

Business description

Amper (AMP) is a provider of all kinds of technological solutions, focused on the supply of the hardware and software needed to roll out communications networks. In 2017 it acquired Nervión, a group which assembles and maintains industrial installations (c. 70% o/9m20 Revenues; mainly in Spain).

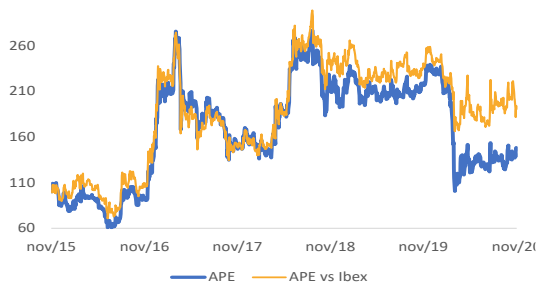
Market Data

Market Cap (Mn EUR and USD)	195.3	231.1
EV (Mn EUR and USD) ⁽²⁾	249.9	295.7
Shares Outstanding (Mn)	1075.3	
-12m (Max/Med/Min EUR)	0.30 / 0.20 / 0.12	
Daily Avg volume (-12m Mn)	0.81	
Rotation ⁽³⁾	105.4	
Thomson Reuters / Bloomberg	APE.MC / AMP SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Martinavarro Dealbert	5.1
Free Float	94.9

Relative performance -5y (Base 100)



Stock performance

(%)	-1m	-3m	-12m	-5Y
Absolute	2.8	5.2	-33.0	46.6
vs Ibex 35	-9.2	-2.0	-20.8	90.4
vs Ibex Small Cap Index	-5.5	-3.5	-39.2	-3.2
vs Eurostoxx 50	-1.7	2.5	-27.8	43.5
vs Sector benchmark ⁽⁴⁾	6.0	5.4	-41.8	-15.8

(1) The opinion about results is in respect of reported EBITDA and its relation to our estimate for the year (12m). The impact reflects whether, as a consequence of these results, we envisage a significant (>5%) upgrade or downgrade to our EBITDA estimates (for any of the estimated years).

(2) Please refer to Appendix 1.

(3) Rotation is the % of the capitalisation traded - 12m.

(4) vs TRBC Europe Technology Index.

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Thomson Reuters and Lighthouse

Business picked up in 3Q (although margins remain under pressure)

BUSINESS HAS PICKED UP IN TERMS OF REVENUES (+1.9% vs 9m19)... with the recovery of the growth trend (double-digit growth in 1Q20) in 3Q20 (revenues +15% vs 3Q19), the result, mainly, of the incorporation of the new businesses acquired in 2019 and 2020 (which boosted the industrial division's revenues by 12.9%).

...ALTHOUGH MARGINS CONTINUE TO SUFFER THE STRONG IMPACT OF COVID-19 (EBITDA MARGIN 4.5%). Reducing 9m20 EBITDA to EUR 6.1Mn (-69% vs 9m19). By division: the technological and engineering businesses provided joint EBITDA of c. EUR 4.9Mn over the period (EBITDA margin c. 12% vs > 20% in 1Q20), making up for EBITDA at breakeven in the industrial division (EUR 1.1Mn; EBITDA margin c. 0.5%, due to it being a business with a heavy cost structure and less flexible).

LEAVING EBIT AT BREAK-EVEN (EUR -0.6Mn). Below EBITDA there is a EUR 6.6Mn amortisation expense (vs EUR 3.1Mn in 9m20), that is mainly the result of the amortisation of R+D expenses capitalised in 2018 and 2019 (EUR 6.4Mn and EUR 10.3Mn, respectively).

AND DEBT HAS INCREASED: AMP ended 9m20 with net debt of EUR 35Mn (including EUR 15Mn of promissory notes). The increase in net debt (vs cash positions in 2019) was a result of: (i) the sharp slowdown in business seen in 2Q20, which significantly reduced EBITDA generation, (ii) a business that is very intensive in working capital and (iii) payments associated with the M&A activity (in recent years AMP has integrated 11 companies, the last in September 2020 for EUR 1.5Mn; ELINSA, a company dedicated to the assembly and maintenance of electrical installations).

IN CONCLUSION: 3Q20 REPRESENTS A TURNING POINT (FOR THE BETTER). 9m20 results are still weak, although 3Q has shown a recovery of the revenue growth trend (although margins are still a long way from previous levels). The momentum of the project portfolio (EUR 300.7Mn, that has increased to EUR 350Mn at the date of this report) should allow AMP to, at least, exceed break-even in terms of EBIT for the year as a whole.

EUR Mn	9m20	9m19	9m20 vs 9m19	3Q20	3Q20 vs 3Q19
Total Revenues	135.3	132.8	1.9%	51.1	15.1%
<i>Technology</i>	34.1	49.2	-30.6%	n.a.	n.a.
<i>Industrial</i>	94.3	83.6	12.9%	n.a.	n.a.
<i>Engineering</i>	6.9	0.0	n.a.	n.a.	n.a.
EBITDA Rec.	6.1	19.6	-69.0%	1.2	-89.5%
<i>EBITDA/Revenues</i>	4.5%	14.7%	-10.3 p.p.	2.3%	-23.0 p.p.
EBIT	-0.6	16.4	-103.4%	-2.0	-126%
Net profit	-1.2	17.2	-106.9%	-2.8	-132%
Order book	300.7	153.4	96.0%		
Net Debt	35.1	0.2	n.a.		

Appendix 1. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	195.3	
+ Minority Interests	1.9	6m Results 2020
+ Provisions & Other L/T Liabilities	22.0	9m Results 2020
+ Net financial debt	35.1	9m Results 2020
- Financial Investments	4.3	6m Results 2020
+/- Others	-	6m Results 2020
Enterprise Value (EV)	249.9	

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
16-Nov-2020	n.a.	0.182	n.a.	n.a.	9m Results 2020	David López Sánchez
30-Jul-2020	n.a.	0.152	n.a.	n.a.	6m Results 2020	David López Sánchez
06-May-2020	n.a.	0.188	n.a.	n.a.	3m Results 2020	David López Sánchez
27-Feb-2020	n.a.	0.257	n.a.	n.a.	12m Results 2019	David López Sánchez
13-Nov-2019	n.a.	0.268	n.a.	n.a.	9m Results 2019	David López Sánchez
11-Sep-2019	n.a.	0.280	n.a.	n.a.	6m Results 2019	David López Sánchez
09-May-2019	n.a.	0.268	n.a.	n.a.	3m Results 2019	David López Sánchez
04-Apr-2019	n.a.	0.262	n.a.	n.a.	Initial Coverage	David López Sánchez

