

AMBIENTHESIS

Sector: Utilities

OUTPERFORM

Price: Eu0.79 - Target: Eu0.90

1H21 Results Beat Forecasts. We Reiterate our View

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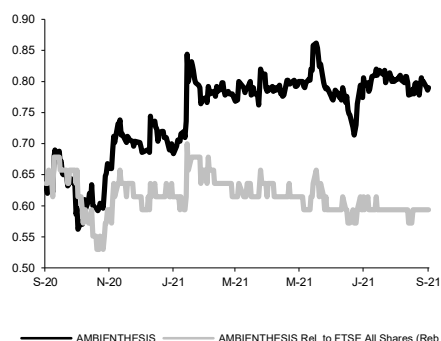
Stock Rating

Rating: Unchanged

Target Price (Eu): Unchanged

	2021E	2022E	2023E
Chg in Adj EPS	22.6%	7.1%	0.0%

AMBIENTHESIS - 12M Performance



Stock Data

Reuters code: ATH.MI

Bloomberg code: ATH IM

Performance	1M	3M	12M
Absolute	-1.3%	2.3%	24.2%
Relative	0.1%	0.8%	-10.9%
12M (H/L)	0.86/0.56		
3M Average Volume (th):	50.57		

Shareholder Data

No. of Ord shares (mn):	93
Total no. of shares (mn):	93
Mkt Cap Ord (Eu mn):	73
Total Mkt Cap (Eu mn):	73
Mkt Float - Ord (Eu mn):	14
Mkt Float (in %):	18.9%
Main Shareholder:	
Greenthesis SpA	61.8%

Balance Sheet Data

Book Value (Eu mn):	53
BVPS (Eu):	0.57
P/BV:	1.4
Net Financial Position (Eu mn):	-6
Enterprise Value (Eu mn):	73

■ **1H21 results: EBITDA and net profit beat forecasts.** 1H21 revenues came to Eu53.0mn, up 35.4% YoY but lower than our forecast (Eu58.1mn). Revenues at **Treatment, Recovery & Transport** saw 39.8% YoY growth, of which +17.6% from acquisitions. Elsewhere, **Environmental Remediation** revenues rose 33.6% YoY. Adj. EBITDA came to Eu5.4mn, up 28.3% YoY and better than forecast (Eu5.1mn), with the margin at 10.2% (vs. 8.8% expected and flat YoY). Below EBITDA, it is worth noting a Eu0.4mn increase in depreciation, amortisation and write-downs vs. 1H20 due to the consolidation of companies acquired in 2020. Net profit closed at Eu2.7mn (vs. Eu2.0mn in 1H20) and 19.7% stronger than expected. On the balance sheet, net debt closed at Eu5.9mn (vs. Eu12.7mn expected and vs. Eu12.3mn as at YE20) due to the strong cash generation from operations.

■ **1H21 backlog.** The consolidated order book amounted to Eu41.0mn (vs. Eu50.0mn as at YE20), of which Eu34.0mn at Environmental Remediation and Eu7.0mn at Engineering and Construction.

■ **2021 outlook confirmed.** For 2021, management, expects average revenues of Eu105mn and profitability in line with the figures just reported, coherent with the group's 3-year business plan. While considering 2021 to be a year that is still affected by the general economic slowdown, the company believes that it will be able to create lasting value thanks to an increasingly integrated, efficient and digitally-oriented business model, with a focus on sustainable development and activities aligned to circular economy themes.

■ **Updating our estimates.** Following the stronger-than-expected 1H21 results, we have raised our 2021/2022 revenues by 6.8%/3.3%. In terms of profitability, we are lifting our EBITDA figures by 9.3%/4.8% for 2021/2022, translating into upward revisions to net income of 22.5%/7.5% respectively.

■ **MoU with Greenthesi for possible merger.** On 28th July, Ambientthesis and Greenthesi (the Grossi family holding that controls ATH through direct and indirect stakes amounting to ~76.2% of capital), signed a non-binding MoU for the possible corporate integration into ATH of environmental sector operational assets belonging to Greenthesi via a contribution in kind or other equivalent operation. An accord could be signed by the end of 2021. The operational activities potentially to be transferred recorded aggregate revenues in 2020 of ~Eu55mn and aggregate EBITDA of ~Eu18mn.

■ **OUTPERFORM Confirmed, tp Eu0.90ps.** We reiterate our positive view on the stock as we believe the company has a solid competitive positioning and value creation potential thanks to its advanced technological know-how and varied asset base in waste treatment, as well as its solid track record in Environmental Remediation. ATH is also well placed to benefit from the flurry of investments coming from the NRRP for the circular economy. Furthermore, the possible integration into ATH of environmental sector operational assets belonging to Greenthesi may provide further upside.

