

**3m Results 2019**

 Opinion <sup>(1)</sup>: In line

 Impact <sup>(1)</sup>: We will maintain our estimates

David Lopez Sanchez – david.lopez@lighthouse-ieaf.com

+34 915 904 226

**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 18% of the total.

**Market Data**

Market Cap (Mn EUR and USD)	287.6	321.9
EV (Mn EUR and USD)	266.9	298.7
Shares Outstanding (Mn)	1075.3	
-12m (Max/Med/Mín EUR)	0.34 / 0.28 / 0.23	
Daily Avg volume (-12m Mn)	1.78	
Rotation <sup>(2)</sup>	158.19	
Thomson Reuters / Bloomberg	APE.MC / AMP SM	
Close fiscal year	31-Dec	

**Shareholders Structure (%)**

Amento Capital	5.0
Board of Directors	2.7
Auriga Global	2.7
Free Float	89.6

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

**Stock performance**

(%)	-1m	-3m	-12m	-5Y
Absolute	5.7	-5.0	16.3	150.4
vs Ibex 35	8.1	-8.8	28.2	187.4
vs Ibex Small Cap Index	4.9	-6.7	29.7	115.3
vs Eurostoxx 50	6.4	-12.8	21.1	134.8
vs Sector benchmark <sup>(3)</sup>	4.8	-15.3	11.1	41.9

(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) Total volume traded in the share (Mn EUR) -12m vs Mkt Cap. Represents the % of the capitalisation traded -12m.

(3) vs TRBC Europe Technology Index.

(\* Unless otherwise indicated, all the information contained in this report is based on: The Company, Thomson Reuters and Lighthouse

## Buy to grow (more)

**REVENUE +46.4% (EUR 41.4MN VS EUR 28.2MN IN 1Q18), UNDERPINNED BY ORGANIC GROWTH IN ALL THE GROUP'S BUSINESS LINES.** In addition, we would highlight the 12.4p.p. increase in the weighting of technological revenues vs the industrial business (36.4% vs 24.0% in 4Q18), confirming the trend of a change in the mix towards a larger weighting of the higher margin technological businesses.

**IMPROVEMENT IN THE EBITDA/REVENUE MARGIN (8.0%, +1.7P.P.),** mainly due to the change in the revenue mix and a increase in the margin of the industrial business as a result of the operating cost discipline implemented in 2018.

**IN TERMS OF THE NET CASH POSITION,** after collection of the amount pending from the sale of the South Pacific businesses (EUR 44.4Mn) and the repayment of the syndicated loan (EUR 12.9Mn in 2018), AMP ended 1Q19 with net cash >17Mn. We would underline access to new funding to be allocated entirely to covering organic business growth.

**ORDINARY NP IS POSITIVE AGAIN** (EUR 3.6Mn vs losses of EUR 0.6Mn in 1Q18), boosted by growth in EBITDA of the recurrent businesses and the absence of financial expenses (vs 0.6Mn in 1Q18) as a result of the full repayment of the syndicated loan in January 2019.

**THE STEP-UP IN SIZE DEPENDS GREATLY ON NON-ORGANIC GROWTH** The acquisition of Rubricall and Ingenio (Dec. 18), will have had an estimated impact of EUR 0.2Mn on 1Q19 EBITDA. Also, in April-May the acquisitions of Iberwave Ingeniería S.L., Sensing and Control Systems S.L., Wireless Watts and Signal Intelligence were announced, which are expected to have an impact for the company in 2019 of EUR 6Mn (not yet included in our 2019 estimates). Investment potential remains very high: Net Cash of EUR 17Mn.

EUR Mn	1Q19	1Q18	1Q19 vs QT18	2019e	2019e vs 2018
<b>Total Revenues <sup>(1)</sup></b>	<b>41.4</b>	<b>28.2</b>	<b>46.4%</b>	<b>153.9</b>	<b>14.8%</b>
Telecom and Security	7.6	4.2	78.9%	28.5	22.4%
Industrial	26.3	21.3	23.4%	100.7	3.0%
Integrator	7.5	2.7	176.8%	24.7	90.0%
<b>Rec. EBITDA</b>	<b>3.3</b>	<b>1.8</b>	<b>86.1%</b>	<b>9.9</b>	<b>50.9%</b>
Rec. EBITDA / Rev.	8.0%	6.3%	1.7 p.p.	6.4%	-0.1 p.p.
<b>EBITDA <sup>(2)</sup></b>	<b>3.3</b>	<b>1.8</b>	<b>86.1%</b>	<b>12.7</b>	<b>36.8%</b>
EBITDA / Rev.	8.0%	6.3%	1.7 p.p.	8.2%	1.3 p.p.
EBIT	3.9	1.5	161.7%	16.9	31.0%
NP <sup>(3)</sup>	3.6	-0.6	n.a.	15.1	-62.8%
<b>Ordinary NP</b>	<b>3.6</b>	<b>-0.6</b>	<b>n.a.</b>	<b>12.9</b>	<b>525.5%</b>
<b>Net Debt</b>	<b>-17.4</b>	<b>13.8</b>	<b>-226%</b>	<b>-39.8</b>	<b>-135%</b>
ND / EBITDA	n.a.	n.a.	n.a.	-3.1 x	n.a.

(1) Telecom and Security, Industrial and Integrator business lines were previously referred as: (i) Spanish Telecom, (ii) Industrial and (iii) Integrator (Latam).

(2) Adjusted EBITDA and Rec. EBITDA excluding capitalised expenses (aprox EUR 1Mn).

(3) NP and Ordinary net profit before discontinued operations results and minority interest amounting to EUR 3.2Mn y EUR 1.5Mn, respectively.

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Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
09-May-2019	n.a.	0.268	n.a.	n.a.	3m Results 2019	David Lopez Sanchez
04-Apr-2019	n.a.	0.262	n.a.	n.a.	Initial Coverage	David Lopez Sanchez