

MATICA FINTEC

Leader in technological systems for the e-ID and digital payment sectors

1H20 Results: MATICA FINTEC, innovative SME and leader in technological systems for the e-ID and digital payment sectors, recently released 1H20 results. With the first six months of the year characterized by the spread of the Coronavirus, Matica Fintec managed to maintain a double-digit EBITDA margin in spite of an inevitable drop in sales. This was achieved thanks to actions taken by the Management to contain costs and respond to adverse market trends.

More in detail, sales reached Euro 5.4 m, -21% vs. 1H19. 97% of total sales were realized abroad, confirming the Company's international calling. EBITDA reached Euro 0.7 m, vs. 1H19 of Euro 1.6 m, with an EBITDA margin of 12.5% (22.3% in 1H19). Net result was positive for Euro 3 k and Net Debt stood at Euro 0.8 m.

Innovation and new solutions: throughout the lockdown period the Company continued its activities and to peruse the strategic guidelines announced in the IPO with a particular focus on R&D. This resulted in the launch of two new solution in 2020: C330 (e-ID solution) and S3600 (FII).

Outlook and estimates: Management stated that due to the uncertainties regarding the duration and geographical spread of the coronavirus it is still difficult to make any predictions for the next few months. However, the market seems to have shown signs of recovery in September, leaving Management hopeful for the near future.

Given the above, our outlook for Matica Fintech remains positive. We revised our forecast and we now assume a cut in FY20 top-line growth from +11% to a contraction of -18% to reach Euro 11.7 m. (vs Euro 15.9 previously) and an EBTDA margin of 15.2% (20.8% previously). As for FY21-22 we expect demand to experience a steady recovery.

Valuation: We set a target price of Euro 3.02 per share, (Euro 3.88 p.s. previously), providing for a +130% upside on current stock price and obtained by weighting equally the DCF and the multiple comparison analysis

Sector: Technology

Target Price (Euro) 3.02 (3.88 pr)
Market Price (Euro) 1.31
Market Cap (Euro m) 14
EV (Euro m) 18
(as of September 30th, 2020)

Share Data

Market	AIM ITALIA
Bloomberg/Reuters	MFT:IM / MFTC.MI
ISIN	IT0005388449
N. of Shares	10,508,200
Free Float	38.39%
CEO and Chairman	Sandro Camilleri

AIM Positioning

FY2019	Company	AIM Sector	AIM Italia
Revenues	14.3	38.2	44.5
EBITDA %	22.2%	16.5%	15.4%
NFP/EBITDA	(0.2)	1.2	2.1

Market data Eu m	Company	AIM Sector	AIM Italia
Mkt Cap	15.1	64.8	44.7
Perf. YTD	-22.0%	-0.7%	-7.4%
Free Float	38.4%	31.1%	32.8%
ADTT YTD	45,550	90,966	71,392

Credit Risk Profile

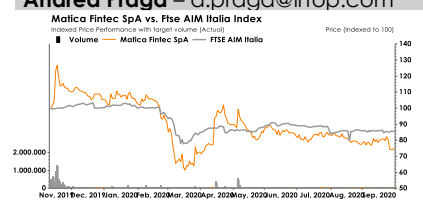
	Matica Finted	Italian PMI Av
Wiserfunding Bond Rating Equivalent	B	B+

Performance

	1M	3M	6M
Absolute	-3.0%	-9.1%	-3.6%
Relative	-2.6%	-5.3%	+1.1%
52-week High/Low (Eu)	2.38 / 0.99		

IR TOP RESEARCH

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Key Figures (Euro m)	Sales	Yoy %	EBITDA	EBITDA %	EBIT	EBIT %	Net Profit	Net Debt
2019A	14.3	+6%	3.2	22%	0.7	4%	0.3	(0.7)
2020E	11.7	-18%	1.8	15%	0.1	1%	0.1	0.3
2021E	14.7	+25%	2.9	20%	0.9	6%	0.5	(1.0)
2022E	16.4	+12%	3.5	21%	1.5	9%	0.9	(2.4)