

## EQUITY RESEARCH

## MAPS

## NEWS

Ministero dell`Ambiente e della Sicurezza

Energetica

BUY

TP 5.0€

Up/Downside: 64%

## 2024 will be the year of energy communities

Yesterday, 24 January 2024, the decree issued by the Ministry of the Environment and Energy Security (MASE) came into force. It will stimulate the spread of energy communities throughout Italy thanks to two incentives.

Following approval from the European Community, Italy's Court of Auditors has finally registered the decree that will stimulate the birth and development of energy communities (CERs) and self-consumption groups. The GSE (Gestore dei Servizi Energetici) now has 30 days to present the rules that will govern the recognition of incentives, and within the next 45 days the portal for submitting applications will be open.

The text identifies two forms of CER promotion: a non-refundable contribution of up to 40% of eligible project costs (cost of the renewable plant, supply and installation of storage systems, machinery/equipment/software, necessary building work and connection to the national grid) provided by the PNRR and aimed at municipalities with fewer than 5,000 inhabitants; secondly, an incentive will be paid periodically to producer-consumers of electricity generated from renewable sources throughout the territory.

The value of the incentive will vary from a minimum of €68 per MWh for plants with a capacity of more than 600 kW installed in southern Italy, to a maximum of €98 per MWh for plants with a capacity of less than 200 kW installed in northern Italy, and will last for a maximum of 20 years from the date on which the plant is commissioned (these amounts may increase if energy prices rise).

According to the report on the electricity market by the Politecnico di Milano: between 2024 and 2027, thanks to the €2.2bn from the NRRP subsidy and the €3.5bn that will be distributed over 20 years in the form of an incentive for self-consumption, more than 15,000 energy communities will be created, with around 2m members, for a market value estimated, on the software side alone, at around €20m a year.

We believe that this development will have a positive impact on Maps' Energy Business Unit which, thanks to its proprietary ROSE Smart energy community solution, is well positioned and capable of facilitating the formation, management and redistribution of incentives dedicated to energy communities and collective self-consumption groups.

We are maintaining our positive view on the share: TP €5.

## Key data

Price (€)	3.1
Industry	Packaged Software
Ticker	MAPS-IT
Shares Out (m)	12.099
Market Cap (m €)	36.9
Average trading volumes (k shares / day)	2.000

Source: FactSet

## Ownership (%)

Fondateurs & Management	54.0
Eiffel IG	12.7
Maps SpA	1.2
Free float	32.1

Source: TPICAP Midcap estimates

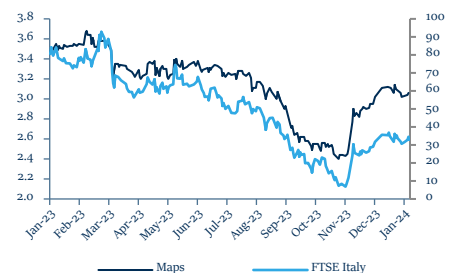
## EPS (€)

	12/23e	12/24e	12/25e
Estimates	0.08	0.22	0.29
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

## Performance (%)

	1D	1M	YTD
Price Perf	-0.3	1.3	-2.2
Rel FTSE Italy	-1.1	1.2	-2.4



Source: FactSet

TP ICAP Midcap Estimates	12/22	12/23e	12/24e	12/25e	Valuation Ratio	12/23e	12/24e	12/25e
Sales (m €)	24.7	27.1	29.9	33.1	EV/Sales	1.8	1.6	1.4
Current Op Inc (m €)	3.1	1.7	3.8	4.8	EV/EBITDA	10.6	6.8	5.5
Current op. Margin (%)	12.5	6.2	12.6	14.4	EV/EBIT	29.6	12.8	9.6
EPS (€)	0.22	0.08	0.22	0.29	PE	36.9	13.9	10.6
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-1.5	1.4	1.8	2.4				