Key Figures & Ratios	2019A	2020A	2021E	2022E	2023E
Sales (Eu mn)	87	85	105	107	110
EBITDA Adj (Eu mn)	7	7	9	10	10
Net Profit Adj (Eu mn)	5	3	4	4	5
EPS New Adj (Eu)	0.052	0.035	0.041	0.048	0.052
EPS Old Adj (Eu)	0.052	0.035	0.034	0.045	0.052
DPS (Eu)	0.011	0.008	0.022	0.025	0.027
EV/EBITDA Adj	4.4	9.4	7.8	7.5	7.0
EV/EBIT Adj	6.7	12.9	10.7	9.7	
P/E Adj	15.1	22.6	19.1	16.5	15.3
Div. Yield	1.3%	1.0%	2.8%	3.2%	3.4%
Net Debt/EBITDA Adj	0.3	1.9	0.6	0.5	0.3

AMBIENTHESIS – Key Figures						
Profit & Loss (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Sales	82	87	85	105	107	110
EBITDA	6	7	7	9	10	10
EBIT	3	5	4	5	5	6
Financial Income (charges)	-1	-1	-1	-1	-1	-1
Associates & Others	1	2	2	2	2	2
Pre-tax Profit	3	6	4	5	6	7
Taxes	-0	-2	-1	-1	-2	-2
Tax rate	5.7%	26.1%	24.6%	27.0%	27.0%	27.0%
Minorities & Discontinued Operations	-0	-0	-0	-0	-0	-0
Net Profit	3	4	3	4	4	5
EBITDA Adj	6	7	7	9	10	10
EBIT Adj	3	5	5	7	7	7
Net Profit Adj	4	5	3	4	4	5
Per Share Data (Eu)	2018A	2019A	2020A	2021E	2022E	2023E
Total Shares Outstanding (mn) - Average	93	93	93	93	93	93
Total Shares Outstanding (mn) - Year End	93	93	93	93	93	93
EPS f.d	0.034	0.047	0.033	0.041	0.048	0.052
EPS Adj f.d	0.046	0.052	0.035	0.041	0.048	0.052
BVPS f.d	0.484	0.524	0.544	0.573	0.598	0.623
Dividend per Share ORD	0.008	0.011	0.008	0.022	0.025	0.027
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	23.4%	22.3%	24.3%	52.6%	52.6%	52.6%
Cash Flow (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Gross Cash Flow	5	7	6	8	9	9
Change in NWC	-1	-1	-3	4	-0	-0
Capital Expenditure	-2	-5	-7	-5	-5	-5
Other Cash Items	-0	0	0	0	0	0
Free Cash Flow (FCF)	2	1	-3	7	3	4
Acquisitions, Divestments & Other Items	0	-3	-7	-1	-0	-0
Dividends	-0	-1	-1	-1	-2	-2
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	2	-3	-10	6	1	2
Balance Sheet (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Total Fixed Assets	48	54	64	65	66	66
Net Working Capital	-4	-3	-7	-11	-11	-11
Long term Liabilities	0	0	6	6	6	7
Net Capital Employed	44	51	63	60	61	62
Net Cash (Debt)	1	-2	-12	-6	-5	-3
Group Equity	45	49	51	54	56	59
Minorities	0	0	1	1	1	1
Net Equity	45	49	50	53	55	58
Enterprise Value (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Average Mkt Cap	35	37	56	73	73	73
Adjustments (Associate & Minorities)	6	6	6	6	6	6
Net Cash (Debt)	1	-2	-12	-6	-5	-3
Enterprise Value	28	32	62	73	72	70
Ratios (%)	2018A	2019A	2020A	2021E	2022E	2023E
EBITDA Adj Margin	6.7%	8.5%	7.8%	8.9%	9.0%	9.1%
EBIT Adj Margin	4.0%	5.5%	5.7%	6.5%	6.9%	6.9%
Gearing - Debt/Equity	-1.9%	3.8%	24.2%	11.3%	8.4%	4.9%
Interest Cover on EBIT	6.4	7.6	3.8	4.3	8.0	9.2
Net Debt/EBITDA Adj	-0.2	0.3	1.9	0.6	0.5	0.3
ROACE*	7.5%	10.1%	6.5%	8.4%	8.9%	9.3%
ROE*	9.8%	10.4%	6.5%	7.4%	8.2%	8.4%
EV/CE	0.6	0.7	1.1	1.2	1.2	1.1
EV/Sales	0.3	0.4	0.7	0.7	0.7	0.6
EV/EBITDA Adj	5.0	4.4	9.4	7.8	7.5	7.0
EV/EBIT Adj	8.3	6.7	12.9	10.7	9.7	9.7
Free Cash Flow Yield	3.0%	2.1%	-4.0%	11.2%	5.1%	6.4%
Growth Rates (%)	2018A	2019A	2020A	2021E	2022E	2023E
Sales	39.0%	5.5%	-1.3%	23.1%	1.9%	2.4%
EBITDA Adj	254.1%	34.2%	-10.2%	40.8%	2.9%	4.1%
EBIT Adj	nm	44.7%	0.9%	41.8%	7.6%	7.6%
Net Profit Adj	nm	37.7%	-30.1%	25.7%	15.6%	7.9%
EPS Adj	2093.1%	14.3%	-33.3%	18.2%	15.6%	7.9%
DPS	nm	31.3%	-23.8%	171.6%	15.6%	7.9%

