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EQUITY RESEARCH

MAPS
ANALYSIS FOCUS

BUY, TP 5.4€
Up/Downside: 50%

ROSE Smart Energy Platform, Flagship of the Energy BU

Another MAPS proprietary solution for the optimisation of energy management and the complete management of the thousands of energy communities and collective self-consumption groups expected in Italy.

The outbreak of the Russian-Ukrainian war and the resulting geopolitical tensions have put Europe under pressure, and in particular those European countries whose energy systems are heavily dependent on Russian gas, such as Germany, France and Italy. Of the approximately 300TWh of electricity Italy needs each year, 51% is produced by thermoelectric power plants (mainly gas), 36% by renewable sources and the rest is imported.

In this context, it is essential for Italy to increase imports from Azerbaijan, Algeria and Norway, and above all to work more on its energy independence from renewable sources. Among the funds of the National Recovery and Resilience Plan (NRRP), the National Integrated Energy and Climate Plan (PNIEC) and the EU Green Deal, we estimate that Italy will aim to install between 6 and 8GW of generation capacity per year.

Up to €2.2bn of the NRRP will be focusing on the formation of energy communities and collective self-consumption groups in municipalities with less than 5,000 inhabitants and could bring in an additional 2GW of installed capacity over the next 4 years. According to a study by the Observatory of Energy and Strategy of the Politecnico di Milano, 5,000 to 15,000 collective self-consumption configurations and about 20,000 to 30,000 energy communities (ECs) are expected to emerge. In this context, MAPS has developed the proprietary ROSE Smart Energy Platform, an innovative software with artificial intelligence for the creation and integral management of energy communities and collective self-consumption groups.

In particular, MAPS has entered into a four-year agreement to provide its proprietary solution to all the energy communities that will be formed by IREN (one of the most important players in the energy sector in Italy) and has acquired a majority stake in Energeius Srl, integrating new functionalities to the ROSE solution and underlining a strong interest and ambition for the development of the Energy BU. The energy transition to renewable sources is more than ever a hot topic and MAPS is well positioned technologically to establish itself as a leader in this new market.

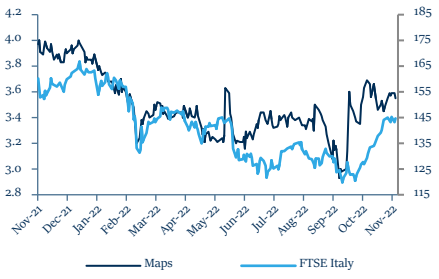
We have slightly downgraded our TP to €5.4 (vs. €5.5) to take into account wage inflation and rising interest rates, while reiterating our Buy rating.

Key data	
Price (€)	3.6
Industry	Packaged Software
Ticker	MAPS-IT
Shares Out (m)	11.791
Market Cap (m €)	42.3
Average trading volumes (k shares / day)	58.000

Ownership (%)	
Fondateurs & Management	54.1
Eiffeil 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 (%)	0.0	0.0	0.0

Performance (%)	1D	1M	YTD
Price Perf	0.0	-1.1	-8.7
Rel FTSE Italy	1.4	-12.4	3.1



TP ICAP Midcap Estimates	12/21	12/22e	12/23e	12/24e
Sales (m €)	24.1	27.3	31.9	35.4
Current Op Inc (m €)	2.7	3.6	4.0	4.3
Current op. Margin (%)	11.2	13.2	12.6	12.2
EPS (€)	0.21	0.24	0.26	0.27
DPS (€)	na	na	na	na
Yield (%)	na	na	na	na
FCF (m €)	-2.3	-0.9	0.5	2.3

Valuation Ratio	12/22e	12/23e	12/24e
EV/Sales	1.3	1.1	1.0
EV/EBITDA	5.9	4.8	3.8
EV/EBIT	10.1	9.0	7.8
PE	15.1	13.9	13.1

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

Analyst
Davide Longo
davide.longo@tpicap.com

Description

Founded in 2002, MAPS is an innovative SME active in the digital transformation sector based in Parma. The company, which has over 250 employees, produces, and distributes big data analytics software that enables client companies to manage and analyse large amounts of data and information, helping them make strategic and operational decisions and define new business models. Through its Patient Journey product line, it is positioned as a leader in the patient care industry in healthcare facilities, with more than 1,300 installations, which manage more than 30m accesses per year nationwide. Through its ESG line the company`s proprietary solutions (Gzoom and iHR) improve the digitisation of corporate data by measuring and communicating corporate and employees social objectives and performance. The recently developed Energy service line will help in the formation, management and engagement of Energetic Communities and collective self-consumption groups. The group is constantly investing in R&D through its Research & Solutions division, which was established in 2016. The group ended 2021 with consolidated VoP of €24.1m and EBITDA of €5.3m. The company is characterized by high levels of recurring revenue (42% of total revenue over H1 2022) and high level of revenue dependence on proprietary solutions (84% of total revenue as of H1 2022). The group's organic growth has been historically accompanied by significant M&A activity, with the acquisitions of IG Consulting (2011), Artexe (2018), Roialty (2019), SCS Computers (2020), IASI (2021) and Energenius (2022).

SWOT Analysis

Strengths

- Long-term relationships with the most important customers
- A market in constant growth: Megatrend of digital transformation
- Proprietary solutions guarantee recurrent revenue streams
- Highly experienced management team

Weaknesses

- Small size compared to market leaders
- No international presence
- High concentration of clients, progressively decreasing (top 5 now around 1/4 of Revenues)

Opportunities

- Highly scalable business through the addition of new products, new customers, and entry into new sectors
- New acquisitions will provide economies of scale, cross-selling opportunities and accelerate entry and expansion into new sectors
- Technology innovations improve efficiency and customer retention
- Energy market evolution potential, Healthcare investments in digitalization in the post-Covid environment are considered very strategic for the country stability

Threats

- Dependence on large players for infrastructure development of configurations
- Competitive pressure in the Energy market coming from huge players
- Lack of organisation and proactivity of the inhabitants of small municipalities
- Competitive pressure due to Covid has imposed a rapid digitalization of companies and public administration

The Italian Electricity Market

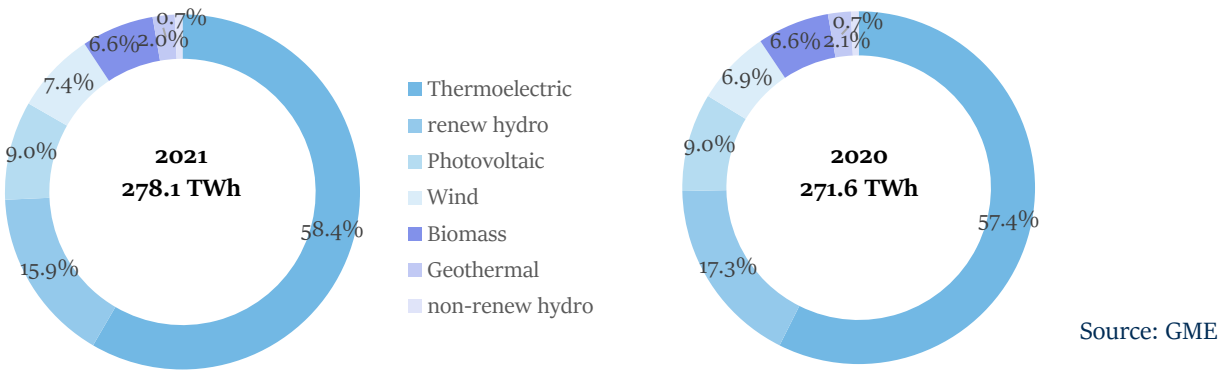
Italy has an average monthly electricity consumption of about 26.5TWh, and ended 2019 with a consumption of 320TWh, 2020 with 303TWh and 2021 with about 318TWh (Source: Terna's annual report/forecast). Beyond the reduction in consumption recorded in 2020, the country shows a slight downward trend in consumption.

In terms of supply, 36% comes from renewable sources in 2021 (vs 38% in 2020). The increase in photovoltaic and wind production was offset by a decrease in hydroelectric production, leaving the level of production stable in absolute terms. Traditional energy sources, meanwhile, produced around 51% of energy needs, leaving around 13% of needs for import activities (compared to around 10% year-on-year).

