

## Company News

### BE (BUY)

#### 4Q/FY15A Results

**News:** BE reported a good set of results in 4Q/FY15A (broadly in line with our estimates), confirming the group's positive growth trend. The key points of the FY15A results were:

- **Total revenues** came in at EUR 115.4M, up 17.2% yoy. In particular, the two business lines 'Business Consulting' and 'ICT' recorded total revenues of EUR 78.5M (+29% yoy) and EUR 35.8M, respectively. Moreover, the portion of revenue generated by foreign subsidiaries stood at around 28.9% in FY15A;
- **EBITDA** came in at EUR 15.0M, +16.4% yoy. The EBITDA margin stood at 13.1%, in line with the previous year;
- **The group's net profit** was EUR 3.5M vs. EUR 1.0M posted in FY14A;
- **The net financial position** stood at EUR 7.1M (EUR 7.3M in our forecast), significantly improving from the EUR 21.7M posted in 9M14A, mainly benefiting from a favourable NWC seasonality and a strong cash flow generation;
- **The Board of Directors** will propose to the shareholders' meeting the distribution of a dividend of EUR 0.01/share, which implies a dividend yield of about 2.15%.

**Our view:** We positively view the ongoing development of the group's operations generated abroad and in value-added segments, such as Consulting. Overall, in light of the confirmed growth trend, management reiterated its positive outlook and disclosed that an update of the business plan (2017-19) should be made by the company later in June, considering that it has already reached many targets included in the 2015-17 business plan (i.e. value of production of over EUR 120M, EBITDA of around EUR 20M, EBT at around EUR 10M and net debt lower than EUR 13M in FY17).

#### BE - 4Q/FY15A results

| EUR M               | 4Q14A | 4Q15A | yoy % | 4Q15E | A/E % | FY14A | FY15A | yoy % | FY15E | A/E % |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total revenues      | 28.7  | 36.3  | 26.5  | 35.4  | 2.5   | 98.5  | 115.4 | 17.2  | 114.6 | 0.7   |
| EBITDA              | 4.5   | 5.6   | 25.0  | 5.5   | 1.5   | 12.9  | 15.0  | 16.4  | 15.0  | 0.5   |
| EBIT                | 2.0   | 2.8   | 36.7  | 3.5   | -19.9 | 6.1   | 8.1   | 32.1  | 8.8   | -7.9  |
| Group's net profit  | NA    | NA    | NA    | NA    | NA    | 1.0   | 3.5   | 3.4   | 3.1   | NA    |
| EBITDA margin %     | 15.6  | 15.4  | 15.6  | 13.1  | 13.1  | 13.1  | 13.1  | 13.1  | 13.1  | 13.1  |
| EBIT margin %       | 7.1   | 7.7   | 9.8   | 6.2   | 7.0   | 7.6   | 7.6   | 7.6   | 7.6   | 7.6   |
| Net profit margin % | NA    | NA    | NA    | 1.1   | 3.0   | 2.9   | 2.9   | 2.9   | 2.9   | 2.9   |

NA: not available; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

#### BE - Key data

| 15/03/16            | IT System Integrators |       |       |
|---------------------|-----------------------|-------|-------|
| Target Price (EUR)  | 0.97                  |       |       |
| Rating              | BUY                   |       |       |
| Mkt price (EUR)     | 0.52                  |       |       |
| Mkt cap (EUR M)     | 70                    |       |       |
| Ratios (x)          | 2015E                 | 2016E | 2017E |
| P/E                 | 20.9                  | 11.8  | 9.0   |
| EV/Sales            | 0.68                  | 0.64  | 0.58  |
| EV/EBITDA           | 5.2                   | 4.4   | 3.7   |
| Performance (%)     | 1M                    | 3M    | 12M   |
| Absolute            | 36.3                  | -2.1  | -12.4 |
| Rel. to FTSE IT All | 19.0                  | 5.6   | 3.1   |

Source: FactSet and Intesa Sanpaolo Research estimates

Banca IMI is Corporate Broker to BE

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| Equity rating key (long-term horizon: 12M) |   |
|--|---|
| Long-term rating                           | Definition  |
| BUY  | If the target price is 20% higher than the market price   |
| ADD  | If the target price is 10%-20% higher than the market price   |
| HOLD                                       | If the target price is 10% below or 10% above the market price  |
| REDUCE                                     | If the target price is 10%-20% lower than the market price  |
| SELL                                       | If the target price is 20% lower than the market price  |
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|---|-----|-----|------|--------|------|
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#### Equity rating key (short-term horizon: 3M)

| Equity rating key (short-term horizon: 3M) |  |
|--|--|
| Short-term rating                          | Definition   |
| LONG                                       | Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event   |
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