

Calls From Italy

Company News

TerniEnergia (SUSPENDED) 1H18 Results

6 August 2018: 8:51 CET
Date and time of production

Italy
Equity Daily

Intesa Sanpaolo
Research Department

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Date and time of first circulation:
6 August 2018: 8:52 CET

FTSE MIB & Euro Stoxx Best Performers

Italian FTSE MIB	Price	chg %
FCA	14.61	2.86
EXOR	56.24	2.52
UBI Banca	3.53	2.11
Snam	3.69	2.05
Brembo	11.70	2.01

Euro Stoxx Sectors

	Price	chg %
Basic Resources	266.9	1.24
Real Estate	250.7	1.19
Media	230.1	1.05
Construction & Materials	433.3	0.96
Food & Beverages	601.7	0.88

Source: FactSet

FTSE MIB & Euro Stoxx Worst Performers

Italian FTSE MIB	Price	chg %
Buzzi Unicem	17.75	-1.39
Campari	7.27	-1.22
Poste Italiane	7.45	-1.01
Pirelli	7.13	-0.94
Banco BPM	2.50	-0.83

Euro Stoxx Sectors

	Price	chg %
Oil & Gas	360.0	-0.13
Chemicals	1105.8	-0.08
Travel & Leisure	203.4	-0.04
Retail	520.2	0.13
Industrial Goods & Services	856.6	0.16

Source: FactSet

Equity Indices Performances

Italy	Price	chg %
FTSE It. All Share	23835	0.72
FTSE MIB	21587	0.80
FTSE It. Star	37280	0.18
Europe	Price	chg %
DAX 30	12616	0.55
CAC 40	5479	0.33
IBEX 35	9740	0.43
FTSE 100	7659	1.10
US	Price	chg %
Dow Jones	25463	0.54
NASDAQ	7812	0.12
S&P 500	2840	0.46

Source: FactSet

Priced at market close on day prior to issue (except where otherwise indicated)
In this report we confirm the ratings and target prices assigned in the latest company reports (unless otherwise indicated)

TerniEnergia (SUSPENDED)

1H18 Results

News: The key points of the results were:

- **Revenues were EUR 10.5M, -26.1% yoy**, due to the reclassification among “assets for sale” of EPC and O&M activities, the photovoltaic and cleantech plants, and the financial assets related to the energy efficiency;
- **EBITDA was EUR 0.7M** vs. a EUR 0.3M loss in 1H17 (calculated on the same scope of 1H18);
- **The net loss was EUR 3.5M** vs. a EUR 6.5M loss in 1H17;
- **Net debt was EUR 60M** vs. EUR 89.8M at FY17.

Our view: The company is implementing a recovery plan hinging upon 3 pillars: disposals, costs rationalisation and strategic re-positioning toward a smart energy company. In this regard, some energy efficiency projects have been sold to Estra for EUR 1.4M, while by 31 October 2018 10 photovoltaic plants should be sold to Sonnedix San Giorgio. We highlight that some covenants on the bond expiring in February 2019 (EUR 25.5M outstanding) and on a loan vs. Banca del Mezzogiorno have not been met, and that, due to the non-payment of some instalments in 4Q17 and 1H18, some banks could ask for an advance repayment of some leasing and loans.

TerniEnergia - Key data

06/08/18	Multi-Utilities		
Target Price (EUR)	Suspended		
Rating	SUSPENDED		
Mkt price (EUR)	0.47		
Mkt cap (EUR M)	22		
Ratios (x)	2017E	2018E	2019E
P/E	Neg.	5.4	2.2
EV/Sales	1.4	0.76	0.50
EV/EBITDA	8.2	4.9	3.4
Performance (%)	1M	3M	12M
Absolute	26.0	3.4	-54.8
Rel. to FTSE IT All	26.7	14.5	-54.4

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to TerniEnergia

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BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
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of which Intesa Sanpaolo's Clients (%) (*)	75	73	29	50	100

(*) Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and Investment banking services in the last 12 months; percentage of clients in each rating category

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Equity rating key (short-term horizon: 3M)

Equity rating key (short-term horizon: 3M)	
Short-term rating	Definition
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