

## EQUITY RESEARCH

ALTEA GREEN POWER  
FEEDBACK CONFERENCE

BUY

TP 12.0€ (vs 11.5€)

Up/Downside: 71%

## FY 2024 Conf Call Feedback

AGP continues to move forward with the authorizations for both the 1.6 GW of BESS projects already contracted, which are included in the backlog, and for the projects still not contracted, representing about 3.5 GW and accounting for around 40% of the revenues forecast in the 2025 Guidance. The year 2025 is expected to mark a turning point in terms of EBITDA to cash conversion, with the completion of the first major projects launched in 2022/2023.

- **Backlog:** The company announces that, by the end of 2024, it had registered a backlog of €152.2m (+ potential bonus), corresponding to all contracted projects, with approximately €100m still to be collected. This portfolio provides good visibility for the next three years. Furthermore, the company indicates that it has initiated the authorization request procedures for 3.5 GW of projects (mainly BESS), which are not yet contracted with clients, in order to accelerate the process.
- **Net Financial Position:** Higher levels in 2024 were necessary to progressively manage the development of ongoing projects, which absorbed a significant portion of the cash. Furthermore, net debt was further impacted by the deferral of certain payments scheduled for the end of 2024, which were collected in early 2025, already significantly reducing the net debt level.
- **Guidance 2025 and Cash Conversion:** The 2025 targets are based on revenues, 60% of which will come from contracts already signed, mainly related to BESS projects (margin of around 60%). During 2025, the final payments for the projects launched between 2022 and 2024 are expected to be collected, finally allowing an improvement in cash conversion.
- **IPP:** The company states that it has nearly identified sites for a capacity of 120 to 150 MW, while selecting only those for which permits can be obtained more quickly. The goal is to have 90 MW operational by 2028 and 150 MW in the following years. To accelerate the process, the company is considering acquiring already completed installations.
- **New Technologies:** The CEO of the company announces that AGP is progressing in the development of hybrid projects combining BESS, photovoltaic, and hydrogen, while expressing interest in the data center sector.
- After integrating the new data into the model, we raise our TP to €12, given the company's ability to meet the targets of the 2024-2028 Business Plan.

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	17.3	35.4	53.9	62.0	EV/Sales	3.8	2.4	1.6
Current Op Inc (m €)	7.1	22.2	30.8	36.5	EV/EBITDA	6.0	4.1	2.7
Current op. Margin (%)	41.0	62.8	57.0	58.8	EV/EBIT	6.0	4.2	2.7
EPS (€)	0.27	0.91	1.18	1.43	PE	7.7	5.9	4.9
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-3.9	-4.5	3.7	30.5				

## Key data

Price (€)	7.0
Industry	Energy
Ticker	AGP-IT
Shares Out (m)	18.236
Market Cap (m €)	127.6
Average trading volumes (k shares / day)	57.919
Next event	20/02/2025 - FY24

Source: FactSet

## Ownership (%)

Dxor Investments Srl	52.2
Dxor Investments 1 Srl	9.5
Free float	38.3

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	0.91	1.18	1.43
Change vs previous estimates (%)	0.49	7.81	10.58

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	7.4	15.5	9.0
Rel FTSE Italy	6.9	8.4	-3.1



Source: FactSet

Consensus FactSet - Analysts:3	12/24e	12/25e	12/26e
Sales	32.7	47.5	55.3
EBIT	19.8	27.5	32.9
Net income	14.3	19.3	23.0

