

EdiliziAcrobatica

Sector: Real Estate services



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Back to growth despite Covid-19

EdiliziAcrobatica SpA (EdAc) is by far the Italian leader in outdoor maintenance and renovation of real estate assets, through an innovative technique based on double safety rope and no use of scaffoldings.

EdAc FY20 top line +14.1% YoY despite 2Q20 lockdown

EdAc released its preliminary FY20 top line figures which are well ahead of estimates, highlighting a sharp rebound in 2H20, at least as far as the Italian operations are concerned.

Indeed, Group Revenue from Sales stood at €44.8mn, + 14.1% YoY, (to be compared to Value Track estimate at €41.3mn) out of which Italy stood at €41.6mn, +15.8% YoY, (to be compared to Value Track estimate at €37.8mn) while France stood at ca. €3.1mn, down by €140k YoY.

Sharp rebound in 2H20

2H20 rebound was quite impressive, as we calculate an implied +30% YoY favored by the increasing EdAc commercial penetration and by the introduction of fiscal incentives on works aimed at improving buildings facades (so-called "Bonus Facciate 90%"). We remind that in 1Q20 EdAc was growing at a double-digit rate, then, the two months stop in 2Q20, driven by Covid-19, determined 1H Revenue from Sales down -3% YoY.

New offices and workforce, and higher focus on digital

Despite the pandemic, in 2019 EdAc has kept investing for future growth: a new sanitization business line has been launched and a new app for condominium virtual meetings that should help fidelizing the client base has been distributed for free. Focus on digital is mounting quarter by quarter. In terms of footprint, at 31 December 2020, the number of point of sales in Italy reached 59, an increase of 14 units YoY, and employees stood at 765 compared to the 625 recorded at 31 December 2019. We underline that considering also the French subsidiary and its franchised activities, the Group has surpassed the 1,000 employees.

Estimates and Fair Value unchanged

Waiting for definitive 2020 figures, for the time being we maintain unchanged our current 2021E-22E estimates, even if we feel that the higher than forecasted top line should lead to positive surprises also in terms of profitability. **Fair value per share as well is confirmed at €7.0**, for the time being.

Fair Value (€) 7.00
Market Price (€) 6.02
Market Cap. (€m) 48.0

KEY FINANCIALS (€m)	2019A	2020E	2021E
VALUE OF PRODUCTION	41.8	42.4	56.0
EBITDA	4.2	4.0	6.3
EBIT	2.3	2.1	4.1
NET PROFIT	1.1	0.9	2.4
EQUITY	11.5	12.7	15.1
NET FIN. POS.	-2.6	-6.0	-6.8
EPS ADJ. (€)	0.1	0.1	0.3
DPS (€)	0.0	0.0	0.0

Source: EdiliziAcrobatica (historical figures),
Value Track (2020E-21E estimates)

RATIOS & MULTIPLES	2019A	2020E	2021E
EBITDA MARGIN (%)	10.1%	9.4%	11.3%
EBIT MARGIN (%)	5.6%	5.0%	7.4%
NET DEBT / EBITDA (x)	0.6	1.5	1.1
EV/SALES (x)	1.4	1.1	1.0
EV/EBITDA (x)	13.6	11.7	8.7
EV/EBIT (x)	24.6	21.9	13.3
P/E ADJ. (x)	47.2	43.3	20.3
DIV YIELD (%)	0%	0%	0%

Source: EdiliziAcrobatica (historical figures),
Value Track (2020E-21E estimates)

STOCK DATA

FAIR VALUE (€)	7.00
MARKET PRICE (€)	6.02
SHS. OUT. (m)	7.92
MARKET CAP. (€m)	48.0
FREE FLOAT (%)	22.8
AVG. -20D VOL. (#)	11,318
RIC / BBG	EDAC.MI / EDAC IM
52 WK RANGE	2.84-6.30

Source: Stock Market Data



Business Description

EdiliziAcrobatica S.p.A. (EdAc) is active in the Italian market of real estate assets outdoor maintenance and renovation through an innovative approach based on the double safety rope tool.

The company carries out maintenance works ranging from securing and prompt intervention, to renovation, installation, proofing, maintenance, and rebuilding, all executed without the use of scaffoldings or fixed-aerial solutions. Founded back as of 1994, the company has experienced a successful growth thus becoming nowadays the largest European company in its niche-segment.