For 2030, the Integrated National Energy and Climate Plan aims to add 40GW of renewable energy capacity, to be scaled up following the EU Green Deal, to 60/70GW of additional renewable capacity (i.e. 6-8GW to be installed per year, partly through the emergence of energy communities and collective self-consumption groups), which will allow renewable energy sources (RES) to meet 65% of national demand (vs. 36%), assuming that the projected 2023 energy demand of 331TWh remains constant in the years to come.

Without taking into account imports, in 2021, between renewable and non-renewable sources, Italy produced 278.1 TWh of electricity (vs 271.6TWh in 2020), the main sources being: thermoelectric (58.4%), hydro (15.9%), photovoltaic (9%) and wind (7,4%).

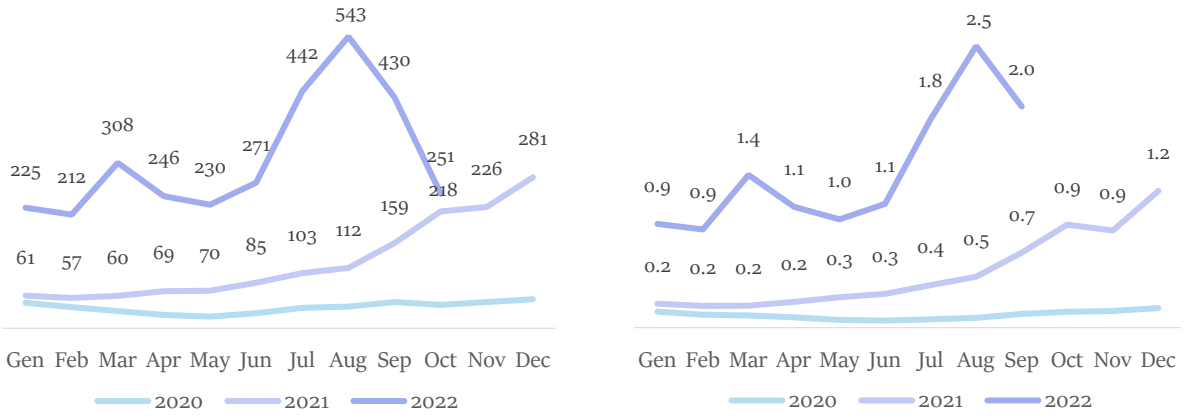
Italian annual energy production by source 2021-2020 (TWh)



Source: GME

With about 80% of the thermoelectric power plants producing energy use natural gas as fuel, the two commodities, gas and electricity, have highly correlated prices. The outbreak of the Russian-Ukrainian conflict and the resulting geopolitical tensions have led to a sharp increase in the price of these two commodities, with the spot price of electricity (PUN, Jan-Oct 2022) rising by 711% (compared to the average price over 2020, the pre-war and pre-covid period), and the spot price of gas (PSV) over the same period rising by 1,157%. If the PUN remains at the same level as in October (€251/MWh) until the end of 2022 and the volumes consumed are in line with those of 2021, Italy, according to IPEX data, would have spent around €90bn in 2022 (compared to €36.6bn in 2021 and €11bn in 2020) on its energy needs. It is clear that greater supplier independence and increased domestic energy production are important for the sustainability of the national economic system. [See Annex for more details on the dynamics of Italian gas imports by country].

Monthly PUN price trends (€/MWh) and monthly PSV price trends (€/Smc)



Source: Terna official report for 2021.

Funds Allocated by the NRRP

On 30 April 2021, the European Commission accepted the text of the recovery and resilience plan proposed by the Italian government (€222.1bn for Italy). The plan identifies 6 main tasks (subdivided into 16 components), aimed at achieving the economic and social objectives defined in the government's strategy.

Of the €221.1bn, around €68.6bn has been allocated to mission 2 (green revolution and ecological transition). In turn, Mission 2 has been divided into four components: Sustainable Agriculture and Circular Economy, Energy Transition and Sustainable Mobility, Energy Efficiency and Building Renovation, and Land and Water Protection. Of the €68.6bn spent on mission 2, around €7.4bn was spent on installing new production capacity.

Regarding the increase of renewable energy sources (RES), the following interventions are foreseen with the respective deadlines

- €1.1bn: Installation of 2GW of new capacity from agro-voltaic plants (deadline March 2026)

- €2.2bn: Installation of 2GW of new RES capacity through energy communities and collective self-consumption, including support to public administrations, households and micro-enterprises in small municipalities (due December 2025)

- €0.7bn: Support for offshore RES production (0.2GW; deadline December 2025)

- €1.9bn: Increase in biomethane capacity from conversion to be allocated to greening the gas network for 2.3-2.5 Bm^3 of gas (expires June 2026)

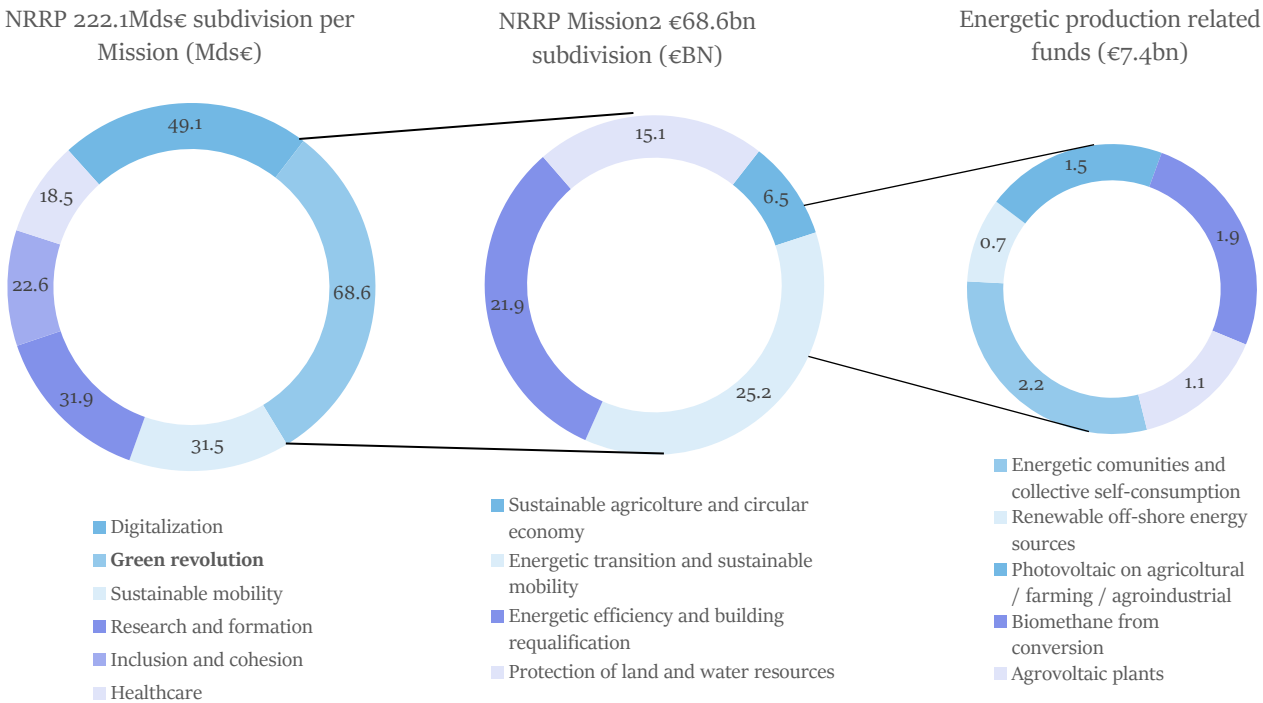
- Simplification of licensing procedures and establishment of a new legal framework

- New legislation to support renewable gas

In addition, under the "circular economy and sustainable agriculture" strand, €1.5bn has been allocated to the installation of 0.43GW of photovoltaic energy on the roofs of buildings for productive use (agro-industrial, zootechnical and agro-industrial).

A total of about €7.4bn is planned for energy production from renewable sources, which could lead, between 2022 and 2026, to an increase in electricity production capacity of 4.63GW and an increase in national gas production of 2.3 Bm^3.

