

## EQUITY RESEARCH

### MAPS RESULTS REVIEW

**BUY, TP 5.5€ (vs 5.7€)**  
Up/Downside: 87%

### Maps' H1 Publication Points to a Period of Strong Growth

**Revenue up, margins slightly down, but growth potential is at its highest level.**

The MAPS Group has released its H1 2022 report showing revenue of €13m (vs. €11.5m YoY), EBITDA of €3m (vs. €2.8m YoY) and EBITDA margin down slightly to 25.8% (vs. 26.7% YoY, calculated on VoP minus internal work).

It is important to note that 84% of revenue comes from proprietary solutions (vs. 55% YoY) and that the strong organic growth has been mitigated in recent years by a progressive revenue decline from non-proprietary solutions. This decrease is in line with MAPS' strategic plan to focus activities on its software solutions. It is clear that with 84% of revenue now involving proprietary solutions, MAPS will be able to build on what has already been significant and steady organic, and external, growth.

Cash generation has been lower due to an increase in inventory caused mainly by the acquisition of Iasi, which is working on larger orders and still has some inefficiencies in working capital trends, which are gradually improving. €3.3m has been invested to date for the acquisition of I-Tel and Optimist. MAPS has an NFP/EBITDA ratio (estimated for 2022) of around 1.43x, which leaves plenty of room for future M&A transactions. In particular, the acquisition of Energenius has already been signed last week, which will bring substantial growth to the energy division with strong strategic value, taking into account the €2.2B from NRRP (The National Recovery and Resilience Plan) dedicated to the formation of energy communities in Italy.

Thus, H1 results are in line with the company's strategic plan, which aims at growth dependent on high margin proprietary solutions and external growth. External growth is characterised by the selection of targets with high synergy potential with its BUs: Healthcare, ESG and Energy.

Despite the recent rise in interest rates, market uncertainty and slightly lower than expected cash generation, growth expectations for the next few years are solid, with over 80% of revenue coming from proprietary solutions and 42% from recurring revenue. We are reiterating our Buy rating and slightly revising our TP to €5.5 (vs. €5.7 previously).

#### Key data

Price (€)	2.9
Industry	Packaged Software
Ticker	MAPS-IT
Shares Out (m)	12.663
Market Cap (m €)	37.1
Average trading volumes (k shares / day)	354.000

#### Ownership (%)

Fondateurs & Management	55.8
Eiffel IG	11.2
Free float	33.1

#### EPS (€)

	12/22e	12/23e	12/24e
Estimates	0.28	0.33	0.38
Change vs previous estimates (%)	4.64	11.43	18.53

#### Performance (%)

	1D	1M	YTD
Price Perf	-7.0	-13.6	-25.4
Rel FTSE Italy	-7.6	-10.4	-3.2



TP ICAP Midcap Estimates	12/21	12/22e	12/23e	12/24e	Valuation Ratio	12/22e	12/23e	12/24e	Consensus FactSet - Analysts:na	12/22e	12/23e	12/24e
Sales (m €)	24.1	30.0	34.6	38.9	EV/Sales	1.5	1.3	1.1	Sales	28.8	33.1	37.7
Current Op Inc (m €)	5.3	6.7	7.9	9.2	EV/EBITDA	6.8	5.7	4.8	EBIT	3.2	4.7	6.4
Current op. Margin (%)	22.0	22.3	23.0	23.6	EV/EBIT	6.8	5.7	4.8	Net income	2.8	3.5	4.3
EPS (€)	0.20	0.28	0.33	0.38	PE	10.5	8.9	7.7				
DPS (€)	0.00	0.00	0.00	0.00								
Yield (%)	0.0	0.0	0.0	0.0								
FCF (m €)	-3.1	-1.7	0.3	1.6								

