

## 9m Results 2019

**Opinion** <sup>(1)</sup>: Above expectations.

**Impact** <sup>(1)</sup>: We will have to raise our estimates.

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### 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 17% of the total.

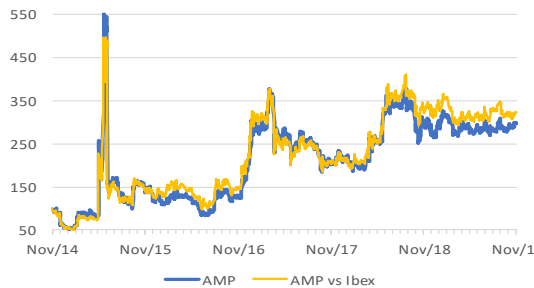
### Market Data

Market Cap (Mn EUR and USD)	288.2	317.2
EV (Mn EUR and USD) <sup>(2)</sup>	314.5	346.3
Shares Outstanding (Mn)	1075.	
-12m (Max/Med/Min EUR)	0.30 / 0.26 / 0.24	
Daily Avg volume (-12m Mn)	0.72	
Rotation <sup>(3)</sup>	64.0	
Thomson Reuters / Bloomberg	APE.MC / AMP SM	
Close fiscal year	31-Dec	

### Shareholders Structure (%)

Martinavarro Dealbert	4.3
Board of Directors	2.7
Free Float	93.0

### Relative performance -5y (Base 100)



### Stock performance (%)

(%)	-1m	-3m	-12m	-5Y
Absolute	2.9	4.1	0.8	196.5
vs Ibex 35	2.5	-3.0	-1.7	223.6
vs Ibex Small Cap Index	2.3	-1.4	0.2	99.5
vs Eurostoxx 50	-1.1	-6.7	-13.3	143.4
vs Sector benchmark <sup>(4)</sup>	-1.3	-6.6	-19.8	57.9

(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 3.

(3) Total volume traded in the share (Mn EUR) -12m vs Mkt Cap. 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.

## 3Q19 results continue the growth trend

### STRONG REVENUE GROWTH: +30.9% (EUR 132.8 MN VS EUR 101.4 MN 9M18)

underpinned by: (i) organic growth in all business lines and (ii) the incorporation of the new businesses acquired in the last year (2 in 4Q18 and 5 in 9m19). The performance of the Telecoms and Security business line stood out (26.3% of revenue), which in 3Q19 generated 92% of the revenue it obtained during the whole of 1H19 (and +53% vs 9m18).

### WITH A SIGNIFICANT IMPROVEMENT IN THE EBITDA MARGIN (14.7%; + 4P.P. VS 9M18),

mainly due to: (i) the larger contribution by technological businesses to the revenue mix (38% vs 33% 9m18), which maintain very high margins (EBITDA margin: 31% as a whole; vs 27% 9m18) and (ii) the improvement in the margins of the industrial business (5% 9m19 vs 2.8% 9m18), which boosted EBITDA 9m19 to EUR 19.6Mn, not adjusted for capitalisations as information for 3Q is not available (impact of EUR 2.4Mn in 1H19; 22.4% of reported EBITDA, see note 1).

### ... WHICH FEEDS THROUGH FULLY TO NP 9M19 (EUR 18.1MN):

which increased 2.2x vs 9m18, stripping out the impact of the discontinued activities of the South Pacific businesses (EUR 11Mn). NP 9m19 was also boosted by net financial profit of EUR 2.5Mn (14% of NP 9m19).

### THE ORDER BOOK GREW SIGNIFICANTLY (EUR 153.4 MN; +33% VS 9M18)

mainly due to the incorporation of Núcleo's order book in the Telecoms and Security business (acquired in July 2019; order book of EUR 32Mn).

### AND DEBT INCREASED: ND 9m19 of EUR 5.2Mn (vs 2018 pro-forma net cash of EUR 33Mn),

as a result of: (i) the corporate transactions carried out in 9m19 (self-financed acquisition of 5 companies; impact of EUR 12.7Mn) and (ii) a business that is very intensive in working capital which logically has a significant impact on FCF and ND. Trade receivables increased by EUR 41Mn vs 2018, to EUR 89.9Mn (51% of LTM revenue; vs c. 34% 2018).

EUR Mn	9m19	9m18	9m18 vs 9m19	3Q19	3Q18	3Q19 vs 3Q18
<b>Total Revenues</b>	<b>132.8</b>	<b>101.4</b>	<b>30.9%</b>	<b>44.4</b>	<b>37.3</b>	<b>19.1%</b>
Telecom and Security	34.9	22.8	53.1%	16.7	7.9	111.3%
Industrial	83.6	68.7	21.7%	26.0	24.8	4.8%
Integrator	14.2	9.9	44.0%	1.6	4.5	-63.9%
<b>Recurrent EBITDA <sup>1</sup></b>	<b>19.6</b>	<b>10.8</b>	<b>80.2%</b>	<b>8.9</b>	<b>3.5</b>	<b>150.0%</b>
Rec. EBITDA/Revenues	14.7%	10.7%	4.0 p.p.	20.0%	9.5%	10.5 p.p.
<b>EBITDA</b>	<b>19.6</b>	<b>10.8</b>	<b>80.2%</b>	<b>8.9</b>	<b>3.5</b>	<b>150.0%</b>
EBITDA/Revenues	14.7%	10.7%	4.0 p.p.	20.0%	9.5%	10.5 p.p.
<b>EBIT</b>	<b>16.4</b>	<b>8.7</b>	<b>89.5%</b>	<b>7.6</b>	<b>1.9</b>	<b>294%</b>
<b>NP</b>	<b>18.1</b>	<b>19.1</b>	<b>-5.1%</b>	<b>9.9</b>	<b>9.3</b>	<b>5.8%</b>
<b>Ordinary NP <sup>2</sup></b>	<b>18.1</b>	<b>8.1</b>	<b>124.3%</b>	<b>9.9</b>	<b>4.2</b>	<b>135%</b>
Net Debt	5.2	12.5	-59%	n.a.	n.a.	n.a.
ND / EBITDA LTM	0.2 x	0.9 x	-0.7 x	n.a.	n.a.	n.a.

<sup>1</sup> 9m19 and 9m18 Reported EBITDA figures have not been adjusted for capitalised expenses, as 3Q19 information is not available. During 1H19, AMP incurred in R&D activities with an impact on EBITDA of c. EUR 2.4Mn (c. EUR 4.6Mn in 1H18).

R&D activities had an impact of c. EUR 9.2Mn on 2018 Rec. EBITDA (c. EUR 6.4Mn on EBITDA; 41% of 2018 reported EBITDA).

<sup>2</sup> Ordinary net profit before discontinued operations results (EUR 11.0Mn during 3Q18).

## Appendix 1. EV breakdown at the date of this report

	EUR Mn	Fuente
Market Cap	288.2	
+ Minority Interests	0.6	6m Results
+ Provisions & Other L/T Liabilities	21.8	6m Results
+ Net financial debt	5.2	9m Results
- Financial Investments	1.2	6m Results
+/- Others		
<b>Enterprise Value (EV)</b>	<b>314.5</b>	

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