

# EdiliziAcrobatica

Sector: Real Estate Services



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## Resilient Expansion Amid Profitability Challenges

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

### Challenging Comparison vs. Booming 1H23

EdiliziAcrobatica faced a challenging 1H24, reporting the following results:

- ◆ Value of Production at €70.9mn, down 4% y/y (-7% organic);
- ◆ EBITDA at €7.0mn (9.9% EBITDA Margin) vs. €11.0mn in 1H23;
- ◆ Net Debt at €48.8mn (€57.1mn in FY23), thanks to favourable NWC.

The energy efficiency segment struggled due to the expiration of tax incentives, and the rising contribution of lower-margin ancillary activities weighed on profitability. Despite these headwinds, EDAC remains committed to its long-term growth strategy, underpinned by strong international expansion and solid business development momentum.

### Ongoing Expansion and Strategic Moves

Business development remained strong in 1H24, with the opening of 15 new branches, the addition of 289 net new hires (bringing total staff close to 2,800), and a 40% y/y increase in new contracts, alongside a 59% y/y rise in new clients. EDAC continues to diversify and expand, following the FY23 acquisition of Enigma Capital, new strategic partnerships (Banca Sella, Italsoft), and the creation of new business units such as “Acrobatica Fotovoltaico” and “Acrobatica Smart Living”.

### Growth to Continue, with a Shifting Revenue Mix

We broadly confirm our top line estimates, while revising profitability and financial position estimates downward, reflecting a greater contribution from core business and ancillary activities rather than Acrobatica Energy, after weaker-than-expected 1H24 results. We still expect EDAC to reach a top line close to €200mn in 2026E with a 14% EBITDA Margin (€27.4mn), and over €30mn cumulative FCF over the next three years.

### Fair Value at €15.00 p/s (from €18.00 p/s)

We have adjusted EDAC's Fair Equity Value at €15.00 p/s, reflecting the lower estimates. At this fair value, EDAC would trade at 1.1x-0.9x EV/Sales and 10.2x-7.3x EV/EBITDA for 2024E-25E, representing a roughly 20% discount compared to international peers (2025E average).

<b>Fair Value (€)</b>	<b>15.00</b>
<b>Market Price (€)</b>	<b>7.14</b>
<b>Market Cap. (€m)</b>	<b>60.1</b>

KEY FINANCIALS (€m)	2023A	2024E	2025E
VALUE OF PRODUCTION	158.8	159.8	175.3
EBITDA	24.0	17.0	22.3
EBIT	14.4	8.7	13.4
NET PROFIT	6.3	3.3	6.5
EQUITY	29.7	32.0	37.5
NET FIN. POS.(IFRS)	-57.1	-46.3	-36.3
EPS ADJ. (€)	0.8	0.4	0.8
DPS (€)	0.2	0.2	0.2

Source: EdiliziAcrobatica (historical figures), Value Track (2024E-25E estimates)

RATIOS & MULTIPLES	2023A	2024E	2025E
EBITDA MARGIN (%)	15.1	10.6	12.7
EBIT MARGIN (%)	9.0	5.4	7.6
NET DEBT / EBITDA (x)	2.4	2.7	1.6
EV/SALES (x)	1.2	0.7	0.5
EV/EBITDA (x)	7.9	6.3	4.3
EV/EBIT (x)	13.2	12.3	7.2
P/E (x)	20.9	18.1	9.2
DIV YIELD (%)	0.9	2.1	2.1

Source: EdiliziAcrobatica (historical figures), Value Track (2024E-25E estimates)

### STOCK DATA

FAIR VALUE (€)	15.00
MARKET PRICE (€)	7.14
SHS. OUT. (m)	8.4
MARKET CAP. (€m)	60.1
FREE FLOAT (%)	27.4
AVG. -20D VOL. (#)	9,201
RIC / BBG	EDAC.MI / EDAC IM
52 WK RANGE	€6.98 - €14.05

