

TerniEnergia (Suspended)

Update on the Proposed Relaunch Plan

News: Yesterday the TerniEnergia BoD announced that it had updated the relaunch plan proposed in October 2018. According to a company press release, management forecasts an overall financial benefit of EUR 115.8M from the disposal of the photovoltaic assets as well as from the sale of those related to the CleanTech Business Unit. From these proceeds, the company expects to speed up the repayment of the debt between 2019 and 2020. Furthermore, management expects to finalise the merger by incorporation of Softeco by the end of 2019.

Our view: While awaiting to better understand the recovery and relaunch plan, which should be approved and finalised by the end of June 2019, **our recommendation and TP are SUSPENDED.**

TerniEnergia - Key data

27/02/19	Multi-Utilities		
Target Price (EUR)	Suspended		
Rating	Suspended		
Mkt price (EUR)	0.41		
Mkt cap (EUR M)	19		
Ratios (x)	2018E	2019E	2020E
P/E	5.7	2.1	1.5
EV/Sales	0.90	0.60	0.47
EV/EBITDA	5.8	4.0	3.0
Performance (%)	1M	3M	12M
Absolute	-5.6	27.1	-31.0
Rel. to FTSE IT All	-8.6	19.4	-23.4

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Specialist to TerniEnergia

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