*Excluding extraordinary items Source: Intermonte SIM estimates

Ambienthesis in Brief

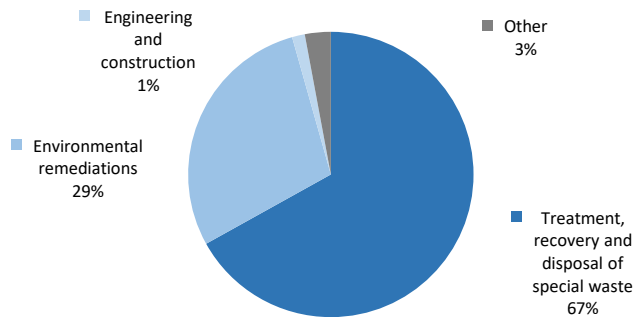
Company description

Ambienthesis is a company that specialises in the treatment, recovery and disposal of special waste as well as environmental remediation and rehabilitation activities. The Group owns and manages seven waste treatment plants and has stakes in further landfills. Its headquarters are at Segrate (MI) and it has been listed on MTA segment of Italian Stock Exchange since 1997.

Strengths/Opportunities

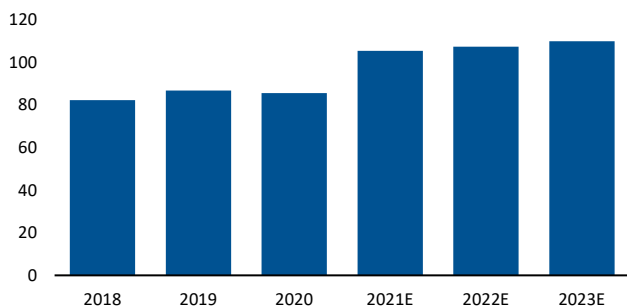
- Technological know-how
- Varied plant assets: fixed, mobile, composting etc.
- Differentiation of the service offering
- Solid balance sheet
- Geographical expansion and product diversification
- Expansion and regulation of the circular economy
- Innovation and investment in more advanced technologies

Revenues Breakdown by Segment 2020 (%)



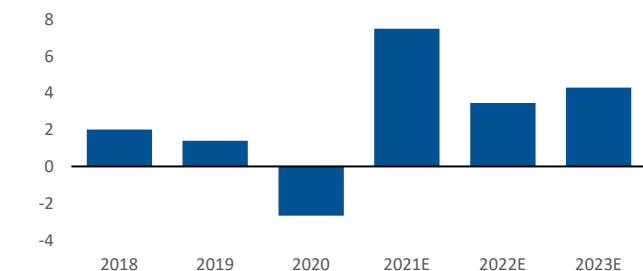
Source: Intermonte SIM

Historical Revenues and Estimates (Eu mn)



Source: Company data & Intermonte SIM Estimates

Free Operating Cash Flows (Eu mn)



Source: Company data & Intermonte SIM Estimates

Management

CEO: Damiano Belli
Chairman: Giovanni Bozzetti
CFO: Vincenzo Cimini

Next BoD renewal: Spring, 2022
BoD independent members: 3/7
Women on BoD: 3/7

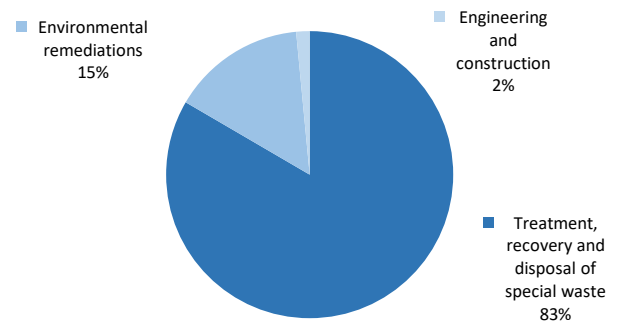
Shareholders

Greenthesis SpA	61.8%
Gea Srl	14.4%
Market	18.9%
Ambienthesis	4.9%

Weaknesses/Threats

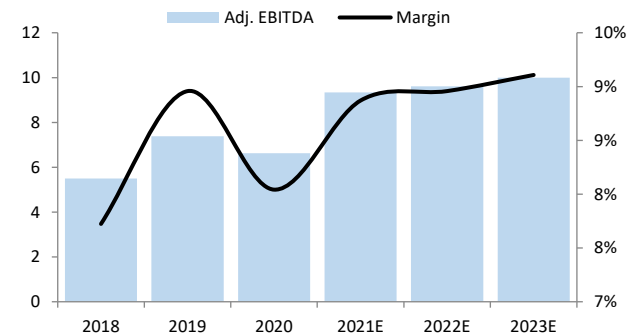
- Limited company size
- Competition in the environmental remediation segment
- Limited bargaining power with larger clients
- Volatility of the environmental remediation business
- M&A execution: potential delays in integrating acquired companies
- Demand for more advanced technological skills