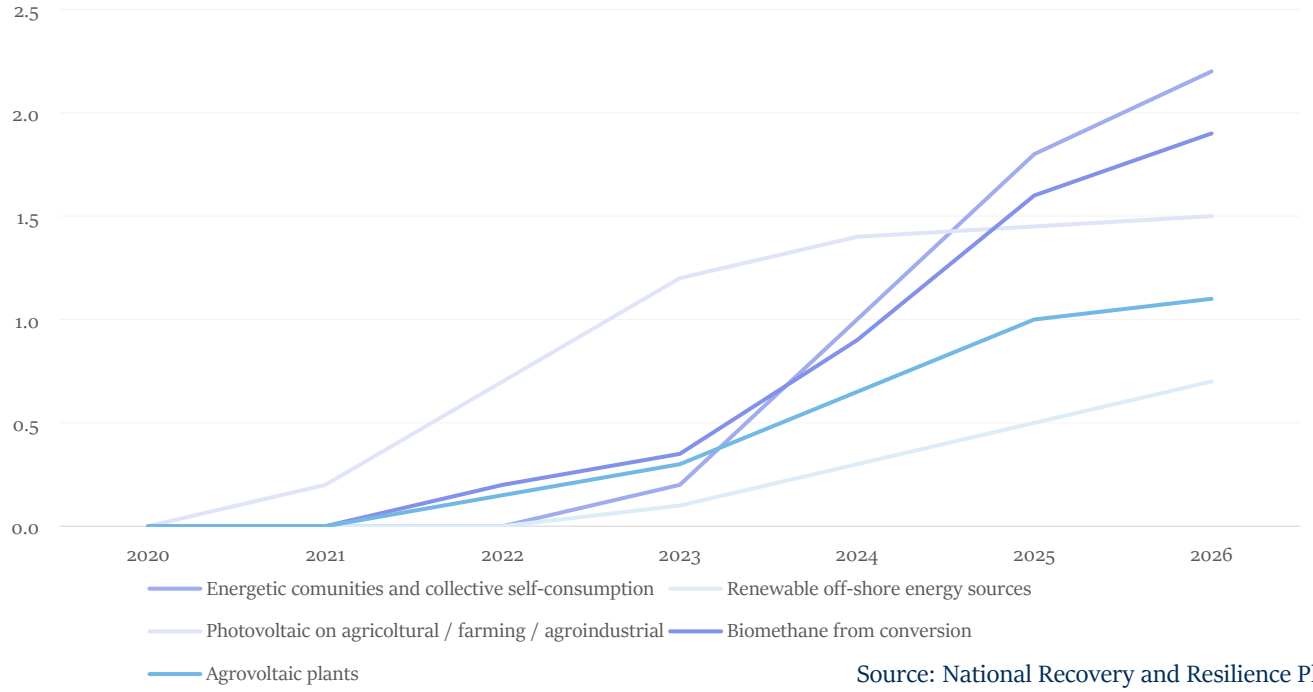
Subdivision of the NRRP by mission, details of mission 2 and planned RMF investments



Source: National Recovery and Resilience Plan

Looking at the investment schedules of the funds analysed in NRRP Mission 2, we see a strong concentration of investments between 2023 and 2025 to support the development of energy communities and collective self-consumption groups.

Cumulative expenditure of the Mission's NRRP funds2 (€bn)



Source: National Recovery and Resilience Plan

The €2.2bn will be targeted at public administrations, individuals and SMEs in municipalities with less than 5,000 inhabitants. Most of the funds are expected to be disbursed between 2023 and 2025, which will stimulate the development of the "prosumer" (producer-consumer) mentality in Italy, oriented towards the production, storage, consumption and eventual sale of the produced/accumulated energy.

The installation of 2GW of renewable energy in a configuration of collective self-consumption and energy communities will support the economy of areas threatened by depopulation (small municipalities). Resources will be disbursed in the form of interest-free loans of up to 100% of eligible costs (maximum duration of 10 years). In particular, €1.6bn will be devoted to the formation of energy communities, with the remaining €0.6 billion promoting collective self-consumption.

The maximum power per installation is currently 200kW but should be increased to a maximum of 1MW. Taking as a reference an average power per project of about 200kW, we expect that the NRRP alone will facilitate the formation of about 10,000 energy communities (potentially two per municipality) or collective self-consumption groups between 2023 and 2026, without taking into account the realities that we expect to be formed independently with a production power even higher than 1MW, among which we would like to highlight some projects: the energy community of Macerata Feltria with 1. 5MW of photovoltaic energy; the Alpine energy community of Tirano with 20MW of biomass production energy; the energy community of the Alto But electric cooperative (S. E.C.A.B.) with a hydroelectric production capacity of 10.8MW; the Primiero-Vanoi energy community with a production capacity of 18.6MW from thermal accumulators, 1MW from photovoltaics, 35MW from biomass, 90MW from hydroelectricity; the Valle Susa energy community, 7MW from biomass and 2MW from photovoltaics and finally the energy community of the Pilastro and Roveri districts near Bologna with a production capacity of 1MW from photovoltaic panels.

Municipalities with less than 5,000 inhabitants in Italy consume about 7-8TWh per year. We estimate that the implementation of these measures could reduce this demand by 20%.

Energy communities and collective self-consumption groups

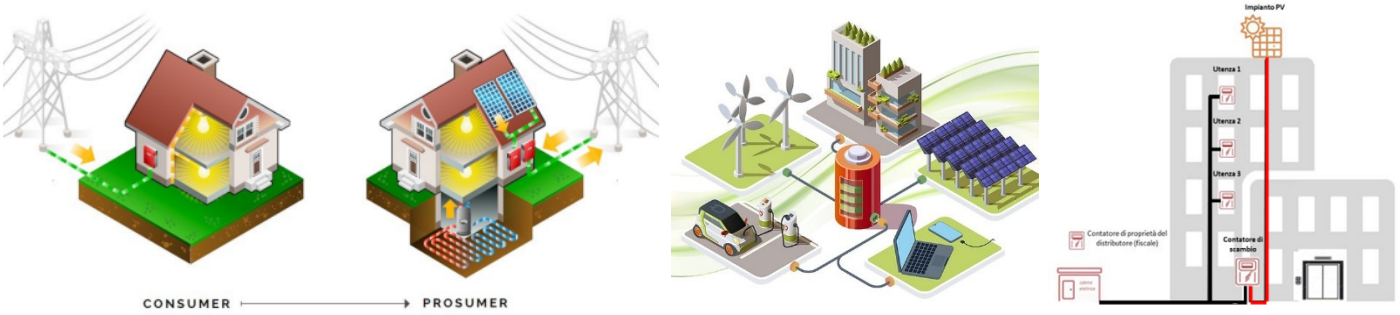
An energy community is an association of citizens, companies, local authorities or small and medium-sized enterprises that decide to equip themselves with one or more common facilities for the production and consumption of energy from renewable sources.

In contrast to energy communities, collective self-consumption (CSC) involves several entities sharing the same building, where the energy produced can be shared only where it is generated. This includes residential buildings, businesses and public entities located in the same place.

Energy communities bring together several entities capable of self-generating energy through systems that are not necessarily installed in the same building, thus generating "virtual electricity networks".

The Italian legislation on renewable energy communities consists of Article 42-bis of Decree Milleproroghe 162/2019 (converted by Law 8/2020 of 28/2/2020), the implementing measures (Resolution ARERA 318/2020 and Ministerial Decree MiSE 19/9/2020) and

Prosumer configuration, energy communities and collective self-consumption structures



Sources: Enea, RSE, Web

Legislative Decree 199/2021, which implements the European RED II Directive on the promotion of the use of energy from renewable sources (source: www.enelx.com) and specifies that the energy community or CUA:

- Is an autonomous entity controlled by shareholders (or members) located close to the production facilities.

- Is based on open and voluntary participation and each individual can withdraw from the community whenever they wish and choose their electricity supplier independently.

- Aims to generate environmental, economic or social benefits at the community level and not financial benefits.

