



Analysier

29 March 2023

Buy

Recommendation unchanged

Share price: EUR 8.64

closing price as of 28/03/2023

Target price: EUR 15.50

Target Price unchanged

Upside/Downside Potential 79.4%

Reuters/Bloomberg

SPN.MI/SPN IM

Market capitalisation (EURm) 52

Current N° of shares (m) 6

Free float 18%

Daily avg. no. trad. sh. 12 mth (k) 2

Daily avg. trad. vol. 12 mth (k) 16.88

Price high/low 12 months 15.85 / 8.30

Abs Perfs 1/3/12 mths (%) -11.11/0.47/-44.79

Key financials (EUR) 12/21 12/22e 12/23e

Sales (m) 68 80 98

EBITDA (m) 5 6 8

EBITDA margin 7.8% 7.9% 8.5%

EBIT (m) 4 4 6

EBIT margin 5.9% 4.9% 6.0%

Net Profit (adj.)(m) 3 3 5

ROCE 119.8% 19.8% 28.2%

Net debt/(cash) (m) (1) 7 3

Net Debt/Equity 0.0 0.4 0.1

Debt/EBITDA -0.1 1.0 0.4

Int. cover(EBITDA/Fin. int) 15.9 15.7 14.1

EV/Sales 1.4 0.6 0.4

EV/EBITDA 18.4 7.5 5.3

EV/EBITDA (adj.) 18.4 7.5 5.3

EV/EBIT 24.6 12.0 7.5

P/E (adj.) 38.6 15.4 11.3

P/BV 8.0 3.1 2.6

OpFCF yield -1.6% 8.9% 9.5%

Dividend yield 0.0% 0.0% 0.0%

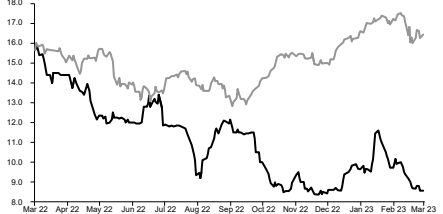
EPS (adj.) 0.47 0.56 0.77

BVPS 2.30 2.73 3.38

DPS 0.00 0.00 0.00

Shareholders

Managers and founders 66%; Treasury shares 8%; Other 8%;



Source: FactSet

SPINDOX FTSE Italy All Share (Rebased)

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FY 22 results: no surprises; still solid growth prospects

The facts: SPN published its FY 22 definitive results yesterday. The group pre-reported value of production, EBITDA and net debt on Feb 13, 2023.

Our analysis: we summarise the main lines of the release below. 2021 pro-forma data are based on our calculations to provide a clearer view on organic growth of the current group perimeter.

	2022	2021 pf	Y/Y	2021 rep
Sales	79.5	na		67.5
Value of Production	82.4	80.3	2.6%	69.1
EBITDA	6.31	6.94	-9.0%	5.92
Margin	7.7%	8.6%	-1.0pp	8.6%
EBITA	3.59	na		4.04
Margin	4.5%	na		6.0%
EBIT	2.62	na		4.04
margin	3.2%	nm		5.8%
net income	0.63	na		2.68
Net debt (cash)	3.92	na		-1.18

As we had already noted, **revenues** grew by 2/3% Y/Y on an organic basis. Reported growth reached 19% Y/Y thanks to M&A, as Plan Soft contributed c. EUR 6.5m to the top line, TMLab and Stackhouse c. EUR 1m and Deep Consulting c. EUR 3.5m on a FY basis. SPN also highlighted the performance of Oplium, subsidiary engaged in IT security, which contributed EUR 1m to the group's revenues in its first year. **EBITDA** grew slightly on a reported basis and declined by c. 9% organically, mainly due to the temporary delays that affected some projects in H1 22. The management's actions led to a gradual recovery in H2 22, which is expected to continue in FY 23 supported by the favourable operating leverage.

The higher goodwill depreciation linked to the merger of Plan Net and Plan Soft, as well as the other acquisitions throughout 2022 (we estimate over EUR 1m higher than in 2021), impacted **EBIT** significantly (-35% Y/Y on a reported basis).

On top of that, the group's **net income** was affected by higher interest expenses (EUR 0.3m) and higher taxes (EUR 0.2m).

The **net debt** at the end of Dec 31, 2022 was EUR 3.9m, improving significantly on a sequential basis flagging the reversal of the seasonal NWC effects reported at the end of Q3 22. In FY 22, cash flow from operations stood at EUR 3.2m, while investments absorbed EUR 2.9m. The impact of M&A included additional cash of EUR 4.2m (due to the consolidation of Plan Soft and Plan Net as of Jan 1, 2022) and outflows of EUR 9.1m (due to the purchase of Deep Consulting, TMLab and Stackhouse).

Outlook: market prospects appear solid. Assinform forecasts a CAGR of 11% and 14% over the 2022/25 timeframe for the ITC service and cybersecurity sectors respectively, driven by the digitalisation trend (particularly in the public administrations), application re-platforming and cloud migration. SPN's management is confident that SPN will continue to grow sustainably and profitably.

Conclusion & Action: neutral implication from the release, as the main KPIs were already disclosed. We confirm our positive recommendation on the stock, given the unaffected growth prospects and the undemanding valuation, with the current market price close to its historical lows.