester. In consideration of the significant commercial opportunities, which the company believes can materialize in the coming months, Maire Tecnimont believes it can further increase its order portfolio at both of its business units and confirm the growth forecasts for next year and the following years.

■ **2023 guidance confirmed.** Regarding 2023 guidance, Maire Tecnimont confirmed expectations for FY23 revenues in the region of Eu3.8-4.2bn (upper part of the range considered 'achievable') and an EBITDA margin of 6-7%. Looking at the two 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 is seen in line with YE22, after CapEx of Eu95-115mn.

■ **Estimates and valuation.** Following 2Q23 results, we are leaving our projections unchanged for 2023 and subsequent years. In terms of the valuation, we confirm our target price of Eu4.70ps.

■ **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. We confirm our positive view on the stock.

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	4.2	3.6
EV/EBIT Adj	8.6	6.6	6.4	5.7	4.9
P/E Adj	14.8	13.7	10.4	9.5	8.5
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