

## 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.

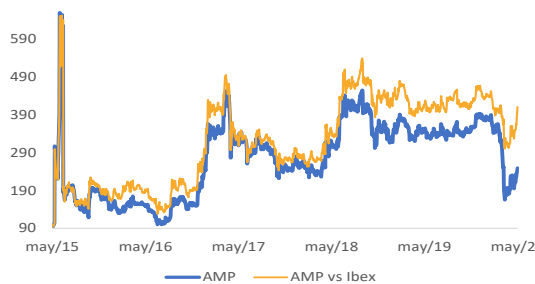
## Market Data

Market Cap (Mn EUR and USD)	202.2	219.1
EV (Mn EUR and USD) <sup>(2)</sup>	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 <sup>(3)</sup>	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 <sup>(4)</sup>	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).

**WITH A RETURN TO A NET DEBT POSITION:** 1Q20 ND of EUR 7.9Mn (vs net cash of EUR 6.8Mn 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
<b>Total Revenues</b>	<b>51.3</b>	<b>41.4</b>	<b>24.2%</b>
Telecom and Security	14.5	7.6	91.6%
Industrial	34.0	26.3	29.2%
Integrator <sup>1</sup>	2.9	7.5	-61.4%
<b>EBITDA<sup>2</sup></b>	<b>5.8</b>	<b>4.3</b>	<b>34.2%</b>
<i>EBITDA/Revenues</i>	<i>11.3%</i>	<i>10.5%</i>	<i>0.8 p.p.</i>
<b>EBIT</b>	<b>4.1</b>	<b>3.9</b>	<b>5.4%</b>
<b>Net profit</b>	<b>4.2</b>	<b>3.6</b>	<b>17.2%</b>
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
<b>Enterprise Value (EV)</b>	<b>231.2</b>	

## IMPORTANT LEGAL INFORMATION REGARDING THIS REPORT

### LIGHTHOUSE

Lighthouse is a project of IEAF Servicios de Análisis S.L.U. Lighthouse is a research project funded by Bolsas y Mercados Españoles S.A. Lighthouse aims to improve the research coverage of the "orphan stocks" of the Spanish market: those which lack real and continuous research coverage. Lighthouse reports will not include valuation and target price. Lighthouse does not seek to provide investment advice to any natural or legal person. For this reason, Lighthouse will not provide a valuation, target price or investment recommendation for any of the securities analysed.

IEAF Servicios de Análisis S.L.U. is a Spanish company whose corporate purpose is:

1º) To provide information and financial analysis regarding securities issued by any class of legal person traded on official secondary markets, and specifically those securities which are not the object of the recurrent provision of information and analysis by financial analysts who participate in the markets.

2º) To publicise and update the aforementioned financial reports and analysis, in addition to the monitoring and following of the securities on which the information and analysis is provided.

3º) To prepare studies and projects aimed at proposing and implementing measures to improve the information and financial analysis of securities traded on official secondary markets.

IEAF Servicios de Análisis S.L.U. is a company whose sole shareholder is the Instituto Español de Analistas Financieros (IEAF), a professional, not for profit association.

### DISCLAIMER

The Instituto Español de Analistas Financieros (IEAF) hereby certifies that the analyst of IEAF Servicios de Análisis S.L.U. whose name figures as the author of this report, expresses views that reflect their personal and independent opinion of the company analysed without these implying, either directly or indirectly, a personalised recommendation of the company analysed for purposes of providing investment advice. This report is based on the preparation of detailed financial projections from information available to the public and following traditional fundamental research methodology (i.e. it is not a technical or quantitative analysis report). For the analysis methodology used in the preparation of this report, please contact the analyst directly; contact details are included on the front page of this report.

The report includes basic information regarding the main parameters to be used by an investor when making their own valuation (whether by discounted cash flows or multiples). These parameters are the personal opinion or estimate of the analyst. The person receiving this report should use their own judgement when using these parameters and should consider them as another element in their decision-making process in respect of investment. These parameters do not represent a personalised investment recommendation.