Legislative Decree 199/2021, once it comes into force (expected by the end of June 2022), will relax the size, age and connection requirements for installations to the following values:

- As the total power does not exceed 1MW (today 200KW) and is connected to the electricity grid through the same primary (today secondary) cabin, ARERA will provide simplified procedures for compliance with this requirement.

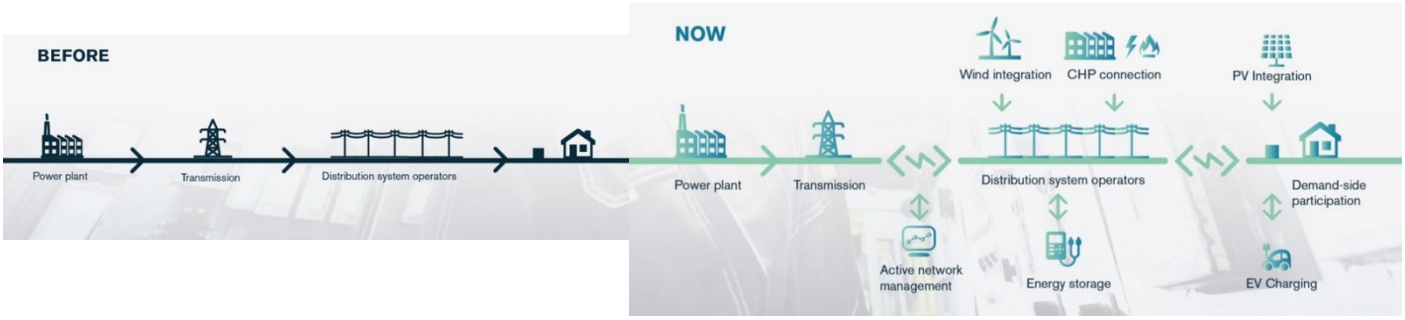
- Existing RES installations can also join the energy community, as long as they do not exceed 30% of the total power to be managed by the community.

The first step in setting up an energy community or collective self-consumption group is the creation of a legal entity between the members, which may not be profit-oriented. Once the area has been identified (close to the consumers) and the necessary funds for the development of the project have been raised by municipalities, community participants or other entities, the community (or collective self-consumption project) can start.

It is also operationally useful for each member of the community to install a "smart meter" to record in real time the amount of energy produced, consumed, sold or withdrawn from the grid.

At this stage, the energy community (or AUC) can apply to the GSE for MiSE incentives on energy shared between members, i.e. energy produced and simultaneously consumed within the community in the same production time slot. A storage system allows the energy community (or AUC) to align production and consumption as closely as possible, thereby maximising the value of the incentive.

Few to many vs. Many to many systems



Source: Company

The update of the incentive mechanisms and tariff refunds provided for in DL 162/2019 is also pending, but for the time being it has two components:

- A unit charge (equal to the sum of the transmission tariff for low-voltage utilities, equal to €7.78/MWh for the year 2022 and the highest value of the variable distribution component for other low-voltage utilities, equal to €0.59/MWh for the year 2022, i.e. a total of approximately €8.37). In the case of groups of renewable energy self-consumers acting collectively, there is an additional contribution due to avoided network losses, which varies according to the voltage level and the hourly zone price of electricity, a higher value incentive for low-voltage utilities than for high-voltage utilities, quantifiable at around €5/MWh ;

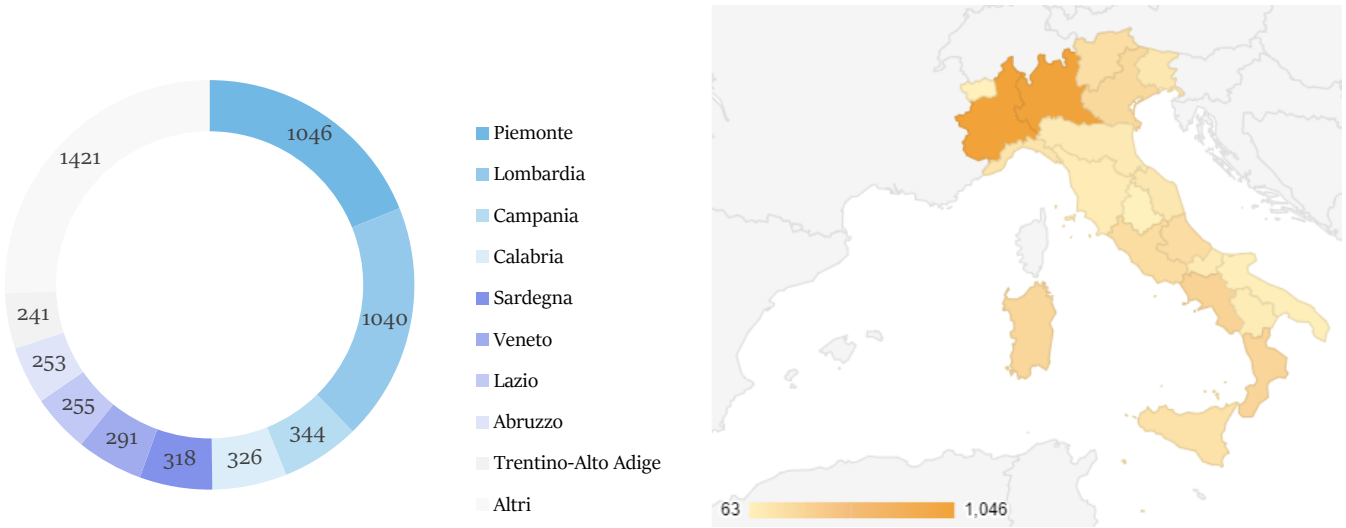
- A premium tariff of €110/MWh for energy communities and €100/MWh for AUCs.

Regarding production in excess of consumption, the community should be guaranteed the "sole value" of the shared raw material. At present, given the sharp increase in feedstock costs, this could lead to an incentive of higher value than self-consumption, discouraging the installation of storage systems to align production and consumption, although it should be borne in mind that at present communities would barely be able to cover their internal needs.

Once the incentives have been received by the GSE, the method of calculation and the consequent redistribution of the amount received, which will in fact reduce the amount of the bill paid (even if the two flows do not occur at the same time), will be established by the community itself through a private law contract.

These incentives are in addition to the €2.2bn that the European Union has progressively committed to Italy to encourage the formation of energy communities between 2022 and 2026. Piedmont and Lombardy are the two regions with the highest number of such communities per detachment, with 1046 and 1040 communities respectively, followed by Campania with 344, Calabria with 326, Sardinia with 318 and Veneto with 291.

Distribution of municipalities with less than 5,000 inhabitants



Source: Tuttiitalia.it

Characteristics of the First Energy Communities

Between 2018 and 2021, the CSR carried out and published research, analysing 6 pilot projects of energy communities and 9 projects of individual consumers (therefore developed before the structuring of the NRP), 96% of which concerned energy production by photovoltaic plants, and identified the following topics useful for the formation of communities.

- Promoter: supports the implementation of the group

- Members: all people whose electricity consumption contributes to the calculation of the shared energy fed into the grid.

- Producers: are responsible for the operation of the plants.

- GSE contact person: the person who manages the relationship with the GSE for setting up the configuration and requesting access to the valuation and incentive of shared energy.

- Financier: the person who provides the preparatory funds for the initial investment.

The members are in turn supported in the project phase and beyond by external entities such as: research organisations (creation and management), third sector entities (non-profit companies that promote training), an energy sector player (provides knowledge to support training), technology providers, condominium administrators (can handle the relationship with the ESG as a contact person) and finally credit institutions (that provide financing).

For the record, the DSO and the ESM are two indispensable actors in the formation of the energy community. The DSO is the distribution system operator for the area in question (it helps to identify the secondary substation and utilities that may be included). The GSE is the body to contact for configuration and access to the valuation and therefore the incentive of shared and grid-injected energy.

Certain entities may or may not perform certain functions in the development phase of the group.