EBITDA Breakdown by Segment 2020 (%)



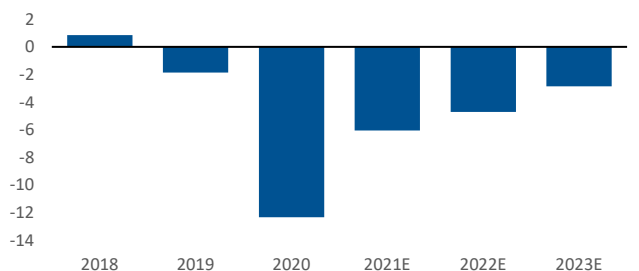
Source: Intermonte SIM

Adj. EBITDA (Eu mn) and Profitability



Source: Company data & Intermonte SIM Estimates

Net Debt (Eu mn)



Source: Company data & Intermonte SIM Estimates

1H21 Results

1H21 results: EBITDA and net profit beat forecasts. 1H21 revenues came to Eu53.0mn, up 35.4% YoY but lower than our forecast (Eu58.1mn). Revenues at **Treatment, Recovery & Transport** saw 39.8% YoY growth, of which +17.6% from acquisitions. Elsewhere, **Environmental Remediation** revenues rose 33.6% YoY. Adj. EBITDA came to Eu5.4mn, up 28.3% YoY and better than forecast (Eu5.1mn), with the margin at 10.2% (vs. 8.8% expected and flat YoY). Below EBITDA, it is worth noting a Eu0.4mn increase in depreciation, amortisation, and write-downs vs. 1H20 due to the consolidation of companies acquired in 2020. Net profit closed at Eu2.7mn (vs. Eu2.0mn in 1H20) and 19.7% stronger than expected. On the balance sheet, net debt closed at Eu5.9mn (vs. Eu12.7mn expected and vs. Eu12.3mn as at YE20) due to the strong cash generation from operations.

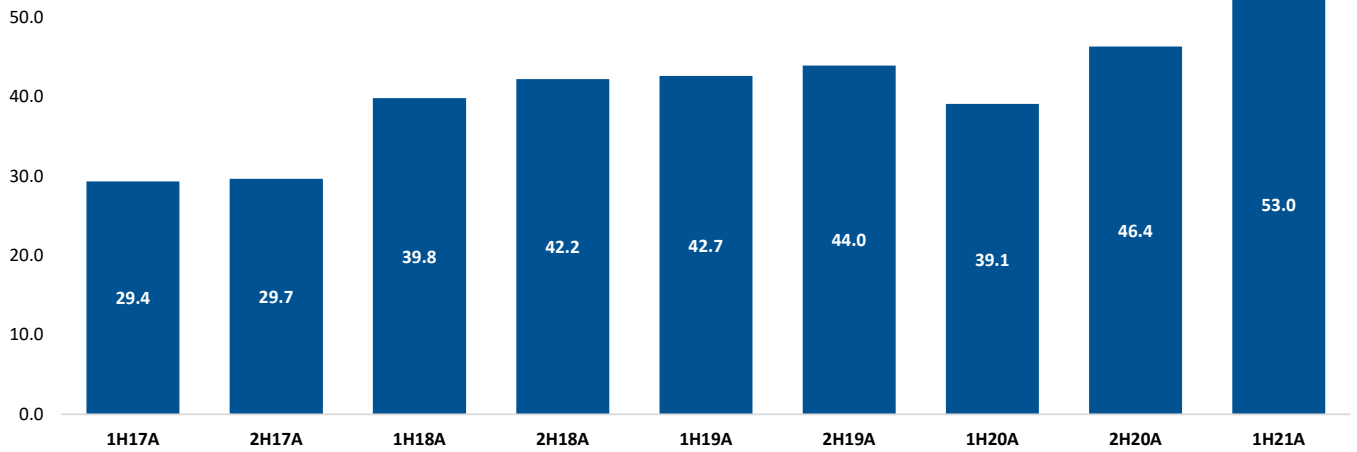
1H21 backlog. The consolidated order book amounted to Eu41.0mn (vs. Eu50.0mn as at YE20), of which Eu34.0mn at Environmental Remediation and Eu7.0mn at Engineering and Construction.

