

EQUITY RESEARCH

MAPS

NEWS

Ministero dell`Ambiente e della Sicurezza
Energética

BUY

TP 5.4€

Up/Downside: 52%

Towards the Multiplication of Energy Communities

The green light from the European Commission is expected to unlock €2.2bn in NRRP grants and facilitate the formation of thousands of self-consumption groups across Italy.

The Ministry of Environment and Energy Security (MASE), along with the European Union, has begun a proposal encouraging the diffusion of energy self-consumption from renewable sources.

The proposal is based on two main measures: i/ a non-refundable contribution (up to 40% of the initial investment) reserved for projects located in municipalities of up to 5,000 inhabitants aiming to develop at least 2GW of energy capacity, and ii/ an incentive tariff on the share of energy shared by renewable energy installations, also intended for large municipalities.

The rules have already been defined by the Italian Ministry, and once European Community authorization is received, it is estimated that more than 15,000 energy communities can be formed in the next few years, all of which can potentially be managed by the MAPS proprietary solution.

Incentives are available for all renewable energy installations (photovoltaic, wind, hydro, biomass...). According to *Il Sole 24 Ore*, the amount of fixed and variable incentives will be identified in three different brackets, depending on the plant's capacity. The fixed incentive will be between €60 and €80/MWh and the variable incentive up to €120/MWh, with an additional regional correction factor up to €10/MW.

The proprietary Rose Energy Community solution will allow MAPS to be involved in the configuration, simulation and evaluation of energy performance in relation to the feasibility analysis pathway, as well as in the management and redistribution of the community's incentive.

Pending a response from the European Community in the coming weeks, MAPS' share rating remains attractive and the growth potential of the new Energy Division remains high. Today, following the acquisition of Energenius SrL, the Energy division generates about 5% of the group's revenue.

We are reiterating both our Buy rating and TP of €5.4.

Key data

Price (€)	3.5
Industry	Packaged Software
Ticker	MAPS-IT
Shares Out (m)	11.791
Market Cap (m €)	41.7
Average trading volumes (k shares / day)	58.000

Ownership (%)

Fondateurs & Management	54.1
Eiffel IG	10.8
Free float	34.5

EPS (€)

	12/22e	12/23e	12/24e
Estimates	0.24	0.26	0.27
Change vs previous estimates (%)	0.00	0.00	0.00

Performance (%)

	1D	1M	YTD
Price Perf	0.0	1.7	-1.1
Rel FTSE Italy	-1.6	-2.0	-13.4



TP ICAP Midcap Estimates	12/21	12/22e	12/23e	12/24e	Valuation Ratio	12/22e	12/23e	12/24e
Sales (m €)	24.1	27.3	31.9	35.4	EV/Sales	1.8	1.5	1.3
Current Op Inc (m €)	2.7	3.6	4.0	4.3	EV/EBITDA	8.0	6.4	5.3
Current op. Margin (%)	11.2	13.2	12.6	12.2	EV/EBIT	13.6	12.1	10.8
EPS (€)	0.21	0.24	0.26	0.27	PE	14.9	13.7	13.0
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-2.3	-0.9	0.5	2.3				

Consensus FactSet - Analysts:na	12/22e	12/23e	12/24e
Sales	28.6	34.2	39.3
EBIT	4.3	5.5	6.8
Net income	2.8	3.8	4.8