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## FINANCIAL DATA

<b>Income Statement</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24e</b>	<b>12/25e</b>	<b>12/26e</b>
Sales	6.2	16.8	17.3	35.4	53.9	62.0
Changes (%)	4.5	169.9	3.3	104.3	52.4	15.0
Gross profit	6.1	16.0	16.8	34.7	52.9	60.8
% of Sales	97.7	95.2	97.2	98.0	98.0	98.0
<b>EBITDA</b>	<b>2.1</b>	<b>6.2</b>	<b>7.2</b>	<b>22.4</b>	<b>31.0</b>	<b>36.8</b>
% of Sales	34.5	36.8	41.8	63.2	57.5	59.2
<b>Current operating profit</b>	<b>2.1</b>	<b>6.1</b>	<b>7.1</b>	<b>22.2</b>	<b>30.8</b>	<b>36.5</b>
% of Sales	34.3	36.3	41.0	62.8	57.0	58.8
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	2.1	6.1	7.1	22.2	30.8	36.5
Net financial result	-0.4	-0.1	-0.2	-0.5	-0.8	-0.4
Income Tax	-0.6	-1.8	-2.0	-5.1	-8.3	-10.1
Tax rate (%)	-32.6	-30.6	-28.4	-23.7	-27.9	-27.9
<b>Net profit, group share</b>	<b>1.2</b>	<b>4.2</b>	<b>4.9</b>	<b>16.5</b>	<b>21.6</b>	<b>26.0</b>
EPS	0.07	0.23	0.27	0.91	1.18	1.43
<b>Financial Statement</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24e</b>	<b>12/25e</b>	<b>12/26e</b>
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	0.0	0.1	0.3	0.7	0.8	6.7
Right of Use	0.0	0.7	0.8	0.2	0.5	2.0
Financial assets	0.2	0.0	1.5	1.5	1.5	1.5
Working capital	3.0	11.3	19.9	35.2	52.7	40.8
Other Assets	0.0	0.2	0.1	0.1	0.1	0.1
<b>Assets</b>	<b>3.3</b>	<b>12.2</b>	<b>22.6</b>	<b>37.7</b>	<b>55.6</b>	<b>51.2</b>
Shareholders equity group	2.0	11.6	17.4	34.9	56.5	82.5
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	0.1	0.0	0.1	0.1	0.1	0.1
Net debt	1.2	-0.1	4.4	6.3	0.6	-29.8
Other liabilities	0.1	0.8	0.7	0.7	0.7	0.7
<b>Liabilities</b>	<b>3.3</b>	<b>12.2</b>	<b>22.6</b>	<b>42.0</b>	<b>57.9</b>	<b>53.5</b>
Net debt excl. IFRS 16	1.2	-0.8	3.6	5.5	-0.2	-30.6
Gearing net	0.6	-0.0	0.2	0.2	0.0	-0.4
Leverage	0.6	-0.0	0.6	0.3	0.0	-0.8
<b>Cash flow statement</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24e</b>	<b>12/25e</b>	<b>12/26e</b>
CF after elimination of net borrowing costs and taxes	1.9	6.1	5.1	11.2	21.8	26.3
$\Delta$ WCR	-3.0	-9.0	-8.8	-15.4	-17.5	11.9
Operating cash flow	-1.2	-2.9	-3.7	-4.2	4.3	38.2
Net capex	-0.1	-0.8	-0.2	-0.3	-0.6	-7.7
FCF	-1.2	-3.7	-3.9	-4.5	3.7	30.5
Acquisitions/Disposals of subsidiaries	0.0	-0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	0.8	-0.3	3.2	4.5	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	0.1	5.6	1.0	1.4	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	-0.1	1.7	-1.2	1.4	3.7	30.5
ROA (%)	36.1%	34.0%	21.8%	39.4%	38.8%	50.9%
ROE (%)	60.1%	36.1%	28.2%	47.4%	38.2%	31.5%
ROCE (%)	60.1%	36.1%	28.2%	47.4%	38.2%	31.5%

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### Analyst certifications

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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: Altea Green Power

### History of investment rating and target price – Altea Green Power



### Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
21 Feb 25 - 08:11:44	Alessio Olmi	€ 11,50	€ 11,50	€ 6,52	Achat	Buy
06 Feb 25 - 09:26:27	Alessio Olmi	NA	€ 11,50	€ 5,30	NA	Buy
06 Feb 25 - 08:14:34	Alessio Olmi	NA	€ 11,50	€ 5,30	NA	Buy

**Distribution of Investment Ratings**

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	80%	60%
Hold	15%	72%
Sell	3%	20%
Under review	2%	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.

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