Ambienthesis: 1H21 Results

	(Eu mn)	1H20	2H20A	2020A	1H21A	1H21E	AvE	YoY	Chg 1H		Chg FY	
									HoH	2H21E	2021E	YoY
Special waste treatment	27.4	29.8	57.2	38.3	41.1	-6.8%	39.8%	28.7%	33.5	71.8	25.5%	
Environmental remediations	9.5	15.0	24.5	12.7	14.3	-11.0%	33.6%	-15.2%	17.0	29.7	21.0%	
Engineering and construction	0.9	0.3	1.2	0.1	1.4	-89.8%	-84.6%	-51.8%	1.1	1.3	2.0%	
Other revenues	1.2	1.3	2.5	1.8	1.3	36.4%	43.2%	40.0%	0.7	2.5	0.0%	
Revenues	39.1	46.4	85.5	53.0	58.1	-8.9%	35.4%	14.2%	52.3	105.2	23.1%	
Operating costs	-35.1	-43.7	-78.8	-47.5	-53.0	-10.3%	35.4%	8.7%	-48.3	-95.9	21.6%	
EBITDA	4.0	2.6	6.6	5.4	5.1	6.4%	35.3%	106.7%	3.9	9.3	40.8%	
Adj. EBITDA	4.2	2.6	6.9	5.4	5.1	6.4%	28.3%	104.8%	3.9	9.3	35.8%	
Adj. EBITDA margin	10.2%	5.7%	7.8%	10.2%	8.8%	16.7%	-0.1%	80.9%	7.5%	8.9%	14.4%	
Depr., prov., write-downs	-1.7	-1.2	-2.9	-2.1	-1.9	12.5%	22.9%	77.7%	-2.0	-4.2	41.1%	
EBIT	2.3	1.4	3.7	3.3	3.2	2.7%	44.8%	131.3%	1.9	5.2	40.6%	
Margin (%)	6%	3%	4%	6%	0.1	12.7%			4%	5%		
Net Financial Charges	-0.4	-0.5	-1.0	-0.6	-0.9	-38.2%			-0.7	-1.2		
Other Charges/Income	0.8	0.7	1.5	0.9	0.8	15.9%			0.6	1.5		
Net Operating Margin	2.6	1.6	4.2	3.7	3.1	18.0%	40.5%	125.4%	1.8	5.5	29.7%	
Taxes	-0.5	-0.5	-1.0	-0.9	-0.8	14.5%			-0.6	-1.5		
Tax Rate (%)	20%	33%	25%	24%	0.2	-2.9%			34%	27%		
Net Income	2.1	1.1	3.2	2.8	2.3	19.1%	33.7%	156.1%	1.2	4.0	25.7%	
Minorities	0.1	0.0	0.1	0.1	0.1	7.0%			0.1	0.2		
Group Net Income	2.0	1.1	3.0	2.7	2.2	19.7%	35.0%	153.7%	1.1	3.8	25.7%	
Adj. Net Income	2.5	0.8	3.2	3.1	2.2	36.5%	25.0%	287.4%	0.8	3.8	18.2%	
Capex	0.3	6.2	6.5	2.4	3.5	-32.3%	602.7%	-61.8%	2.1	4.5	-31.1%	
Equity	49.9	51.0	51.0	52.9	52.6	0.7%			53.8	53.8		
Net Debt	1.6	12.3	12.3	5.96	12.7	-52.9%			6.1	6.1		
CE	51.5	57.4	63.3	58.9	65.2	-9.7%			59.4	59.8		
D/E Ratio	0.03	0.24	0.24	0.11	0.2	-53.2%			0.11	0.11		

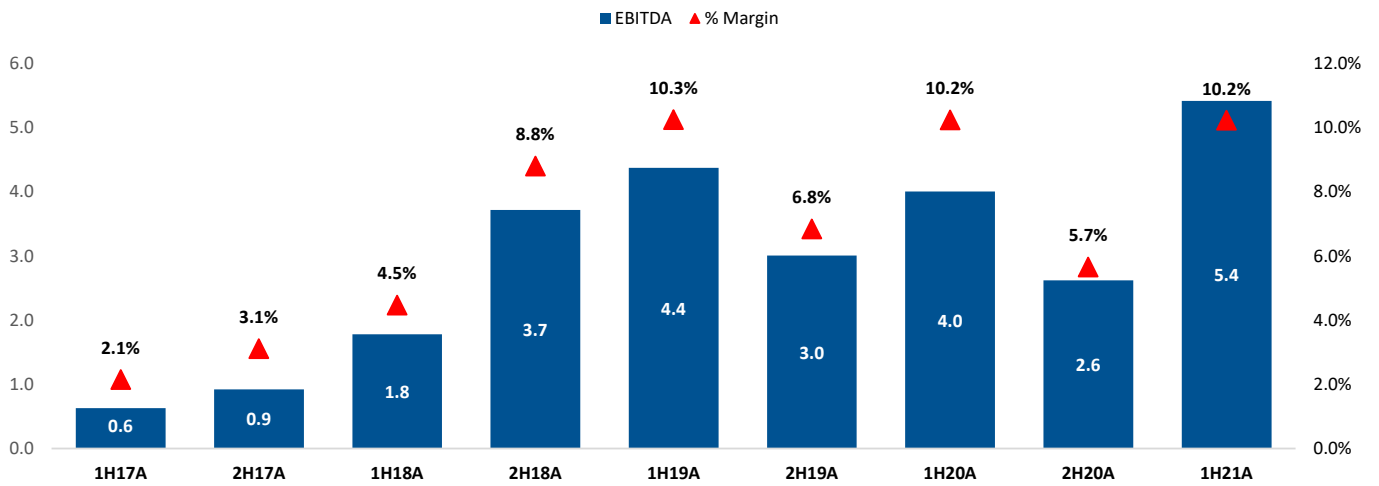
Source: Company data & Intermonte SIM Estimates

