

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 (mainly in Spain). Currently, after the restructuring of the business, sales outside Spain represent 13% of the total.

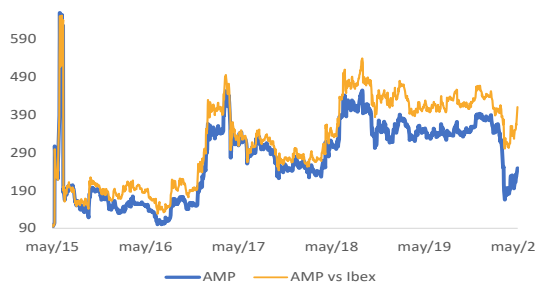
Market Data

Market Cap (Mn EUR and USD)	202.2	219.1
EV (Mn EUR and USD) ⁽²⁾	231.2	250.6
Shares Outstanding (Mn)	1,075.3	
-12m (Max/Med/Min EUR)	0.30 / 0.25 / 0.12	
Daily Avg volume (-12m Mn)	0.82	
Rotation ⁽³⁾	102.9	
Thomson Reuters / Bloomberg	APE.MC / AMP SM	
Close fiscal year	31-Dec	

Shareholders Structure (%)

Martinavarro Dealbert	5.1
Board of Directors	2.0
Free Float	92.9

Relative performance -5y (Base 100)



Stock performance

(%)	-1m	-3m	-12m	-5Y
Absolute	33.3	-28.0	-29.3	149.6
vs Ibex 35	30.1	3.7	-1.4	311.2
vs Ibex Small Cap Index	19.7	-11.7	-15.5	139.2
vs Eurostoxx 50	23.5	-5.4	-13.9	207.8
vs Sector benchmark ⁽⁴⁾	14.9	-15.6	-29.3	72.5

(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 represents 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

1Q20 results: reaping the benefits of M&A and with the impact of the Covid-19 crisis pending

STRONG REVENUE GROWTH: +24.2% (EUR 51.3MN VS EUR 41.4MN IN 1Q19)

underpinned by: (i) organic growth (+13.2% vs 1Q19; especially in the industrial business, +25%) and (ii) the incorporation of the businesses acquired in the last year (7 in 2019 and 1 in 2020) which provided revenue of c. EUR 4.5Mn (c. 45% of the growth) in 1Q20 (EUR 3.5Mn in Telecoms and Security and EUR 1.1Mn in the industrial business).

WITH A SMALL IMPROVEMENT IN THE EBITDA MARGIN (11.3%; +0.8P.P. VS 1Q19),

which boosted 1Q20 EBITDA to EUR 5.8Mn (+34.2% vs 1Q19; not adjusted for R+D capitalisations) essentially as a result of: (i) the continuous increase in the contribution to the revenue mix made by tech businesses (28% vs 18% in 1Q19), which have very high margins (EBITDA margin: 22.7% as a whole; vs 21.3% in 1Q19) and (ii) the improvement in the margins of the industrial business already seen in 2019 (5.5% vs 4.3% in 1Q19) as a result of the development of higher added value businesses.

TRANSLATING INTO EBIT OF EUR 4.1MN (+5.4% VS 1Q19). Below EBITDA there is a EUR 1.7Mn amortisation expense (vs EUR 0.4Mn in 1Q19), the increase being mainly the result of the amortisation of R+D expenses capitalised in 2018 and 2019 (EUR 6.4Mn and EUR 10.3Mn, respectively).

BUT WITH A LARGE INCREASE IN DEBT: 1Q20 ND of EUR 7.9Mn (vs net cash of EUR 6.5Mn at the 2019 close), as a result of: (i) a business that is very working capital intensive which, logically, has a significant impact on FCF (c. EUR 13Mn) and (ii) M&A activity (cash outflow of EUR 3Mn in 1Q20; with EUR 15Mn still pending payment).

IN CONCLUSION: 1Q20 results maintain the growth trend already evident in 2019 (although declining to +5.4% in terms of EBIT), with a order book amounting to EUR 145.3Mn. And show the company is beginning to reap the benefits of the corporate transactions carried out in the last year (45% of the growth in revenue). However, 12m results will be totally shaped both by the non-organic growth of the last two years and by the impact of the global Covid-19 crisis, so 1Q20 results cannot be extrapolated to the rest of the year.

EUR Mn	3Q20	3Q19	3Q20 vs 3Q19
Total Revenues	51.3	41.4	24.2%
Telecom and Security	14.5	7.6	91.6%
Industrial	34.0	26.3	29.2%
Integrator ¹	2.9	7.5	-61.4%
EBITDA²	5.8	4.3	34.2%
EBITDA/Revenues	11.3%	10.5%	0.8 p.p.
EBIT	4.1	3.9	5.4%
Net profit	4.2	3.6	17.2%
Order book	145.3	88.3	64.6%
Net Debt	7.9x	-17.4x	n.a.

(1) The performance of the Latam integrator business, is explained by the continuous transfer of resources to the Telecoms and Security division, in order to strengthen in-house solutions (with a higher margin).

(2) 2020 and 2019 EBITDA not adjusted for R+D capitalisation as the figure for 1Q20 is not available (c. EUR 1Mn in 1Q19).

Appendix 1. EV breakdown at the date of this report

	EUR Mn	Source
Market Cap	202.2	
+ Minority Interests	2.2	12m Results 2019
+ Provisions & Other L/T Liabilities	21.9	3m Results 2020
+ Net financial debt	7.9	3m Results 2020
- Financial Investments	3.0	12m Results 2019
+/- Others	-	3m Results 2020
Enterprise Value (EV)	231.2	

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Recommendation History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
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

