

# MAIRE TECNIMONT

Sector: Energy

## OUTPERFORM

Price: Eu3.44 - Target: Eu4.70

### Strong Order Intake, Margins Expected to Continue Improving

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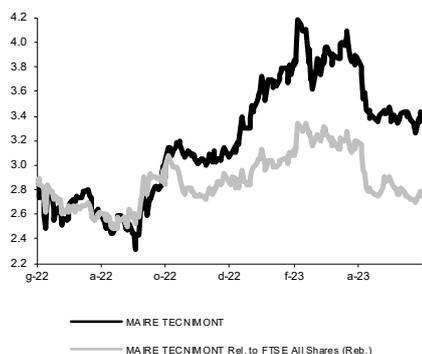
#### Stock Rating

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

#### Next Event

2Q23 Results Out 27 July

#### 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	0.7%	-10.3%	20.1%
Relative	-2.4%	-14.6%	-2.8%
12M (H/L)	4.18/2.32		
3M Average Volume (th):	607.68		

#### Shareholder Data

No. of Ord shares (mn):	329
Total no. of shares (mn):	329
Mkt Cap Ord (Eu mn):	1,131
Total Mkt Cap (Eu mn):	1,131
Mkt Float - Ord (Eu mn):	554
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:	2.0
Net Financial Position (Eu mn):	-33
Enterprise Value (Eu mn):	1,164

- Maire Tecnimont will report 2Q23 results on 27 July**, with the press release to go out in the early afternoon and the conference call scheduled for 17.30 CEST on the same day.
- 2Q23 results preview.** After the robust order intake recorded in the second part of 2022 and the slightly better-than-expected figures released in 1Q23, we project a further improvement of revenues and margins in 2Q23. The net financial position is also expected to improve further, with the cash-out for the dividend payment (around Eu41mn) expected to be more than offset by advance payments on new contracts. In detail: for 2Q23 we project revenues at Eu990mn (+12% YoY, +3% QoQ), EBITDA at Eu61mn (+14% YoY, +6% QoQ) and net income at Eu29mn (+20% YoY, +14% QoQ). At divisional level, we forecast adj. EBITDA of Eu48mn for the Integr. E&C Solutions division (+1% YoY, +5% QoQ) with an EBITDA margin of 5.2%, while for the Sust. Tech. Solutions division we forecast EBITDA of Eu13mn (+119% YoY, +9% QoQ). Moving to the balance sheet, the net financial position (pre-IFRS16) is expected to have closed cash positive at Eu-105mn from Eu-95n as at the end of March.
- US\$2bn contracts awarded for the SATORP refinery in Saudi Arabia.** Maire Tecnimont announced a few days ago it had been awarded two EPC lump-sum turnkey contracts for petrochemical work on the expansion of SATORP refining (a Saudi Aramco and TotalEnergies JV) at Jubail in Saudi Arabia. The total value of the contracts is circa US\$2bn. The contracts are for execution of two packages of work at the plant: "Derivatives Units" and "High density polyethylene (HDPE) and logistics area". Thanks to these two contracts, we project order intake of Eu2.3bn in the quarter (still not including the US\$220mn contract for the KIMA fertilizer plant in Egypt, which is subject to the successful execution of the financing package). The backlog as at the end of June is projected to reach around Eu9.2bn, up from Eu7.9bn in 1Q23.
- 2023 guidance expected to be confirmed.** Regarding 2023 guidance, alongside 1Q23 results Maire Tecnimont confirmed expectations for FY23 revenues in the region of Eu3.8-4.2bn and an EBITDA margin of 6-7%. Looking at the two divisions, Integrated E&C Solutions revenues were 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 continued to be seen in line with YE22, after CapEx of Eu95-115mn. We expect the company to confirm these indications.
- Estimates and valuation.** Following 1Q23 results, despite the slightly higher-than-expected figures recorded in the quarter, we left our projections unchanged for 2023 and subsequent years. Ahead of 2Q23 results, we confirm our projections, as well as our Eu4.70ps target price for the stock.
- 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	4.4	3.8	3.3
EV/EBIT Adj	8.6	6.6	5.9	5.2	4.5
P/E Adj	13.6	12.6	9.6	8.7	7.8
Div. Yield	5.3%	3.6%	4.8%	5.4%	6.0%
Net Debt/EBITDA Adj	0.7	0.2	0.1	0.0	-0.2