



Izertis

Sponsored Research
Spain | Technology

Analysar

28 September 2022

Buy

Recommendation unchanged

Share price: EUR **8.18**

closing price as of 27/09/2022

Target price: EUR **9.70**

Target Price unchanged

Upside/Downside Potential **18.6%**

Reuters/Bloomberg

IZER.MC/IZER.SM

Market capitalisation (EURm) **191**

Current N° of shares (m) 23

Free float **23%**

Daily avg. no. trad. sh. 12 mth (k) 10

Daily avg. trad. vol. 12 mth (k) 29.28

Price high/low 12 months 8.78 / 7.18

Abs Perfs 1/3/12 mths (%) 2.00/1.24/-2.15

Key financials (EUR) 12/21 12/22e 12/23e

Sales (m) 65 95 126

EBITDA (m) 7 10 14

EBITDA margin 11.2% 10.9% 11.0%

EBIT (m) 2 3 6

EBIT margin 2.6% 3.6% 4.4%

Net Profit (adj.)(m) 0 1 3

ROCE 3.2% 5.2% 6.9%

Net debt/(cash) (m) 14 22 31

Net Debt/Equity 0.4 0.7 0.9

Debt/EBITDA 2.0 2.2 2.2

Int. cover(EBITDA/Fin. int) 8.5 8.6 9.5

EV/Sales 3.0 2.2 1.7

EV/EBITDA 26.9 20.2 15.6

EV/EBITDA (adj.) 26.9 20.2 15.6

EV/EBIT nm 61.0 39.3

P/E (adj.) nm nm nm

P/BV 5.8 6.1 5.6

OpFCF yield 0.4% 3.0% 4.5%

Dividend yield 0.0% 0.0% 0.0%

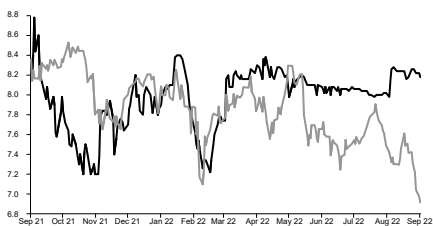
EPS (adj.) 0.02 0.06 0.12

BVPS 1.37 1.35 1.47

DPS 0.00 0.00 0.00

Shareholders

Laren Capital, S.L.U. 59%; Management Team 15%;
Santander AM 2%;



Source: FactSet

—— IZERTIS —— IBEX 35 (Rebased)

Analyst(s)

Juan Peña

juan.pena@gvcgaesco.es

+34 91 436 78 16

H1 22 results: Great margins

The facts: The company presented H1 results this morning showing a continuous improvement in the margins as result as the growth of the business lines with higher margin and value added (Digital Transformation and TI&S)

IZERTIS. POST-H1'22 RESULTS.

EURm	H1'21	H1'22	Δ% y/y
Total income	31.71	41.45	30.7%
Digital Transformation	11.63	18.28	57.1%
Technological Infrastructures & Services	9.60	11.13	15.9%
Business Operations	5.11	5.96	16.7%
Business Solutions	3.86	4.37	13.1%
Others	0.07	0.97	1216.2%
Other income (non operative)	1.44	0.74	-48.9%
Supplies	-8.61	-8.13	-5.6%
Gross margin	23.10	33.32	44.2%
% gross margin	72.8%	80.4%	7.5pp
Personnel costs	-18.41	-25.97	41.1%
Other general costs	-2.00	-2.37	18.4%
Other results	0.05	-0.05	-192.7%
Impairment & Results of sale of assets	0.00	0.00	n.a
EBITDA	2.75	4.93	79.4%
other non recurrent costs	0.31	0.21	-33.6%
Normalized EBITDA	3.06	5.14	67.8%
Normalized EBITDA mg (%)	10.1%	12.6%	2.5pp
EBIT	0.52	1.48	184.4%
Net income	0.07	0.48	548.6%

Source: Izertis & GVC Gaesco Valores

Our analysis: The figures are affected by the acquisitions made by the company in 2021 and 2022 but the normalized EBITDA margin growth is very significant. This figure is above our estimates for the FY22 (11.2%) and above company's expectations in the FY23 Business Plan (10%).

The organic growth (excluding M&A) would be up +10% in the H1 and it is relevant that, as the company announced, the two business lines with lower margin (Business Operations and Business Solutions) are also growing after two years of restructuring of the businesses.

Conclusion & Action: Good set of results confirming the strategic path of the company growing in the business lines with higher margin and integrating successfully the acquisitions made in the last months. We will revise our estimates considering the recent acquisitions and the evolution of the company.