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FINANCIAL DATA

Income Statement	12/19	12/20	12/21	12/22e	12/23e	12/24e
Sales	16.5	20.3	24.1	27.3	31.9	35.4
Changes (%)	10.0	23.1	18.9	13.2	16.8	11.0
Gross profit	17.4	18.5	22.4	25.6	30.0	33.4
% of Sales	105.3	91.4	92.7	93.8	94.0	94.2
EBITDA	3.9	3.4	5.3	6.2	7.6	8.8
% of Sales	23.8	16.8	22.0	22.6	23.7	24.8
Current operating profit	2.2	1.1	2.7	3.6	4.0	4.3
% of Sales	13.2	5.6	11.2	13.2	12.6	12.2
Non-recurring items	0.2	0.3	0.5	0.5	0.6	0.6
EBIT	1.9	0.8	2.2	3.1	3.4	3.7
Net financial result	0.6	0.3	-0.2	-0.2	-0.2	-0.2
Income Tax	0.5	0.2	-0.4	0.1	0.2	0.3
Tax rate (%)	21.3	13.0	-21.0	3.7	5.7	7.7
Net profit, group share	2.0	1.0	2.5	2.8	3.1	3.2
EPS	0.17	0.09	0.21	0.24	0.26	0.27
Financial Statement	12/19	12/20	12/21	12/22e	12/23e	12/24e
Goodwill	5.0	8.3	11.7	11.7	11.7	11.7
Tangible and intangible assets	5.3	7.5	7.2	10.2	11.6	11.8
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	12.1	13.2	14.0
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	17.4	23.5	30.4	34.1	36.6	37.5
Shareholders equity group	9.4	11.2	18.0	20.8	23.9	27.1
Minorities	0.0	0.0	0.1	0.1	0.1	0.1
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	7.5	7.0	4.6
Other liabilities	0.5	0.7	0.8	0.8	0.8	0.8
Liabilities	17.4	23.5	30.4	34.1	36.6	37.5
Net debt excl. IFRS 16	4.6	7.7	6.6	7.5	7.0	4.6
Gearing net	0.5	0.7	0.4	0.4	0.3	0.2
Leverage	1.2	2.2	1.2	1.2	0.9	0.5
Cash flow statement	12/19	12/20	12/21	12/22e	12/23e	12/24e
CF after elimination of net borrowing costs and taxes	3.1	4.6	6.6	5.4	6.6	7.7
Δ WCR	-2.4	-0.2	-3.3	-0.7	-1.1	-0.8
Operating cash flow	0.7	4.4	3.3	4.7	5.5	6.9
Net capex	-5.1	-7.8	-5.6	-5.6	-4.9	-4.6
FCF	-4.5	-3.4	-2.3	-0.9	0.5	2.3
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	1.8	5.9	1.8	0.0	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
Equity Transaction	3.0	0.8	4.4	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	0.4	2.8	2.9	-0.9	0.5	2.3
ROA (%)	11.3%	4.4%	8.3%	8.2%	8.3%	8.6%
ROE (%)	21.0%	9.2%	13.9%	13.5%	12.8%	11.9%
ROCE (%)	23.3%	10.3%	15.1%	17.4%	16.8%	15.9%

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Methodology

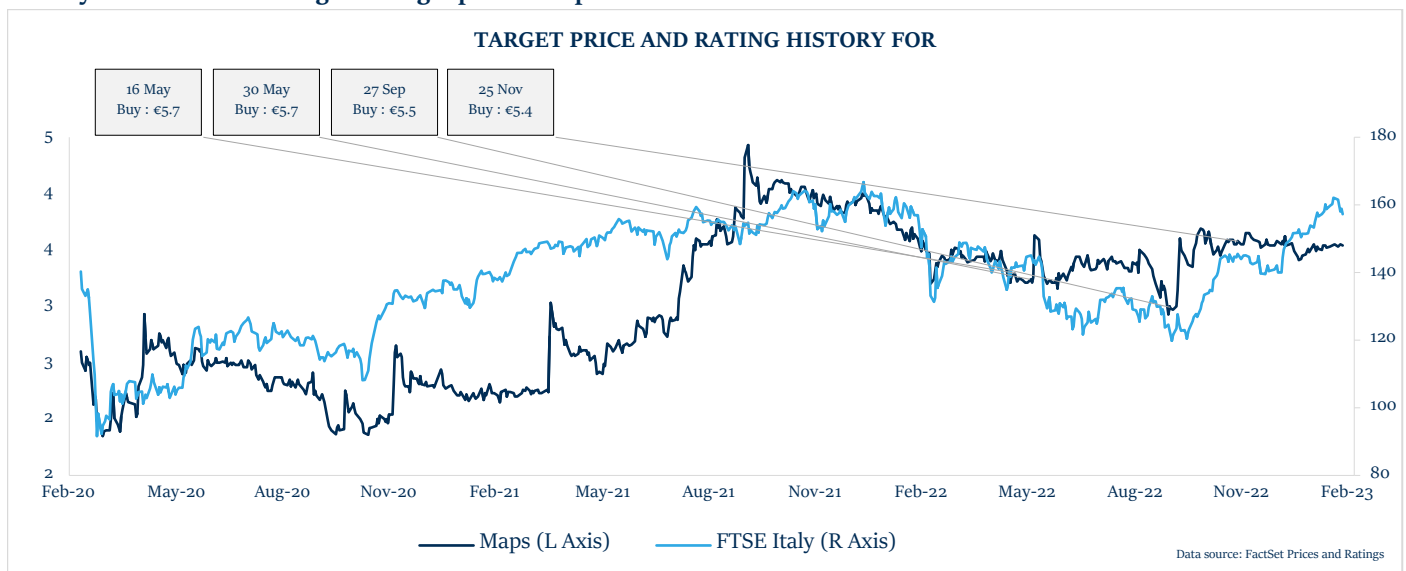
This Report may mention evaluation methods defined as follows:

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.

Conflict of Interests between TP ICAP Midcap and the Issuer

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



Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	84%	63%
Hold	14%	40%
Sell	1%	50%
Under review	1%	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.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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