Ambienthesis – Half-Year Revenue Evolution (Eu mn)



Source: Intermonte SIM

Ambienthesis – Half-Year EBITDA (Eu mn) and Margin (%) Evolution



Source: Intermonte SIM

Significant Events in 2H21

Acquisition of 49% of Tremonti S.r.l.. On 14 July, it was announced that pursuant to the framework agreement between Ambienthesis, Herambiente (Hera Group), Sersys Ambiente, and Edison (joint press release on 24 May), **Ambienthesis had acquired**, at the nominal value, **49% of the newCo Tremonti S.r.l.**, thus becoming the shareholder with the relative majority stake, for outlay of Eu49k. Damiano Belli, Ambienthesis' CEO, was elected CEO of Tremonti S.r.l..

Also in accordance with the framework agreement, Ambienthesis was entrusted with a share of environmental remediation and waste removal at the Tre Monti Site of National Interest (SIN) at Bussi sul Tirino (PE) – an activity that Tremonti S.r.l. took on from Edison S.p.A. – for an amount quantified at ca. **Eu40mn over 3 years.**

MoU with Greenthesi for Possible Merger. On 28th July, Ambienthesis and Greenthesi (the Grossi family holding that controls ATH through direct and indirect stakes amounting to ~76.2% of capital), signed a non-binding MoU for the possible corporate integration into ATH of environmental sector operational assets belonging to Greenthesi via a contribution in kind or other equivalent operation. An accord could be signed by October 2021, subject to the fulfilment of certain conditions in line with market practice, while the potential closing is expected by the end of 2021.

The potential operation would involve the transfer to Ambienthesis of the following Greenthesi assets:

- Ownership and management of the Dalmine (BG) waste-to-power plant;
- Integrated management and multi-material recycling from the entire urban waste cycle in Valle D'Aosta region until 2036;
- Ownership and management of the Veneto regional waste disposal site, dedicated to processing waste mainly of household origin and non-hazardous special waste, and of the related plants for capturing biogas and treating liquid waste, located in the municipality of S. Urbano (PD);
- Ownership of the area and exploitation of waste disposal pits following closure of the Latina landfill (Borgo Montello);
- Authorisation for the construction and management of a plant, located in Latina province, to process organic waste for the purpose of producing liquid biomethane and quality compost.

The **operational activities** for potential transfer recorded **aggregate revenues in 2020 of ~Eu55mn** and **aggregate EBITDA of ~Eu18mn** (the aggregate data relates to the following: **Rea Dalmine S.p.A., Enval S.r.l., Gea S.r.l. and Ind.Eco S.r.l.**).

The effect of any operation on figures in the ATH industrial plan published 16 March 2021 will be announced to the market if and when the operation is approved.

Based on the outcome of the potential operation, Greenthesi will consider whether to increase the issuer float with the aim of increasing stock liquidity as well as fulfilling, where possible, the requisites for the transfer of Ambienthesis to the STAR segment of the Italian Stock Exchange MTA.

Our View on the Possible Merger.

We believe this move for integration is positive for Ambienthesis for several reasons:

[+] the expected notable increase in the size of the company which would make it one of the **leading independent listed pure players** in Italy specialised in the integrated management of environmental services.

[+] rationalisation, integration and greater efficiency of the overall structure of the group in line with the best practice of listed companies, thanks to the concentration of all activities.

[+] ever greater diversification of operational activities.

