

SARAS

Sector: Energy

TENDER

Price: Eu1.79 - Target: Eu1.75

Moratti Family Sells to Vitol

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Stock Rating

Rating: from NEUTRAL to TENDER

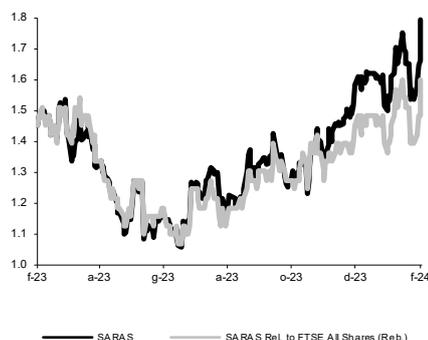
Target Price (Eu): from 1.50 to 1.75

	2023E	2024E	2025E
Chg in Adj EPS	0.0%	0.0%	0.0%

Next Event

4Q23 Results Out 15 March

SARAS - 12M Performance



Stock Data

Reuters code: SRS.MI

Bloomberg code: SRS IM

Performance	1M	3M	12M
Absolute	16.2%	37.5%	23.7%
Relative	13.9%	28.6%	11.8%
12M (H/L)	1.79/1.06		
3M Average Volume (th):	8,303.15		

Shareholder Data

No. of Ord shares (mn): 951

Total no. of shares (mn): 951

Mkt Cap Ord (Eu mn): 1,707

Total Mkt Cap (Eu mn): 1,707

Mkt Float - Ord (Eu mn): 997

Mkt Float (in %): 58.4%

Main Shareholder:

Moratti family 40.0%

Balance Sheet Data

Book Value (Eu mn): 1,354

BVPS (Eu): 1.42

P/BV: 1.3

Net Financial Position (Eu mn): 199

Enterprise Value (Eu mn): 1,509

- Moratti Family sells to Vitol.** Saras announced yesterday that the members of the Moratti family (Massimo Moratti S.p.A, Angel Capital Management S.p.A. and Stella Holding S.p.A) have entered into an agreement to sell approx. 35% of Saras to Vitol at a price of Eu1.75 per share. Under the purchase agreement, Angel Capital Management S.p.A. has undertaken to sell to Vitol the shares of Saras (if any) that it may be entitled to receive under the existing funded collar derivative contract, covering approx. 5% of Saras's corporate capital. If a dividend distribution is resolved and paid by Saras before the closing date of the transaction, the selling price will be reduced accordingly. Completion of the transaction is exclusively subject to obtaining the required regulatory approvals (i.e., clearances under the EU foreign subsidies regulation, the EU antitrust regulation and the Golden Power framework).
- Mandatory tender offer at Eu1.75ps (adjusted for dividend).** Upon closing, the entire stake owned by the Moratti family in Saras will be transferred to Vitol. This will trigger a mandatory tender offer for the outstanding share capital of Saras, which will be launched by Vitol at the same price (Eu1.75ps), with possible adjustments in the event of dividend distributions before closing. The goal of the mandatory tender offer is to de-list the stock from the Milan Stock Exchange, which may also be achieved through a de-listing merger should the required conditions be met.
- Updated estimates and valuation.** We move our target price from Eu1.50ps to Eu1.75ps, in line with the mandatory tender offer price.
- Investment case.** We move our recommendation from Neutral to TENDER. While the Sarroch refinery in Sardinia represents a strategic asset for Italy, we expect the deal to get the green light, obtaining the required regulatory approvals (Golden Power framework).

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	8,636	15,836	11,061	10,976	10,841
EBITDA Adj (Eu mn)	54	1,137	680	423	374
Net Profit Adj (Eu mn)	-136	710	285	133	106
EPS New Adj (Eu)	-0.143	0.747	0.300	0.140	0.112
EPS Old Adj (Eu)	-0.143	0.747	0.300	0.140	0.112
DPS (Eu)	0.000	0.190	0.100	0.080	0.070
EV/EBITDA Adj	20.7	0.6	1.6	3.6	3.7
EV/EBIT Adj	nm	0.8	2.3	7.0	8.3
P/E Adj	nm	2.4	6.0	12.8	16.1
Div. Yield	0.0%	10.6%	5.6%	4.5%	3.9%
Net Debt/EBITDA Adj	9.1	-0.2	-0.2	-0.5	-0.8

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