Different legal entities and potential roles in the energy community or collective self-consumption

SUJETS	DEVELOPER	MEMBER	PRODUCER	CONTACT WITH GSE	FINANCIAL
PUBLIC ADMINISTRATION	O	O			O
RESEARCH	O				
THIRD PARTY ENTITIES	O				
PRIVATE CITIZENS	O	O			O
SMES	O	O			O
ENERGY SECTOR PLAYERS	O		O	O* **	O
TECHNOLOGY SUPPLIERS	O		O	O* **	O
CONDOMINIUM ADMINISTRATOR	O			O**	
CREDIT INSTITUTIONS					O
ENERGY COMMUNITY			O	O	

*) producer for one or more production plants belonging to the group
**) Valid only for the collective self-consumption configuration and not for energy communities

Source: Ricerca Sistema Energetico (RSE)

Generally, when the promoter of the energy community is a public body whose motivation is the generation of savings for the citizens in order to create value. When the promoter is an energy sector player, the main objective is the search for a business opportunity and involves the promotion of energy efficiency initiatives. When the initiative is proposed by a citizen or an SME, the main objective is to reduce energy costs and contribute more to environmental sustainability.

IDENTIFIED MECHANISMS	DETAIL
NON-REPAYABLE FUNDING FROM A PUBLIC BODY	Municipal, regional, national and/or European funds are used to finance initiatives without any obligation to repay the provided capital.
FINANCING OF ENERGY PLAYERS	The energy player bears part or all of the investment required to install the technologies
THE FINANCING OF A THIRD SECTOR ENTITY	A non-profit cooperative covers the investment (or part of it) needed to install the technology
MEMBER FINANCING	The initial investment can be borne by individuals or SMEs who become members. Part of the investment can be covered by bank financing.
CREDIT TRANSFER / INVOICE DISCOUNT WITH TAX DEDUCTIONS	The 110% Superbonus or other tax deductions can be used to mitigate the initial investment through the allocation of credits.

Source: Ricerca Sistema Energetico (RSE)

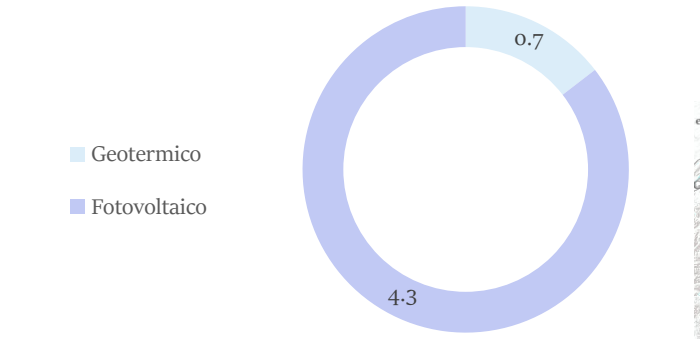
The main funding mechanisms are:

A potentially interesting financing possibility in the near future could be crowdfunding or crowdinvesting, through which funders could enjoy the benefits even if they are not directly involved in the project or the development of the groups in question.

Profits are most often distributed among the group members or partially reinvested or shared with the energy actor if he/she has taken over the initial investment. Profits can be distributed by thousandths, by shared energy or per capita. Energy communities are attractive to 3 main groups (public and tertiary organisations, energy players and citizens/SMEs).

In May 2022, according to a report published by Legaambiente, the number of currently active energy communities would be 38, the collective self-consumption clusters 17. If we remove from this group the planned communities with power plants of more than 1 MW, the production capacity of the completed or planned communities (45) would be around 5MW: photovoltaic 4.2MW and geothermal 0.73MW. These figures are still very low but should improve considerably in the coming years.

Energy production of the first 45 projects with an electrical potential <1MW (MW)



Source: Legambiente, web

ROSE Energy Community, MAPS' Proprietary Solution for the Energy Division

MAPS is one of the main players in Italy in digital transformation, operating through a business model based on the scalability of its proprietary solutions, which today represent the majority of the revenue generated (84% in 1H 2022 vs. 72% FY2021). To date, the Healthcare division, which is active in the area of patient experience with proprietary patient-centric solutions that increase the efficiency and perception of services provided by healthcare facilities, is the largest in terms of revenue generated (entirely from proprietary solutions). Among the different areas of patient experience covered by MAPS solutions is the Patient Journey offering (Zero queue, Mr. You and Kiosk24/7) focusing on simplifying access to healthcare facilities (in 2021, approximately 36M appointments were managed by these solutions, reducing more than 580k hours spent by patients in waiting rooms).

BU Healthcare, Patient Journey branch, three proprietary mail solutions (2 software, 1 hardware)

Source: Company website

Other solutions and services offered in the health sector include: Clinika (a decision support system, capable of using artificial intelligence to automate the analysis of clinical documents, thus reducing the administrative burden and allowing doctors to devote more time and energy to their patients); IASI (a configurable electronic medical record structured to facilitate patient care and management); Alchymia (which has produced over 5.6m laboratory reports and combined with the zerocoda and mr you service allows for a significant expansion of the laboratory diagnostic service); healthdata flows (a tool that allows for the transparent tracking of all health facility management data).

Next we have the Large Enterprise division (24.6%), which encompasses the company's former project-based solutions business, with a low reliance on recurring revenue (26%) and proprietary solutions (39% in 1H 2022), which has a high EBITDA margin (28.9%). This is followed by the ESG division, which through its proprietary solutions (including Gzoom) generated 10% of revenue in 1H 2022 (95% from proprietary solutions and 51% from recurring costs).

BU Healthcare, the Data Driven Governance branch, 2 proprietary solutions & the main proprietary solution of BU ESG

Source: Company website

In line with its growth strategy, the Energy BU, with its proprietary ROSE solution, is the latest Maps division for which an acquisition has already been made. September 15 and October 11 are the dates of acquisition and closing of the first tranche of the acquisition of Energenius Srl (51% of the share capital) for a price of €0.84m (production €1.2m, adjusted EBITDA €268k). Eunergenius has developed a proprietary GEM solution, capable of performing advanced analysis and predictive energy models on consumption for the industrial and retail sectors mainly. Following the integration of GEM, we estimate that this division will generate €3.5m in 2023 (including a €1m contribution from GEM).

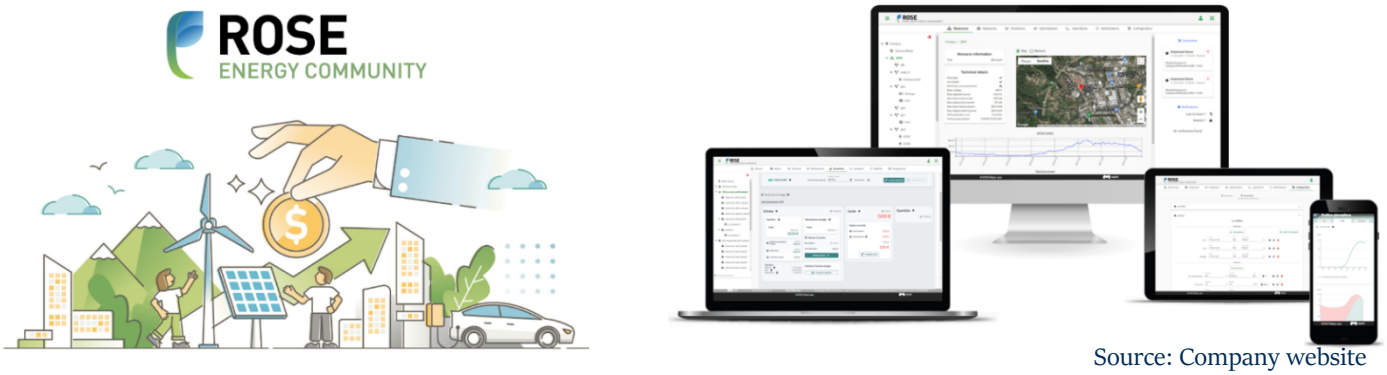
The Smart Energy ROSE (Realtime Operational Smartgrid for Europe) platform is a SaaS solution for the creation and integral management of energy communities, for the energy efficiency of renewable and non-renewable energy production facilities and for the management and predictive maintenance of renewable energy production facilities and distribution networks.

ROSE Energy Community is the software solution with artificial intelligence for creating and managing energy communities. It integrates an energy community designer, an intelligent energy management system and a community engagement application to involve participants. ROSE provides energy community developers with a series of modules that accompany the development of these new configurations in all phases of their management, from feasibility studies to virtualisation and, thanks to the monitoring of

consumption and production data in real time, allows for the management of incentive allocation, optimisation of available resources and community management through a mobile application using gamification models (for the engagement of members).