Financials

Ambienthesis – Income Statement

(Eu mn)	2017	2018	2019	2020	2021E	2022E	2023E	2024E
Special waste treatment	40.1	50.1	57.9	57.2	71.8	72.1	72.5	72.9
Environmental remediations	14.3	27.9	25.1	24.5	29.7	31.3	33.5	33.7
Engineering and construction	3.1	2.2	1.4	1.2	1.3	1.3	1.3	1.3
Other revenues	1.5	1.8	2.2	2.5	2.5	2.5	2.5	2.5
Total Revenues	59.0	82.1	86.6	85.5	105.2	107.2	109.8	110.4
Total Operating Costs	-51.0	-70.0	-72.3	-71.8	-88.7	-90.3	-92.3	-92.7
Value Added	8.0	12.1	14.3	13.6	16.5	16.9	17.5	17.7
Labor Cost	-6.5	-6.6	-6.9	-7.0	-7.2	-7.3	-7.5	-7.6
EBITDA	1.6	5.5	7.4	6.6	9.3	9.6	10.0	10.0
Adj. EBITDA	2.6	6.3	7.8	6.9	9.3	9.6	10.0	10.0
% Adj. EBITDA Margin	4.4%	7.7%	9.0%	8.0%	8.9%	9.0%	9.1%	9.1%
Special waste treatment	0.9	4.1	6.9	5.5	7.4	7.5	7.8	7.8
Environmental remediations	0.6	1.3	0.7	1.0	1.8	2.0	2.1	2.2
Others	0.1	0.1	-0.2	0.1	0.1	0.1	0.1	0.1
Depr. Prov's. and Write-downs	-4.1	-2.2	-2.6	-2.9	-4.2	-4.2	-4.3	-4.6
EBIT	-2.5	3.3	4.8	3.7	5.2	5.4	5.7	5.5
% EBIT Margin	-4.3%	4.0%	5.5%	4.3%	4.9%	5.0%	5.2%	5.0%
Net Financial Charges	-0.5	-0.5	-0.6	-1.0	-1.2	-0.7	-0.6	-0.6
Other Charges and Income	0.6	0.6	1.9	1.5	1.5	1.6	1.8	1.9
Net Operating Margin	-2.4	3.4	6.0	4.2	5.5	6.3	6.8	6.8
Taxes	-0.2	-0.2	-1.6	-1.0	-1.5	-1.7	-1.8	-1.8
Adj. Tax Rate %	-8.4%	5.7%	26.1%	24.6%	27.0%	27.0%	27.0%	27.0%
Net Income	-2.6	3.2	4.5	3.2	4.0	4.6	5.0	5.0
Minorities	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Group Net Income	-2.7	3.2	4.4	3.0	3.8	4.4	4.8	4.8
Adj. Net Income	0.2	4.3	4.9	3.2	3.8	4.4	4.8	4.8

Source: Company data & Intermonte SIM estimates

Ambienthesis – Balance Sheet

(Eu mn)	2017	2018	2019	2020	2021E	2022E	2023E	2024E
Fixed assets	48.8	48.4	54.2	64.4	64.8	65.6	66.3	66.7
Net working capital	-4.5	-3.1	-2.4	0.2	-3.5	-3.2	-3.1	-2.9
Gross inv. capital	44.4	45.3	51.9	64.6	61.2	62.4	63.1	63.8
Severance provision	-1.0	-0.9	-1.0	-1.3	-1.4	-1.4	-1.4	-1.4
Net invested capital	43.4	44.3	50.9	63.3	59.8	61.0	61.7	62.4
Group sharehold. equity	41.7	44.8	48.6	50.5	53.1	55.4	57.8	60.0
Minority interests	0.4	0.4	0.4	0.5	0.7	0.9	1.1	1.3
Net financial position	-1.4	0.9	-1.9	-12.3	-6.1	-4.7	-2.9	-1.1
Total cover	43.4	44.3	50.9	63.3	59.8	61.0	61.7	62.4

Source: Company data & Intermonte SIM estimates

Ambienthesis – Cash Flow Statement

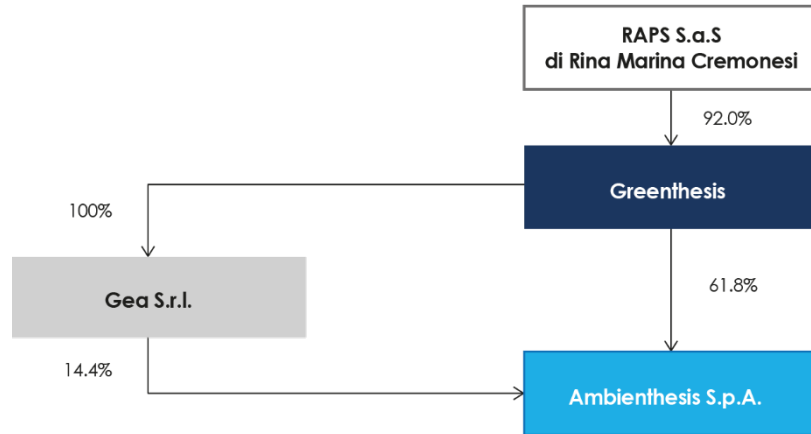
(Eu mn)	2017	2018	2019	2020	2021E	2022E	2023E	2024E
Net fin position beg of year	0.8	-1.4	0.9	-1.9	-12.3	-6.1	-4.7	-2.9
Net income	-2.6	3.2	4.5	3.2	4.0	4.6	5.0	5.0
Depreciation	2.7	2.2	2.6	2.9	4.2	4.2	4.3	4.6
Cash flow from operations	0.1	5.4	7.1	6.1	8.1	8.8	9.3	9.5
Change in working capital	-10.4	-1.5	-0.7	-2.3	3.8	-0.4	0.0	-0.2
Operating cash flow	-10.4	4.0	6.4	3.9	12.0	8.4	9.3	9.3
Investments	-2.9	-2.0	-5.0	-6.5	-4.5	-5.0	-5.0	-5.0
Free cash flow	-13.3	2.0	1.4	-2.7	7.5	3.4	4.3	4.3
Dividends	0.0	0.0	-0.7	-0.9	-0.7	-1.9	-2.2	-2.4
Other movements	11.1	0.2	-3.4	-6.9	-0.5	-0.2	-0.2	-0.2
Cash flow	-2.2	2.2	-2.7	-10.5	6.3	1.3	1.9	1.7
Net fin position end of year	-1.4	0.9	-1.9	-12.3	-6.1	-4.7	-2.9	-1.1