Key Financials

€mn	2018A	2019A	2020E(*)	2021E
Value of Production	26.2	41.8	42.4	56.0
Chg. % YoY	51.0%	59.3%	1.6%	31.9%
EBITDA	4.4	4.2	4.0	6.3
EBITDA Margin	16.6%	10.1%	9.4%	11.3%
EBIT	3.7	2.3	2.1	4.1
EBIT Margin	13.9%	5.6%	5.0%	7.4%
Net Profit	2.2	1.1	0.9	2.4
Chg. % YoY	nm	-50.8%	-18.8%	nm
Adjusted Net Profit	2.3	1.1	0.9	2.4
Chg. % YoY	nm	-52.7%	-18.8%	nm
Net Fin. Position	2.2	-2.6	-6.0	-6.8
Net Fin. Pos. / EBITDA (x)	nm	0.6	1.5	1.1
Capex	-1.8	-2.8	-3.0	-3.5
OpFCF b.t.	0.3	-2.0	-2.5	1.0
OpFCF b.t. as % of EBITDA	7.9%	-47.8%	-61.9%	15.3%

Source: EdiliziAcrobatica SpA (historical figures), Value Track (estimates)

(*) Not updated to take into account the March 10th preliminary release

Investment case

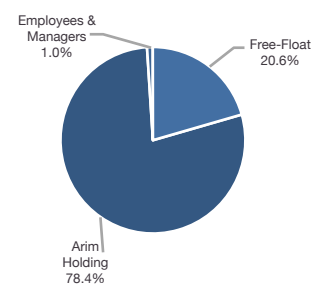
Strengths / Opportunities

- ◆ Innovative approach to “old” problems is making the company to sparkle;
- ◆ Business model granting high scalability;
- ◆ Low level of capital expenditure.

Weaknesses / Risks

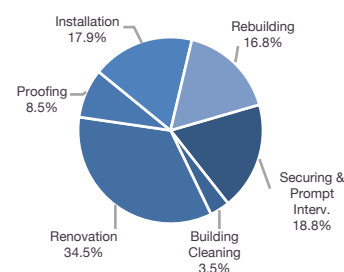
- ◆ Labor intensive business model, requiring highly-skilled workers;
- ◆ The company is braked in its (international) expansion by different regulatory landscapes;
- ◆ Credit collection takes long time, but bad debt risks are minimal.

Shareholders Structure



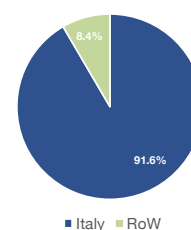
Source: EdAc SpA

Revenues breakdown by product line



Source: EdAc SpA

Revenues breakdown by geography



Source: EdAc SpA. (*) Revenues as of 1H20

Stock multiples @ €7.00 Fair Value

	2020E	2021E
EV / SALES (x)	1.5	1.1
EV / EBITDA (x)	15.9	9.8
EV / EBIT (x)	29.9	15.1
EV / CAP.EMP. (x)	3.4	2.8
OpFCF Yield (%)	-3.9	1.6
P / E (x)	62.5	23.5
P / BV (x)	4.4	3.7
Div. Yield. (%)	0.0	0.0