The ROSE solution for energy communities is provided with preconfigured algorithms, which are based on the property of individual members or energy platforms, or which can be configured with focusing on customer and community needs. The algorithm based on

Energy BU, ROSE (Realtime Operational Smartgrid for Europe) dashboard



Source: Company website

the energy performance of individual members allows to analyse the behaviour of individuals and to distribute economic incentives: the member is evaluated by calculating the energy withdrawn or injected that is relevant for sharing and is rewarded on the basis of its percentage share of the total energy shared.

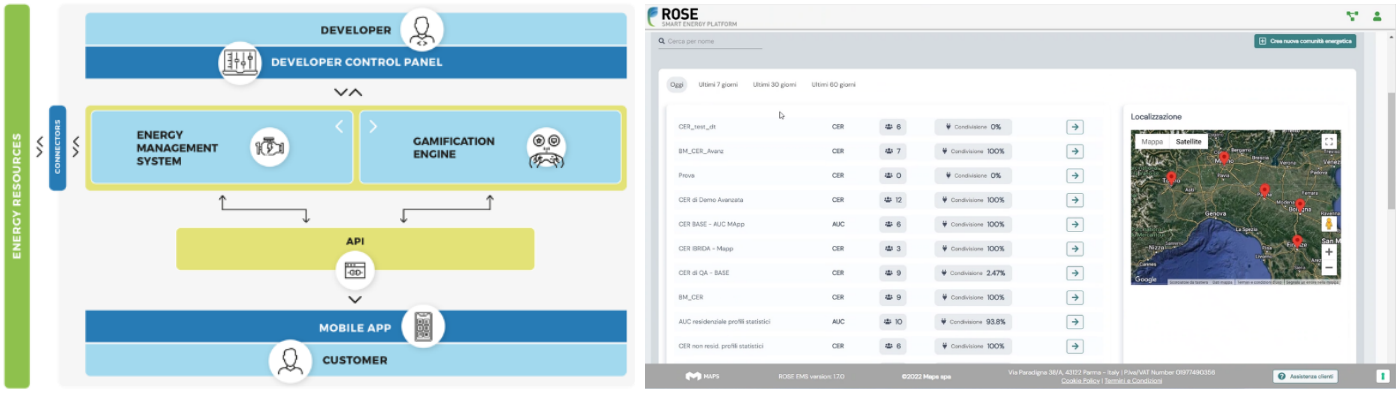
The Energy Community Designer is a key tool for the simulation of different energy community configurations, as it allows to quickly configure a community's resources, simulate its energy balance and evaluate its potential economic and environmental performance.

The energy monitoring functionality allows to visualise the energy flows of individual and aggregated resources at the community level by selecting the desired time interval. The platform also allows tracking and comparing the economic performance of each community and analysing financial results on a cash basis. In addition, special AI and AM (machine learning) algorithms predict future production and consumption in order to maximise shared energy by best aligning production and consumption.

Finally, the community engagement application raises awareness of sustainable behaviour among community members by using gamification models based on energy data to engage them and suggest virtuous behaviour in real time.

It is emphasised that the division's growth will be facilitated by a four-year contract signed by MAPS with IREN, thanks to which all the energy communities formed by the latter will be managed by ROSE and, in addition, the ROSE maintenance system can be offered to IREN's distribution network. An agreement has also been signed with ENEL regarding the predictive maintenance capabilities offered by the MAPS solution.

Energy BU, service and main proprietary solution dashboard (ROSE)



Sources: Company website, ROSE platform

Financial Analysis

MAPS' business strategy is based on R&D investments (or M&A) to develop (or integrate) proprietary solutions; revenue generation through recurring revenues with loyal customers (such as the 7-year contract signed with the Marche region by the Health BU), and entry into markets with a strong need for digital transformation and efficiency.

Over 2021, the revenue contribution of the divisions is as follows: Healthcare 55%; Large Enterprise (gradually decreasing) 36% and ESG (mainly Gzoom and iHR) 9%.

The Healthcare BU includes the following divisions (and proprietary solutions): Patient Journey (Zerocoda, Mryou, 24/7 kiosk), Data Driven Governance (Clinika and healthcare data flows) and Clinical Information System (Alchymia and Iasi). Health appears to be the main BU of the group and generated in 2021 about 13M€ of the turnover, or 55% of the total. We estimate that by 2026 this BU will grow in importance to generate around €27.8m, 64% of the company's turnover.

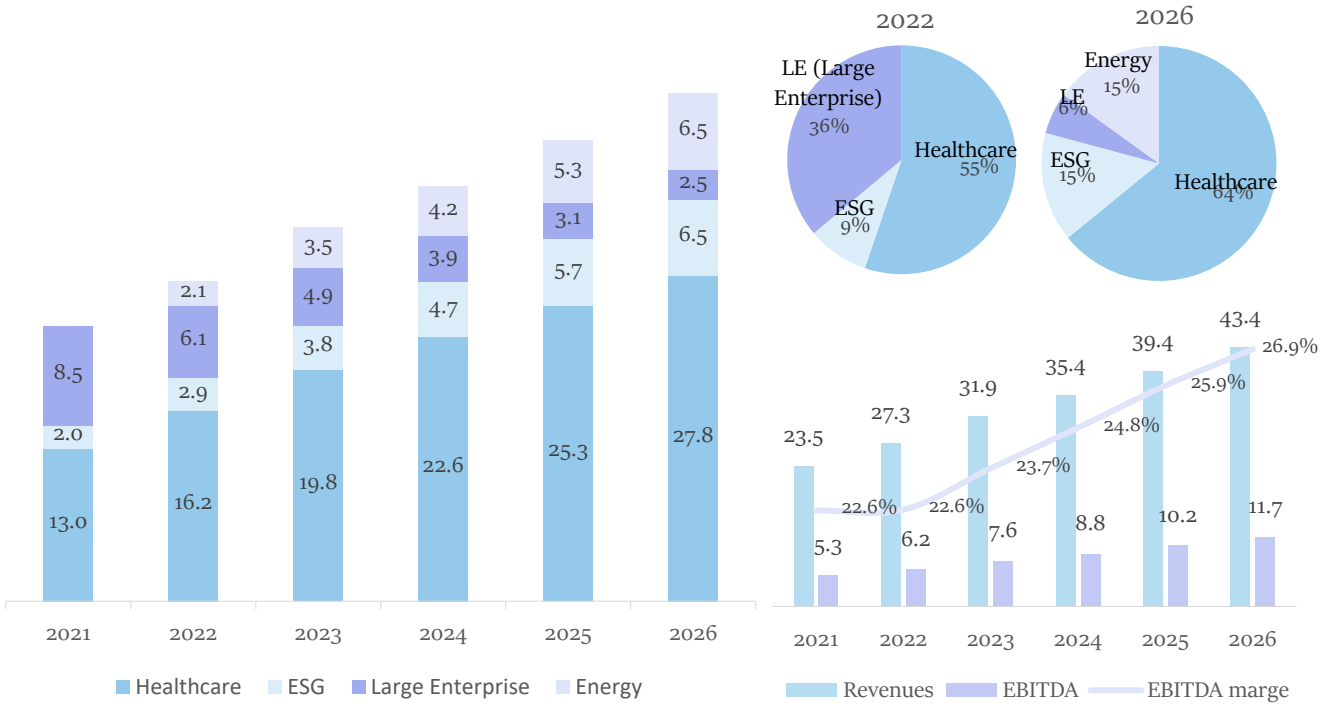
The Large Enterprise division is primarily concerned with the development of ad-hoc solutions and their maintenance for large customers; only 39% of this BU's revenues are related to proprietary solutions and, being less strategic, it is estimated that it will progressively decrease in terms of the mix offered. By 2021, this division is expected to generate around 6% of revenues (compared to 36% in 2021).

Thanks to the strong success of the proprietary Gzoom solution, which is able to help companies structure their objectives and track their progress through the analysis of certain key performance indicators (KPIs) that are often not strictly quantitative, the ESG division generated around €2M of revenue in 2021, or 9% of the total, and is estimated to gradually increase in weight to reach €6.5M of generated revenue, or 15% of estimated revenue in 2026.

