

Analysar

29 March 2022

Accumulate

Recommendation unchanged

Share price: EUR 3.62

closing price as of 28/03/2022

Target price: EUR 5.70

Target Price unchanged

Upside/Downside Potential 57.5%

Reuters/Bloomberg OSAI/OSAI IM

Market capitalisation (EURm) 58

Current N° of shares (m) 16

Free float 48%

Daily avg. no. trad. sh. 12 mth (k) 26

Daily avg. trad. vol. 12 mth (k) 12.75

Price high/low 12 months 5.53 / 2.58

Abs Perfs 1/3/12 mths (%) 9.70/-24.58/-32.96

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

Sales (m) 39 41 48

EBITDA (m) 4 6 7

EBITDA margin 10.9% 13.7% 15.3%

EBIT (m) 2 3 5

EBIT margin 4.0% 8.3% 10.2%

Net Profit (adj.)(m) 1 2 3

ROCE 3.9% 6.7% 9.9%

Net debt/(cash) (m) 12 15 13

Net Debt/Equity 0.6 0.7 0.5

Debt/EBITDA 2.7 2.7 1.8

Int. cover(EBITDA/Fin. int) 6.6 10.2 15.6

EV/Sales 2.3 1.8 1.5

EV/EBITDA 21.1 13.1 9.7

EV/EBITDA (adj.) 21.1 13.1 9.7

EV/EBIT 57.0 21.6 14.6

P/E (adj.) nm 28.2 18.3

P/BV 3.8 2.6 2.3

OpFCF yield 3.2% -7.0% 3.3%

Dividend yield 0.0% 0.0% 0.0%

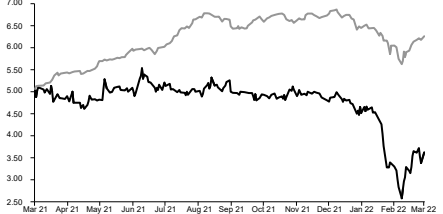
EPS (adj.) 0.08 0.13 0.20

BVPS 1.27 1.40 1.60

DPS 0.00 0.00 0.00

Shareholders

Mirella Ferrero 52%;



Source: FactSet

— OSAI — FTSE AIM Italia (Rebased)

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Positive FY 21 results and robust order intake

The facts: OSAI published its FY 21 results yesterday evening.

(IAS/IFRS)	FY 20a	FY 21a	% Chg
Sales	23.46	38.83	+65.5%
Value of production	33.15	32.61	-1.6%
EBITDA	4.57	4.24	-7.2%
% margin on Sales	19.5%	10.9%	
% margin on VoP	13.8%	13.0%	

Our analysis:

FY 21 Sales: FY 21 sales increased by 65.5% Y/Y due to the impact of the first adoption of the IAS/IFRS accounting principles; indeed, since the international accounting principles require the machinery be installed to allow the recognition of revenue, part of FY 20 sales have been restated as “work in progress”, with a reversal effect on FY 2021. In terms of geographies, the export share decreased from 85% in 2020 to around 77% in 2021, due to some particularly important orders in Italy, but also to a progressive reshoring. Apart from the Automation division, which recorded a 40.8% drop in VoP due to the negative impact of pandemic waves in 2020 and 2021, all other divisions recorded good positive growth: Service division +82.7% Y/Y, Electronics & Laser division +20.3% Y/Y, Semiconductors division +14.5% Y/Y.

FY 21 Value of Production: the impact of IAS / IFRS accounting principles on VoP was almost neutral and the group managed to reach a value almost in line with the previous year (-1.6% Y/Y) despite the components shortage and a low order book in the first part of the year.

FY 21 EBITDA: FY 21 EBITDA decreased by 7.2% Y/Y mainly due to the decision of the management not to adopt social safety nets to reduce personnel costs and to significant investments in personnel aimed to sustain the expected increase in the production volumes.

Solid order intake: the recovery trend started in Q2 was decidedly consolidated in H2 21, allowing the group to achieve an extraordinary order intake of EUR 37.49m at the end of the year.

First outlook on FY 21: based on the order collection and despite the uncertainties due to the difficulties on the supply chain and to the Ukraine conflict, the management expect a recovery consolidation and plans to return to pre-pandemic levels.

Conclusion & Action: the group achieved positive FY 21 results despite the tough scenario, so, while we expect to verify our estimates based on today's conference call at 11:00 am CET, we confirm our Accumulate recommendation.