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## FINANCIAL DATA

<b>Income Statement</b>	<b>12/19</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22e</b>	<b>12/23e</b>	<b>12/24e</b>
Sales	16.5	20.3	24.1	30.0	34.6	38.9
Changes (%)	10.0	23.1	18.9	24.4	15.1	12.5
Gross profit	17.4	18.6	22.4	28.6	32.9	37.0
% of Sales	105.3	91.4	92.7	95.1	95.1	95.1
<b>EBITDA</b>	<b>3.9</b>	<b>3.4</b>	<b>5.3</b>	<b>6.7</b>	<b>7.9</b>	<b>9.2</b>
% of Sales	23.8	16.8	22.0	22.3	23.0	23.6
<b>Current operating profit</b>	<b>3.9</b>	<b>3.4</b>	<b>5.3</b>	<b>6.7</b>	<b>7.9</b>	<b>9.2</b>
% of Sales	23.8	16.8	22.0	22.3	23.0	23.6
Non-recurring items	0.2	2.6	3.1	1.6	2.0	2.4
EBIT	3.7	0.8	2.2	5.1	5.9	6.8
Net financial result	-0.6	-0.3	0.2	0.2	0.2	0.2
Income Tax	0.5	0.2	-0.4	1.4	1.6	1.9
Tax rate (%)	12.5	13.0	-21.0	27.9	27.9	27.9
<b>Net profit, group share</b>	<b>3.7</b>	<b>1.0</b>	<b>2.5</b>	<b>3.5</b>	<b>4.2</b>	<b>4.8</b>
EPS	0.44	0.10	0.20	0.28	0.33	0.38
<b>Financial Statement</b>	<b>12/19</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22e</b>	<b>12/23e</b>	<b>12/24e</b>
Goodwill	5.0	8.4	11.7	11.7	11.7	11.7
Tangible and intangible assets	5.3	7.5	7.2	9.6	11.7	13.2
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Working capital	7.1	7.7	11.4	14.4	16.3	18.1
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>Assets</b>	<b>17.4</b>	<b>23.5</b>	<b>30.4</b>	<b>35.7</b>	<b>39.7</b>	<b>43.0</b>
Shareholders equity group	9.4	11.2	18.0	21.6	25.7	30.5
Minorities	0.0	0.0	0.1	0.0	0.0	0.0
LT & ST provisions and others	3.0	4.0	4.9	4.9	4.9	4.9
Net debt	4.6	7.7	6.6	8.5	8.2	6.8
Other liabilities	0.5	0.7	0.8	0.8	0.8	0.8
<b>Liabilities</b>	<b>17.4</b>	<b>23.5</b>	<b>30.4</b>	<b>35.7</b>	<b>39.7</b>	<b>43.0</b>
Net debt excl. IFRS 16	4.6	7.7	6.6	8.5	8.2	6.8
Gearing net	0.5	0.7	0.4	0.4	0.3	0.2
Leverage	1.2	2.2	1.2	1.3	1.0	0.7
<b>Cash flow statement</b>	<b>12/19</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22e</b>	<b>12/23e</b>	<b>12/24e</b>
CF after elimination of net borrowing costs and taxes	3.1	4.7	6.6	5.2	6.2	7.2
$\Delta$ WCR	-2.4	-0.3	-3.3	-2.9	-1.9	-1.8
Operating cash flow	0.7	4.4	3.3	2.2	4.3	5.3
Net capex	-5.2	-7.7	-5.6	-4.1	-4.1	-3.9
FCF	-4.1	-4.7	-3.1	-1.7	0.3	1.6
Acquisitions/Disposals of subsidiaries	-0.1	-0.5	-1.0	0.0	0.0	0.0
Other investments	0.1	0.0	-0.0	0.0	0.0	0.0
Change in borrowings	1.8	5.9	1.8	-3.8	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Others	3.0	0.8	4.4	-0.1	0.0	0.0
Changes in exchange rates	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	4.8	6.7	6.2	-3.9	0.0	0.0
ROA (%)	17.0%	3.3%	6.1%	7.6%	8.5%	8.9%
ROE (%)	54.2%	9.9%	17.0%	17.8%	17.7%	17.0%
ROCE (%)	23.2%	3.9%	10.8%	12.1%	12.6%	13.2%

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### Methodology

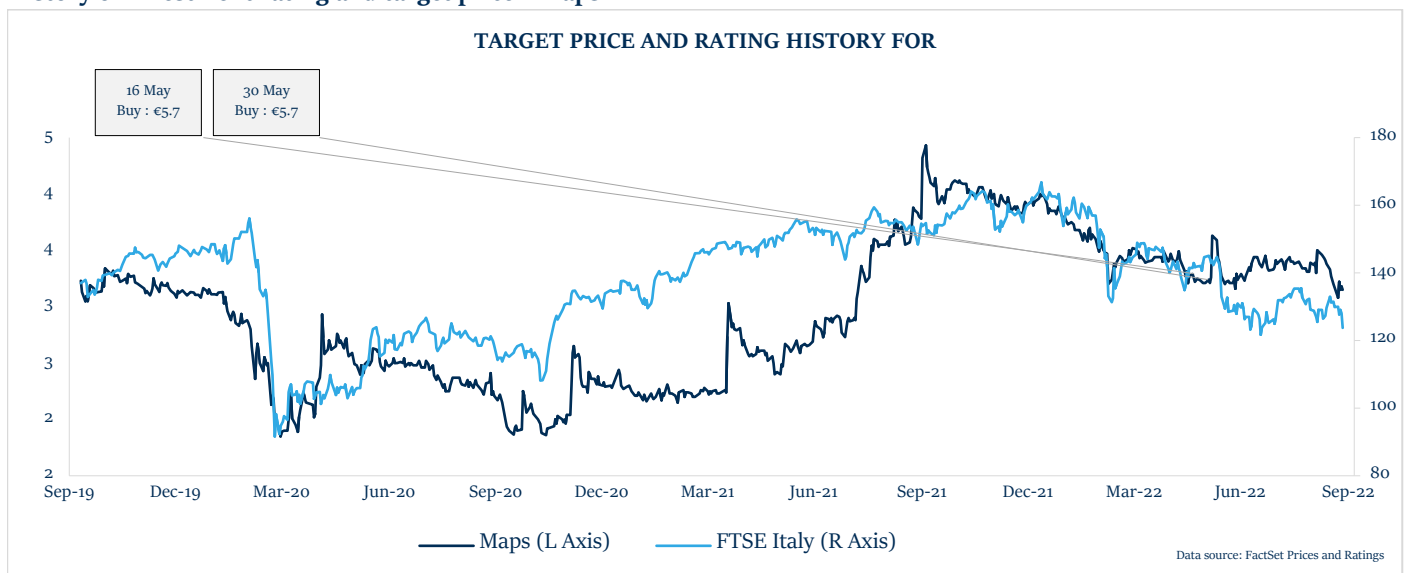
This Report may mention evaluation methods defined as follows:

1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

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G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Maps

### History of investment rating and target price – Maps



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Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	87%	63%
Hold	13%	35%
Sell	1%	0%
Under review	0%	

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

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