Source: Company data and Intermonte SIM estimates

Appendix I – Ownership and Group Structure

Ownership structure. Current share capital consists of 92,700,000 ordinary shares, 61.8% of which owned by Greenthesis SpA, 14.4% by Gea Srl, and 4.9% by Ambientthesis Spa. The remaining 18.9% is traded on the market.

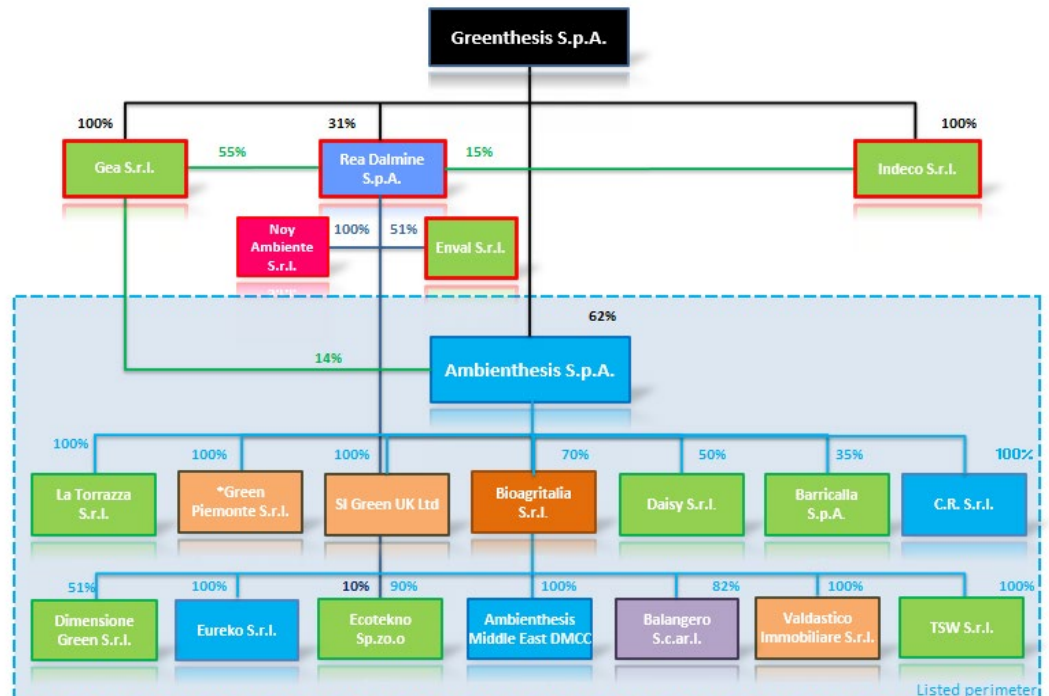
Ambientthesis – Ownership Structure



Source: Ambientthesis

The chart below shows the current structure of Greenthesis group: we have highlighted in red the companies **Gea Srl**, **Rea Dalmine SpA**, **Enval Srl**, and **Indeco Srl**, i.e. the operational assets identified for the potential transfer from Greenthesis to Ambientthesis.

Greenthesis – Current Group Structure



Source: Ambientthesis. *In liquidation

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	AMBIENTHESIS		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	0.90	Previous Target (Eu):	0.90
Current Price (Eu):	0.79	Previous Price (Eu):	0.80
Date of report:	30/09/2021	Date of last report:	20/05/2021

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- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

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- SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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OUTPERFORM:	52,42 %
NEUTRAL:	26,61 %
UNDERPERFORM	04,03 %
SELL:	00,00 %

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NEUTRAL:	16,67 %
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SELL:	00,00 %

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IKF	0,57	SHORT
OLIDATA	0,74	SHORT

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