Finally, we have the Energy BU, which in the 2021 budget was included in the Large Enterprise division due to its still small size, following substantial investments and the acquisition of Energeniu Srl. We estimate that it will close 2022 with more than €2m of turnover and will triple in size by 2026, reaching 15% of turnover in a relatively short period. We estimate that this division will have the highest growth rates in the group until 2026.

We believe that, despite the high level of Italian inflation, MAPS will be able to grow both in terms of revenue and margins, thanks to the effectiveness of the business strategy in terms of scalability and the potential cost savings that a proprietary solutions-based business can offer.

Future projections on the four main MAPS BUs and on the EBITDA margin



Sources: Company, TP ICAP Midcap

Company Assessment

To determine the intrinsic value of MAPS, we used the discounted cash flow method (DCF) (weighting 90%) and the relative valuation method EV/EBITDA (weighting 10%).

Our valuation does not take into account possible future mergers and acquisitions.

DCF Method

In order to apply the discounted cash flow method, the following assumptions were used:

Normative cash flows:

- Normative EBITDA margin of 25.9% in 2031E
- Capital expenditure at 5% of sales in 2031E
- Net working capital stable at 30.4% of revenue
- Corporate tax rate of 27.9% (IRES + IRAP)

Discount rate :

-Risk-free rate of 3.8% (Italian 10-year BTP, average of last six months' values)

-Equity risk premium of 9.08% (Source: Damodaran website)

-Liquidity premium of 1.5%

-Leveraged beta of 0.7x

-Long-term growth rate of 2% (Capex and D&A estimated at 5% of revenue)

-Cost of equity of 11.5% on an equity weighting of 70%

-Debt charges of 2.2% on a target debt weighting of 30%

-WACC of 8.7%

The valuation model results in an intrinsic value per share of €5.5 (which is reduced to €5.4 by the weighting process with the result obtained from the relative valuation of €4.5). The graph below presents a sensitivity analysis of the intrinsic value per share to the variation of the discount rate and the selected perpetual growth rate. It is highlighted that even in the worst case scenario, the valuation is well above the current share price.

Share price sensitivity to two important variables, DCF result and EV/EBITDA valuation and price target

Price (€)		WACC				
		7.7%	8.2%	**8.7%**	9.2%	9.7%
Perpetuity growth rate	1.0%	5.9	5.3	4.8	4.3	3.9
	1.5%	6.3	5.7	5.1	4.6	4.2
	2.0%	6.9	6.1	**5.5**	4.9	4.4
	2.5%	7.5	6.6	5.9	5.3	4.7
	3.0%	8.3	7.2	6.4	5.7	5.1

Method	Price/share	Coefficient
Discounted FCFF	€ 5.5	90.0%
EV/EBITDA	€ 4.5	10.0%

Target Price	Upside
€ 5.4	50.9%

Source: TP ICAP Midcap

Development of the basic DCF model

DCF Valuation - FCFF (€M)	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Sales	24.1	27.3	31.9	35.4	39.4	43.1	46.3	48.9	50.8	51.8
% YoY	*22.8%*	*13.2%*	*16.8%*	*11.0%*	*11.2%*	*9.4%*	*7.5%*	*5.7%*	*3.8%*	*2.0%*
EBITDA	5.3	6.2	7.6	8.8	10.2	11.2	12.0	12.7	13.2	13.4
% margin	*22.0%*	*22.6%*	*23.7%*	*24.8%*	*25.9%*	*25.9%*	*25.9%*	*25.9%*	*25.9%*	*25.9%*
Depreciation & Amortisation	2.6	2.6	3.5	4.5	5.4	5.1	4.7	4.1	3.4	2.6
% of Sales	*10.7%*	*9.4%*	*11.1%*	*12.6%*	*13.6%*	*11.9%*	*10.2%*	*8.5%*	*6.7%*	*5.0%*
EBIT	2.7	3.6	4.0	4.3	4.8	6.0	7.3	8.5	9.7	10.8
EBIT Margin	*11.2%*	*13.2%*	*12.6%*	*12.2%*	*12.3%*	*14.0%*	*15.7%*	*17.5%*	*19.2%*	*20.9%*
Taxes	0.8	1.0	1.1	1.2	1.3	1.7	2.0	2.4	2.7	3.0
Marginal tax rate	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*
NOPAT	**2.0**	**2.6**	**2.9**	**3.1**	**3.5**	**4.3**	**5.2**	**6.2**	**7.0**	**7.8**
D&A	2.6	2.6	3.5	4.5	5.4	5.1	4.7	4.1	3.4	2.6
Capital Expenditures	5.6	5.6	4.9	4.6	4.5	4.4	4.1	3.7	3.2	2.6
% of Sales	*23.2%*	*20.5%*	*15.5%*	*13.0%*	*11.5%*	*10.2%*	*8.9%*	*7.6%*	*6.3%*	*5.0%*
NWC	8.5	9.1	10.3	11.0	12.0	13.1	14.1	14.9	15.5	15.8
% of Sales	*35.0%*	*33.4%*	*32.1%*	*31.1%*	*30.4%*	*30.4%*	*30.4%*	*30.4%*	*30.4%*	*30.4%*
Increase (decrease) in NWC	1.9	0.7	1.1	0.8	1.0	1.1	1.0	0.8	0.6	0.3
% of Sales	*8.0%*	*2.5%*	*3.5%*	*2.2%*	*2.4%*	*2.6%*	*2.1%*	*1.6%*	*1.1%*	*0.6%*
FCF	**-3.0**	**-1.1**	**0.4**	**2.2**	**3.4**	**4.0**	**4.9**	**5.8**	**6.7**	**7.5**
WACC	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
Discount Period	0.9	0.1	1.1	2.1	3.1	4.1	5.1	6.1	7.1	8.1
Discount Factor	0.9	1.0	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5
Present Value of Free Cash Flow	-2.8	-1.1	0.3	1.8	2.6	2.8	3.2	3.5	3.7	3.8

Source: TP ICAP Midcap

Final result of the DCF valuation method

Terminal Value Calculation:	
Perpetuity Growth Rate	**2.0%**
Terminal Year Free Cash Flow	7.51
Terminal Value	114.11
TV as a % of EV	*76%*
Terminal EBIT Multiple	*10.5 x*
Terminal FCF Multiple	*15.2 x*
Discount Factor	51%
NPV of Terminal Value	**57.94**
Cumulative NPV of Free Cash Flow	17.86
NPV of Terminal Value	57.94
Enterprise Value	**75.80**
Less : Bridge	11.48
Equity Value	**64.32**
Shares Outstanding (fully diluted)	11.79
Price Per Share	5.5
Potential upside	53.7%

