

Analysar

16 February 2022

Buy

Recommendation unchanged

Share price: EUR 8.50

closing price as of 15/02/2022

Target price: EUR 15.00

from Target Price: EUR 14.00

Upside/Downside Potential 76.5%

Reuters/Bloomberg

SCK.MI/SCK IM

Market capitalisation (EURm) 185

Current N° of shares (m) 22

Free float 42%

Daily avg. no. trad. sh. 12 mth (k) 168

Daily avg. trad. vol. 12 mth (k) 1,264.40

Price high/low 12 months 11.00 / 5.10

Abs Perfs 1/3/12 mths (%) -7.6/1/19.38/15.65

Key financials (EUR) 12/20 12/21e 12/22e

Sales (m) 23 103 153

EBITDA (m) 8 30 44

EBITDA margin 34.0% 28.8% 28.4%

EBIT (m) 6 27 39

EBIT margin 26.9% 26.6% 25.3%

Net Profit (adj.)(m) 2 14 19

ROCE 28.4% 37.2% 34.4%

Net debt/(cash) (m) 2 1 (3)

Net Debt/Equity 0.2 0.0 0.0

Debt/EBITDA 0.3 0.0 -0.1

Int. cover(EBITDA/Fin. int) 9.9 6.1 6.3

EV/Sales 1.5 2.2 1.2

EV/EBITDA 4.3 7.7 4.2

EV/EBITDA (adj.) 4.3 8.2 5.0

EV/EBIT 5.5 8.4 4.7

P/E (adj.) 13.1 16.1 9.7

P/BV 2.7 5.5 3.2

OpFCF yield 22.9% 24.6% 26.8%

Dividend yield 0.0% 2.2% 1.5%

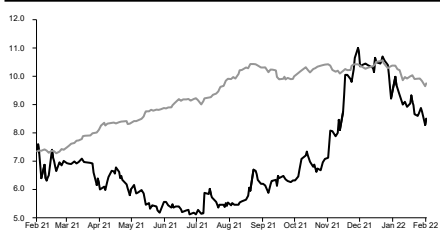
EPS (adj.) 0.21 0.65 0.88

BVPS 1.03 1.91 2.66

DPS 0.00 0.19 0.13

Shareholders

H.Arm 51%; Marco Cipriano 4%; Romina Cipriano 2%;



Source: FactSet

— SCIUKER FRAMES — FTSE AIM Italia (Rebased)

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Solid FY 21 preliminary results in line with expectations. 2022/24 business plan updated, TP up to EUR 15/sh

The facts: SCK released its preliminary FY 2021 results yesterday.

	FY 21a	FY 20a	Y/Y	FY 21e
Value of production	103.0	22.6	356%	105.0
o/w Industrial revenue	58.5	15.0	290%	49.0
o/w Superbonus 110%	44.5	7.6	486%	56.0
Adj. EBITDA	28.0	6.0	368%	25.0
Adj. EBITDA Margin	27.2%	26.5%	0.7pp	23.8%
Net debt (cash)	1.3	2.4	-45.8%	(2.7)

Our analysis: The **FY 21 value of production** was slightly below our expectations, with a significantly different revenue mix. The **Superbonus business** yielded only EUR 44.5m in turnover (vs. our and the company's expectation of EUR 56m), as it was delayed by the latest resurgence of the Covid-19 pandemic and the changes in the legal framework. Given the average value of contracts (~EUR 2.4m), we argue that delays at few construction sites may easily explain the shortfall. By contrast, **industrial revenues** more than offset the Superbonus miss as they reached EUR 58.5m (vs. EUR 49m expected).

FY 21 adj. EBITDA (excl. the tax credit factoring costs) was significantly higher than expected, with margin of 27.2% (vs. the 23.8% exp.). The surprise is due to the different revenue mix, driven by the Industrial business (EUR 17.1m, 29.2% margin). The Superbonus business accounted for EUR 10.9m (24.5% margin).

2022/24 Business plan update. The management updated its targets to 2024, which are now including the extension of the Superbonus (though with the lowered 70% and 65% tax credit in 2024/25 resp.), as well as ~EUR 15m higher Industrial revenues per year, with stable adj. EBITDA margins. The Superbonus projections until 2023 were confirmed, while additional EUR 68m in value of production is now expected in FY 2024 (vs. our estimate of EUR 45m).

	2022			2023			2024		
	new	old	Δ%	new	old	Δ%	new	old	Δ%
VoP	153.0	138.0	11%	205.0	190.0	8%	190.0	175.0	9%
o/w Industrial	85.0	70.0	21%	117.0	102.0	15%	145.0	130.0	12%
o/w Superbonus	68.0	68.0	0%	88.0	88.0	0%	45.0	45.0	0%
EBITDA adj.	36.7	33.1	11%	49.2	45.6	8%	44.7	41.1	9%
EBITDA adj. margin	24.0%	24.0%	0.0pp	24.0%	24.0%	0.0pp	23.5%	23.5%	0.0pp
Net debt (cash)	(2.9)	(2.8)	2%	(27.8)	(26.0)	7%	(52.5)	(48.5)	8%

We confirm our cautious stance on projections as of 2024, as we deem the exit point of the management's assumptions particularly aggressive (we estimate an implied 93% Y/Y organic growth); we are keeping to our ~40% Y/Y organic growth. As regards the long-term projections, we confirm the 2026/2027 mid-single-digit decline consistently with an "as is" scenario (no further extensions of Superbonus after 2025).

Conclusion & Action: following our estimate revision, we have upgraded our DCF-based target price (WACC 8.25%, g 1.5%) to EUR 15/sh from EUR 14. We highlight that the main peers are trading at ~6.5x/5.8x EV/EBITDA on 2022 and 2023 respectively, thus supporting support an ~EUR 14 fair value.