### Rules governing confidentiality and conflicts of interest

None of the following rules governing confidentiality and conflicts of interest (12) is applicable to this report:

1. This report is non-independent research as it has been commissioned by the company analysed (issuer).
2. In the last 12 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., has had Investment Banking mandates or has managed or co-managed a public offering of the securities of the issuer, or has received compensation from said issuer for Investment Banking services, that exclude brokerage services for prepaid fees.
3. In the next 6 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., expects to receive or intends to obtain compensation for Investment Banking services provided to this company that exclude brokerage services for prepaid fees.
4. The Investment Analyst or a member of the Research Department or a member of their household has a long position in the shares or derivatives of the corresponding issuer.
5. The Investment Analyst or a member of the Research Department or a member of their household has a short position in the shares or derivatives of the corresponding issuer.
6. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a long position of over 0.5% of the issuer's capital.
7. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a short position of over 0.5% of the issuer's capital.
8. At the end of the month immediately prior to the publication of this report, or of the previous month if the report is published in the ten days following the end of the month, the company analysed (the issuer) or any of its subsidiaries held 5% or more of any class of equity security of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U.
9. A senior director or officer of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., or a member of their department is a director, officer, advisor or member of the Board of Directors of the issuer and/or one of its subsidiaries.
10. The Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., acts as broker for the Issuer for the corresponding prepaid fees.
11. The contents of this report have been reviewed by the issuer prior to its publication.
12. The issuer has made changes to the contents of this report prior to its distribution.

The Investment Analysts who have prepared this Investment Analysis are employees of IEAF Servicios de Análisis S.L.U. These analysts have received (or will receive) compensation according to the general earnings of IEAF Servicios de Análisis S.L.U. To obtain a copy of the Code of Conduct of IEAF Servicios de Análisis S.L.U. (in respect of the Management of Conflicts of Interest in the research department), please use the e-mail address [secretaria@ieaf.es](mailto:secretaria@ieaf.es) or consult the contents of this Code at [www.ieaf.es](http://www.ieaf.es).

IEAF Servicios de Análisis S.L.U. is compensated by Bolsas y Mercados Españoles, S.A. for the preparation of this report. This report should be considered as just another element in the taking of investment decisions.

### A report issued by IEAF servicios de análisis S.L.U.

All rights reserved. The unauthorised use or distribution of this report is prohibited. This document has been prepared and distributed, according to the provisions of the MiFID II by IEAF Servicios de Análisis S.L.U. Its corporate activity is regulated by the CNMV (the Spanish Securities Exchange Commission). The information and opinions expressed in this document do not represent nor are they intended to represent an offer or a solicitation to buy or sell the securities (in other words, the securities mentioned in this report and related warrants, options, rights or interests). The information and opinions contained in this document are based upon information available to the public and have been obtained from sources believed to be reliable by IEAF Servicios de Análisis S.L.U., but no guarantee is given regarding their accuracy or completeness. All comments and estimates reflect solely the opinion of IEAF Servicios de Análisis S.L.U. and do not offer any implicit or explicit guarantee. All the opinions expressed are subject to change without prior warning. This document does not take into account the specific investment objectives, financial position, risk profile or other specific aspects of the person who receives this document, and accordingly they should exercise their own judgement in this respect. Neither the Instituto Español de Analistas Financieros nor its subsidiary, IEAF Servicios de Análisis S.L.U., assumes any responsibility for direct or indirect losses arising from the use of the published research, except in the event of negligent conduct by IEAF Servicios de Análisis S.L.U. The information contained in this report is approved for distribution to professional clients, eligible counterparties and professional advisers, but not for distribution to private individuals or retail clients. Its reproduction, distribution or publication for any purpose without the written authorisation of IEAF Servicios de Análisis S.L.U. is prohibited. The Instituto Español de Analistas Financieros (IEAF) and/or its subsidiary

IEAF Servicios de Análisis S.L.U., their employees and directors, may hold a position (long or short) in an investment knowing that this issuer will be the object of analysis and that this analysis will be distributed to institutional investors. Any further information regarding the contents of this report will be provided upon request. IEAF Servicios de Análisis S.L.U. intends to publish (at least) one quarterly report or note updating the information on the company analysed.

**United States.** IEAF Servicios de Análisis S.L.U. is not registered in the United States and, consequently, is not subject to the regulations of that country governing the preparation of research and the independence of analysts. This report is distributed solely to major US institutional investors, in reliance on the exemption from registration provided by Rule 15a-6 of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), and interpretations of this made by the US Securities Exchange Commission.

**Major US Institutional Investors.** This report will be distributed to "major US institutional investors", as defined by Rule 15a-6 of the US Securities Exchange Commission and of the US Securities Exchange Act of 1934.

#### 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