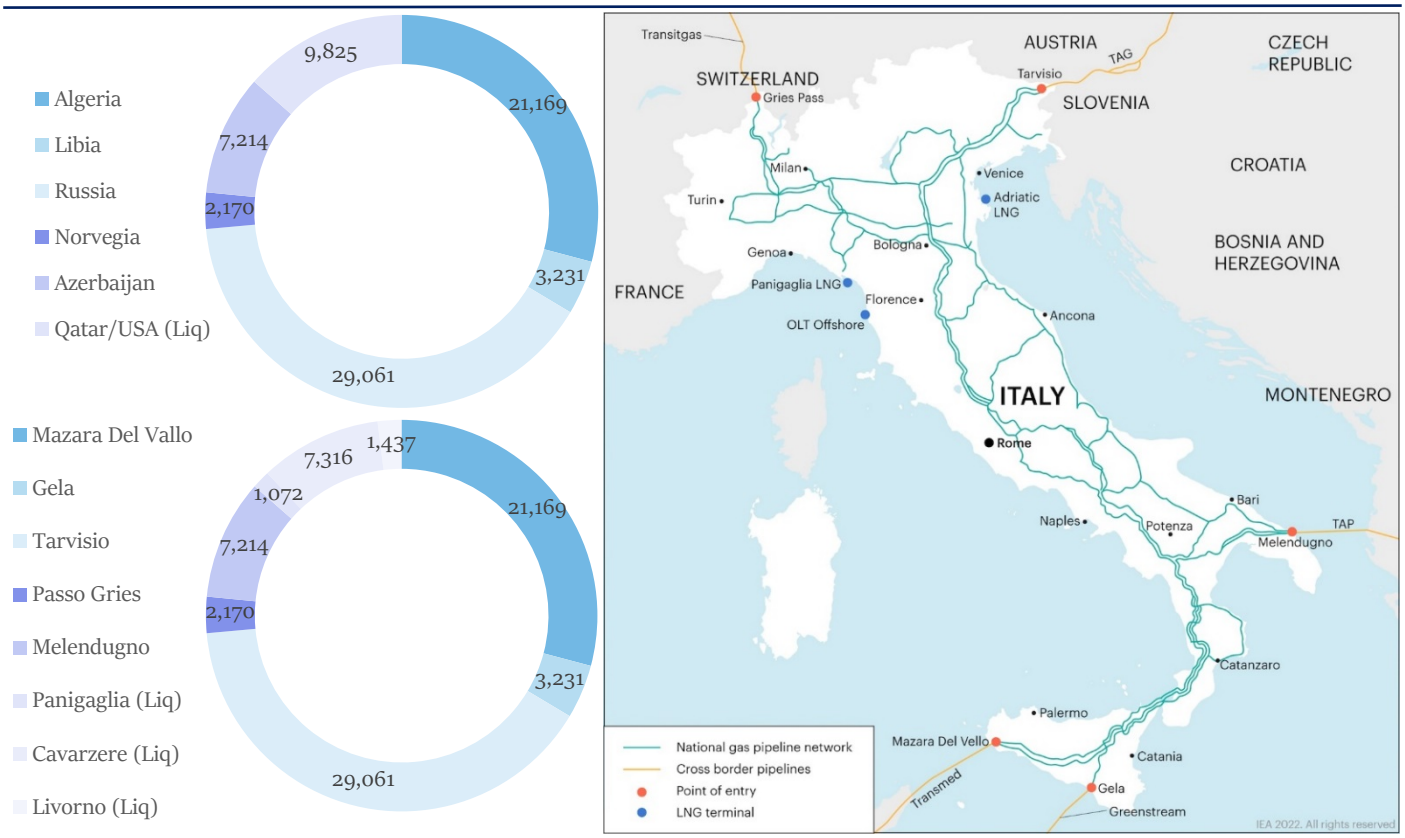
WACC CALCULATION	
Risk-free rate (BTP 6 Month	3.8%
Liquidity risk premium	1.5%
Beta	0.7 x
Equity premium	9.1%
Cost of equity	**11.5%**
Interest rate	3.0%
Tax rate	27.9%
Cost of debt (after tax)	**2.2%**
% equity	70.0%
% debt	30.0%
WACC	8.7%

Source: TP ICAP Midcap

Annex

Italy imported about 72.7 million cubic metres of gas (Smc), of which about 10% was supplied by Azerbaijan (compared to 0% in 2020), 40% by Russia (compared to 43% per year), 29% by Algeria (compared to 18.2% per year) and about 13% of liquefied gas imported between Livorno, Cavarzere and Panigaglia (compared to 19% per year), it is clear that Russian gas is essential for national needs and that, without it, Italy would be obliged to replace about 29 million cubic metres of gas by other sources.

Italian GAS imports by country and entry point (2021)



Sources: Ministry of Ecological Transition (Energy and mining analysis), Inernational Energy Agency

The recent geopolitical tensions and the resulting price increases in the markets have highlighted Italy's overdependence on Russian gas, which is not easily replaceable in the short-term. Italy will aim to strengthen trade relations and the resulting direct imports from Algeria, Libya, Azerbaijan and Norway, as well as the injection into the network of liquefied gas mainly from Qatar and, to a lesser extent, the United States, in addition to domestic production, which will amount to 3.3m Mcf in 2021.

In particular, the most recent public data (August 2022) shows that, although Italy imported 2m Smc more than in the same period of 2021 and produced the same amount of gas internally, the dependence on Russian gas decreased by -16.7% (settling at 23.2% of the total compared to 40% of the annual total 2021), the changes in imports in % of the total compared to 2021 were recorded by: Norway +8.7%, liquefied +4.6%, Azerbaijan +3.6%, Algeria +1.1% and Libya -1.3%.

The objectives of the EU Green Deal have therefore taken on not only environmental but also strategic importance for Italy, which, partly with funds from the NRRP, and partly with internal investments, will have to aim at maximising as much as possible the energy produced from renewable sources, reducing emissions and, at the same time, reducing as much as possible the national dependence on Russian gas imports, continuing on the path already taken.

In this context, energy communities and collective self-consumption groups can and should be included in the best possible way, even if only to a limited extent in the short term. Assuming that the power limit for community installations reaches 1MW, the formation of 1,000 energy communities per year could provide up to 1GW of installed generation capacity from renewable sources, which would have a positive impact on the environment, reduce imports and dependence on thermal (and therefore gas) power generation, and foster a more sustainable mindset across the country.

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	-5.8	-6.3	-8.6
Other liabilities	0.5	0.7	0.8	0.8	0.8	0.8
Liabilities	17.4	23.5	30.4	20.8	23.4	24.3
Net debt excl. IFRS 16	4.6	7.7	6.6	-5.8	-6.3	-8.6
Gearing net	0.5	0.7	0.4	-0.3	-0.3	-0.3
Leverage	1.2	2.2	1.2	-0.9	-0.8	-1.0

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
ΔWCR	-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
Others	3.0	0.8	4.4	0.0	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	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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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.
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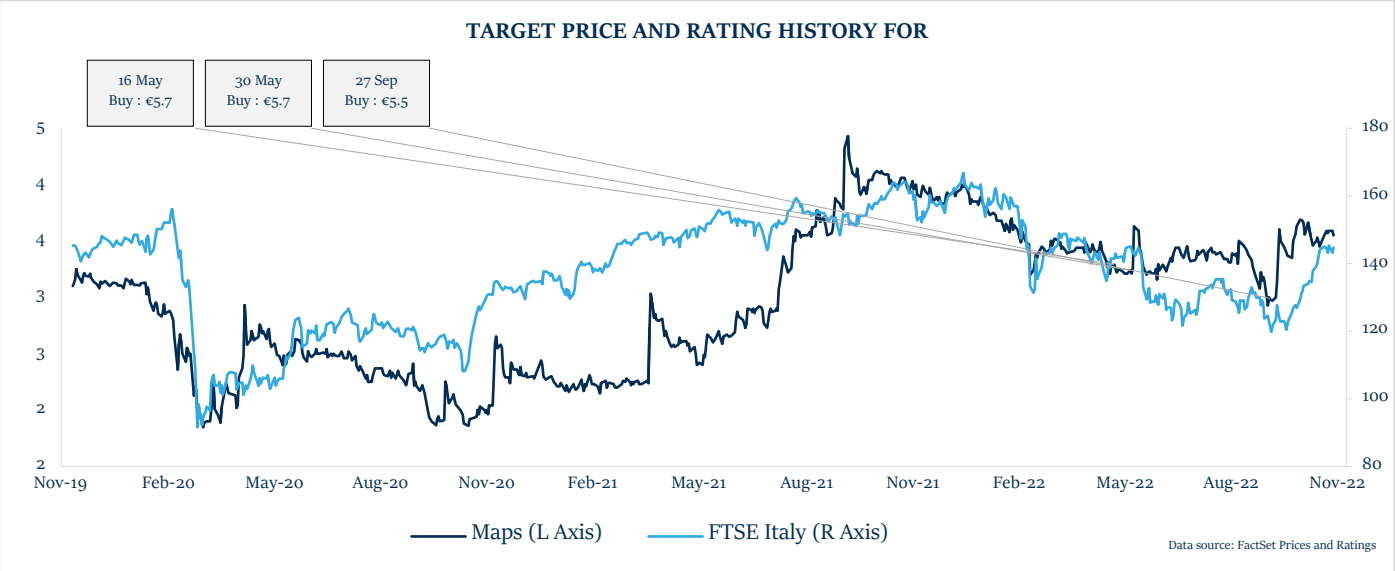

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