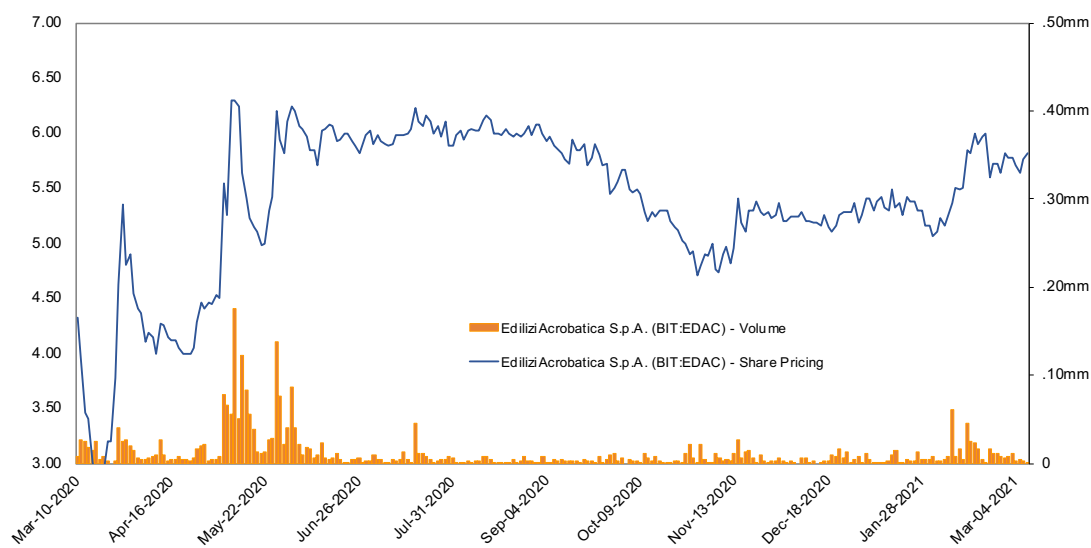
Source: Value Track

EdAc: Top line breakdown 2019-2020 by semester

€ mn	1H19	2H19	2019FY	1H20	2H20	2020FY
Italy	16.8	19.2	35.9	16.0	25.6	41.6
Change YoY (%)				-4.8%	+33.3%	+15.8%
France	1.3	1.9	3.3	1.6	1.5	3.1
Change YoY (%)				+23.1%	-21.1%	-6.1%
Total Revenues from Sales	18.1	21.1	39.2	17.6	27.2	44.8
Change YoY (%)				-2.8%	+28.9%	+14.1%
Other Revenues	1.4	1.1	2.6	1.1	n.a.	n.a.
Change YoY (%)				-21.4%	n.a.	n.a.
Total Value of Production	19.5	22.2	41.8	18.7	n.a.	n.a.
Change YoY (%)				-4.1%	n.a.	n.a.

Source: EdiliziAcrobatica, Value Track Analysis

EdAc: Share Price evolution in the latest twelve months



Source: S&P Capital IQ

EdAc: P&L evolution 2019A-22E

(€mn)	2019A	2020E (*)	2021E	2022E
Total Revenues from Sales	39.2	41.3	53.7	66.4
Chg. % YoY	57%	5%	30%	24%
Other Revenues	2.5	1.1	2.3	2.1
Total Value of Production	41.8	42.4	56.0	68.5
EBITDA	4.2	4.0	6.3	10.0
EBITDA margin (%)	10.1%	9.4%	11.3%	14.5%
Depreciation & Amortization	-1.9	-1.9	-2.2	-3.0
EBIT	2.3	2.1	4.1	6.9
EBIT margin (%)	5.6%	5.0%	7.4%	10.1%
Net Fin. Income (charges)	-0.3	-0.2	-0.2	-0.3
Pre-tax Profit	2.0	1.9	3.9	6.6
Tax	-0.9	-1.0	-1.6	-2.4
Net Profit	1.1	0.9	2.4	4.2

Source: Value Track Analysis (*) Not updated to take into account the March 10th preliminary release

EdAc: Balance Sheet evolution 2019A-22E

(€mn)	2019A	2020E (*)	2021E	2022E
Working Capital	10.2	13.7	16.1	18.6
Net Fixed Assets	5.4	6.5	7.8	8.5
Provisions	1.5	1.5	2.0	2.1
Total Capital Employed	14.2	18.7	21.9	25.0
Group Net Equity	11.5	12.7	15.1	19.3
Net Fin. Position [i.e. Net Debt (-) Cash (+)]	-2.6	-6.0	-6.8	-5.7

Source: Value Track Analysis (*) Not updated to take into account the March 10th preliminary release

EdAc: Cash Flow Statement evolution 2019A-22E

(€mn)	2019A	2020E (*)	2021E	2022E
EBITDA	4.2	4.0	6.3	10.0
Working Capital Needs / Chg. in Provisions	-3.5	-3.5	-1.9	-2.4
Capex	-2.8	-3.0	-3.5	-3.7
OpFCF b.t.	-2.0	-2.5	1.0	4.0
Cash Taxes	-0.9	-0.7	-1.6	-2.4
Other Op. Items (incl. Fin. Inv.)	-0.8	0.0	0.0	0.0
Net Financial Charges	-0.3	-0.2	-0.2	-0.3
Net Cash generated	-4.8	-3.4	-0.8	1.1

Source: Value Track Analysis (*) Not updated to take into account the March 10th preliminary release

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