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**FINANCIAL DATA**

<b>Income Statement</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23e</b>	<b>12/24e</b>	<b>12/25e</b>
Sales	20.3	21.5	24.7	27.1	29.9	33.1
Changes (%)	23.1	6.0	15.0	9.5	10.3	10.6
Gross profit	18.5	20.4	23.2	25.6	28.3	31.4
% of Sales	91.4	94.7	93.8	94.4	94.6	94.8
<b>EBITDA</b>	<b>3.4</b>	<b>5.0</b>	<b>5.9</b>	<b>4.7</b>	<b>7.0</b>	<b>8.3</b>
% of Sales	16.8	23.4	23.8	17.4	23.5	25.2
<b>Current operating profit</b>	<b>1.1</b>	<b>2.4</b>	<b>3.1</b>	<b>1.7</b>	<b>3.8</b>	<b>4.8</b>
% of Sales	5.6	11.3	12.5	6.2	12.6	14.4
Non-recurring items	-0.3	-0.2	-0.2	0.0	0.0	0.0
EBIT	0.8	2.2	2.9	1.7	3.8	4.8
Net financial result	0.3	-0.2	-0.4	-0.8	-0.8	-0.8
Income Tax	-0.2	0.4	0.2	0.1	-0.3	-0.5
Tax rate (%)	13.0	-21.0	-6.5	-10.0	10.0	12.0
<b>Net profit, group share</b>	<b>1.0</b>	<b>2.5</b>	<b>2.7</b>	<b>1.0</b>	<b>2.7</b>	<b>3.5</b>
EPS	0.08	0.21	0.22	0.08	0.22	0.29
<b>Financial Statement</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23e</b>	<b>12/24e</b>	<b>12/25e</b>
Goodwill	8.3	11.7	16.7	16.7	16.7	16.7
Tangible and intangible assets	7.5	7.2	7.3	8.1	8.5	8.9
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.0	0.0	0.2	0.2	0.2	0.2
Working capital	7.7	11.4	14.4	13.7	14.3	14.9
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>Assets</b>	<b>23.5</b>	<b>30.4</b>	<b>38.6</b>	<b>38.8</b>	<b>39.7</b>	<b>40.7</b>
Shareholders equity group	11.2	18.0	18.0	20.0	22.6	26.1
Minorities	0.0	0.1	0.0	0.0	0.0	0.0
LT & ST provisions and others	4.0	4.9	4.7	4.7	4.7	4.7
Net debt	7.7	6.6	14.9	13.0	11.3	8.9
Other liabilities	0.7	0.8	1.0	1.0	1.0	1.0
<b>Liabilities</b>	<b>23.5</b>	<b>30.4</b>	<b>38.6</b>	<b>38.8</b>	<b>39.7</b>	<b>40.7</b>
Net debt excl. IFRS 16	7.7	6.6	14.9	13.0	11.3	8.9
Gearing net	0.7	0.4	0.8	0.7	0.5	0.3
Leverage	2.2	1.3	2.5	2.8	1.6	1.1
<b>Cash flow statement</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23e</b>	<b>12/24e</b>	<b>12/25e</b>
CF after elimination of net borrowing costs and taxes	4.6	6.6	4.7	4.0	5.9	7.0
$\Delta$ WCR	-0.2	-3.3	-3.1	0.7	-0.6	-0.6
Operating cash flow	4.4	3.3	1.5	4.7	5.4	6.4
Net capex	-2.2	-2.6	-3.0	-3.2	-3.6	-4.0
FCF	2.2	0.7	-1.5	1.4	1.8	2.4
Acquisitions/Disposals of subsidiaries	-5.5	-3.0	-4.7	-0.6	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	5.9	1.8	6.0	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	0.8	4.4	-2.8	1.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	2.8	2.9	-2.3	1.8	1.8	2.4
ROA (%)	4.4%	8.3%	7.0%	2.6%	6.7%	8.5%
ROE (%)	9.2%	13.9%	15.0%	5.0%	11.8%	13.3%
ROCE (%)	10.3%	13.5%	17.2%	8.4%	16.6%	18.2%

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### Methodology

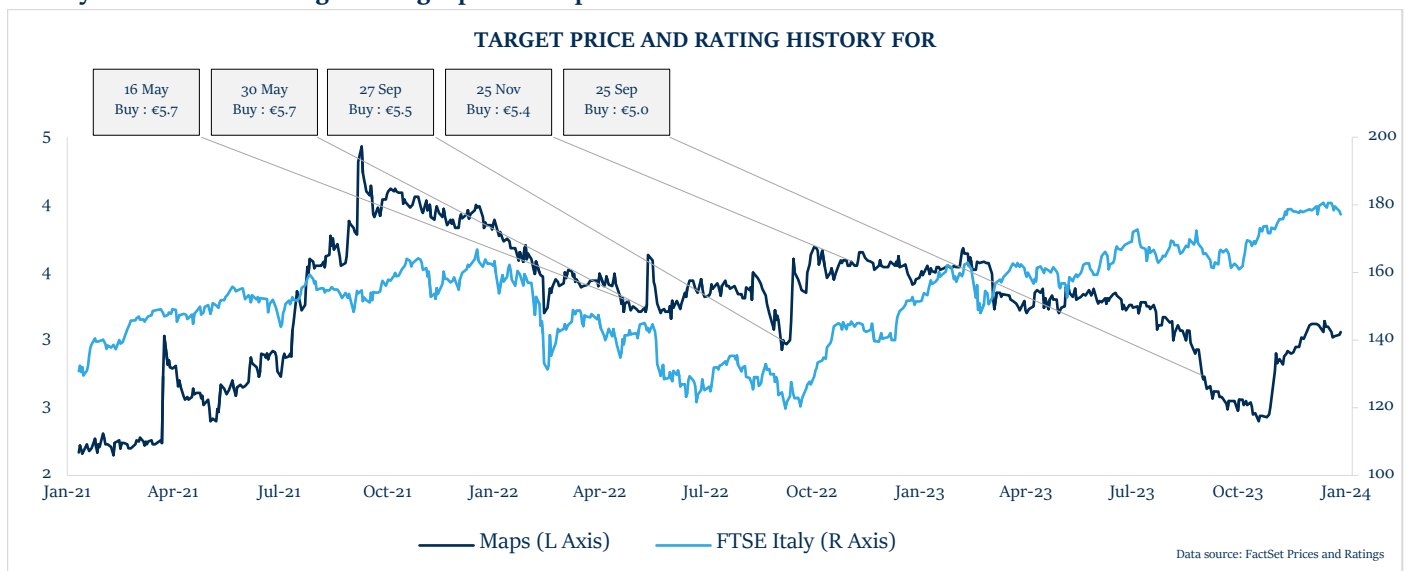
This Report may mention evaluation methods defined as follows:

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



**Distribution of Investment Ratings**

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	83%	64%
Hold	14%	59%
Sell	1%	0%
Under review	1%	100%

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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