

Analysar

24 November 2021

Buy

Recommendation unchanged

Share price: EUR 15.70

closing price as of 23/11/2021

Target price: EUR 23.40

Target Price unchanged

Upside/Downside Potential 49.0%

Reuters/Bloomberg GRN.MC/GRN.SM

Market capitalisation (EURm) 333

Current N° of shares (m) 21

Free float 11%

Daily avg. no. trad. sh. 12 mth (k) 7

Daily avg. trad. vol. 12 mth (k) 7.97

Price high/low 12 months 21.30 / 11.35

Abs Perfs 1/3/12 mths (%) -1.88/20.77/8.28

Key financials (EUR) 12/20 12/21e 12/22e

Sales (m) 43 71 79

EBITDA (m) 11 24 28

EBITDA margin 25.5% 33.4% 35.6%

EBIT (m) 6 15 17

EBIT margin 13.9% 21.6% 21.4%

Net Profit (adj.)(m) (1) 9 4

ROCE 1.8% 4.2% 3.0%

Net debt/(cash) (m) 248 274 409

Net Debt/Equity nm nm nm

Debt/EBITDA 22.6 11.5 14.6

Int. cover(EBITDA/Fin. int) 1.6 3.5 2.2

EV/Sales 14.7 8.5 9.4

EV/EBITDA 57.8 25.5 26.5

EV/EBITDA (adj.) 57.8 25.5 26.5

EV/EBIT nm 39.4 44.2

P/E (adj.) nm 38.9 nm

P/BV nm nm nm

OpFCF yield -14.5% -4.4% -37.6%

Dividend yield 0.0% 0.0% 0.0%

EPS (adj.) (0.03) 0.40 0.18

BVPS (0.33) (0.03) 0.11

DPS 0.00 0.00 0.00

Shareholders

Founder family 84%; JM Castellano 5%;

Results at October 2021 surpassing expectations

The facts: Yesterday, Greenalia presented results up to October at market close and progress of projects, showing a relevant improvement in margins.

Greenalia: 10M2021 results

mEUR	10M21	10M20	Inc.	2021 BP
Revenues	58.6	34.1	72%	62.0
Ebitda	26.0	7.0	269%	20.9
EBT	8.0	0.1		

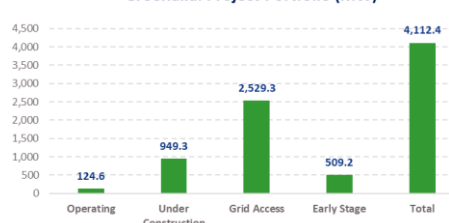
Source: Greenalia.

Our analysis: In October isolated, the Company reported revenues EUR8.3m; EBITDA EUR4.1m and EBT EUR1.7m (all-time highs), which as we can observe in the previous table, sets the EBITDA achieved during the first 10 months of the year at EUR26m, almost 4x that obtained a year ago. Moreover, these 10-month accumulated results exceed our full-year estimates in terms of EBITDA and facilitate our estimated net profit of EUR9m in 2021.

The results at October already surpass the targets included in the Covid plan released in march 2021, in which the Company estimated reaching just over EUR20m in EBITDA and EUR62m sales in 2021.

We recall that the project portfolio and the degree of advance, already offered in October during the 1H21 results presentation. The 124.6MW operating, of which 50 is biomass and 75MW wind with high eolic resources, generate an EBITDA equal to 575MW solar. Among the projects under construction, we highlight the 670MW PV and 170MW of batteries in Texas, while the rest of the wind farms are located in Galicia (Spain).

Greenalia: Project Portfolio (MW)



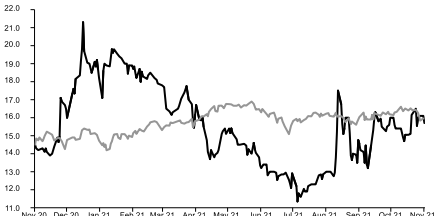
Greenalia: earnings presentation october 2021

Debt performance was not disclosed, but at June it was below EUR280m, of which almost 80% was project finance.

Conclusion: It is true that as all Greenalia's projects sale the power to the market instead to PPAs, the results in recent months have been exceptionally high, but, with these figures, having exceeded the estimates we had, we will have to revise our forecasts for 2021 and 2022.

The company has positioned itself, through various actions, at the forefront of ESG compliance in the sector, not just in the "E" like other renewable companies.

On the other hand, the Company approved at the AGM held on 22 November, with 90.5867% of the shareholders present and represented, to renew the delegation to the Board of Directors to increase capital (excluding the preferential subscription right of a maximum of 20%).



Source: FactSet

GREENALIA IGBM (Rebased)

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