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	2023A	2024E	2025E	2026E
<b>Value of Production</b>	<b>158.8</b>	<b>159.8</b>	<b>175.3</b>	<b>195.8</b>
y/y (%)	81.1%	0.7%	9.7%	11.6%
<b>EBITDA</b>	<b>24.0</b>	<b>17.0</b>	<b>22.3</b>	<b>27.4</b>
EBITDA Margin (%)	15.1%	10.6%	12.7%	14.0%
<b>EBIT</b>	<b>14.4</b>	<b>8.7</b>	<b>13.4</b>	<b>17.9</b>
EBIT Margin (%)	9.0%	5.4%	7.6%	9.1%
<b>Net Profit</b>	<b>6.3</b>	<b>3.3</b>	<b>6.5</b>	<b>9.5</b>
y/y (%)	-43.3%	-47.6%	97.7%	46.6%
<b>Adjusted Net Profit</b>	<b>6.3</b>	<b>3.3</b>	<b>6.5</b>	<b>9.5</b>
y/y (%)	-43.3%	-47.6%	97.7%	46.6%
<b>Net Fin. Position (IFRS)</b>	<b>-57.1</b>	<b>-46.3</b>	<b>-36.3</b>	<b>-24.2</b>
Net Fin. Pos. / EBITDA (x)	2.4	2.7	1.6	0.9
Capex	-18.1	-7.2	-7.0	-7.8
<b>OpFCF b.t.</b>	<b>-24.6</b>	<b>20.3</b>	<b>18.1</b>	<b>21.4</b>
OpFCF b.t. as % of EBITDA (*)	nm	119.5%	81.5%	78.2%

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

## Investment case

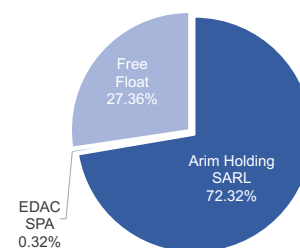
### Strengths / Opportunities

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

### Weaknesses / Risks

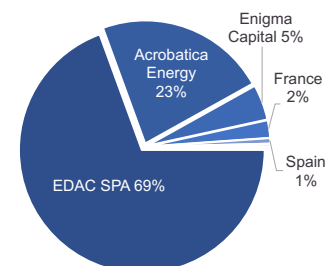
- ◆ Labor intensive business model, requiring highly-skilled workers;
- ◆ The company is braked in its (international) expansion by different regulatory landscapes;
- ◆ Credit collection takes long time, but bad debt risks are minimal.

## Shareholders Structure



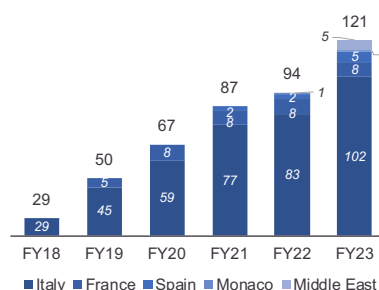
Source: EdiliziAcrobatica

## Revenues by Legal Entity



Source: EdiliziAcrobatica, Value Track, FY23

## Directly Managed Branches



Source: EdiliziAcrobatica, Value Track, FY23

## Stock Multiples @ €15.0 Fair Value

	2024E	2025E
EV / SALES (x)	1.1	0.9
EV / EBITDA (x)	10.2	7.3
EV / EBIT (x)	19.9	12.2
EV / CAP.EMP. (x)	2.2	2.2
OpFCF Yield (%)	11.7	11.2
P / E (x)	38.1	19.4
P / BV (x)	3.9	3.4
Div. Yield. (%)	1.0	1.0

Source: Value Track

# 1H24 Financial Results

## Key Financials & Messages

The energy efficiency segment of EdiliziAcrobatica (formerly “Acrobatica Energy,” now “Acrobatica Fotovoltaico” and “Acrobatica Smart Living”) faced significant pressure in 1H24, struggling in y/y comparisons due to the expiration of tax benefits that previously drove demand. Additionally, the increasing contribution from lower-margin ancillary activities (“Multiservizi,” “Restauri,” “Eolica,” and others) is weighing on the Company’s profitability. Despite these challenges, the Group remains committed to its long-term growth strategy, supported by strong performance from its international subsidiaries and consistent growth in sales points, clients, and secured orders.

More in details, EDAC 1H24 key financials came out as follows:

- ◆ **Value of Production** at **€70.9mn**, decreasing 4% y/y (-7% organic);
- ◆ **EBITDA** down at **€7.0mn** (9.9% EBITDA Margin) vs. €11.0mn in 1H23;
- ◆ **Net Working Capital** generating ca. **€13.4mn** free cash flow;
- ◆ **Net Debt** at **€48.8mn** (€57.1mn in FY23), following the effect of NWC.

### EDAC: Key Financials 1H22-1H24

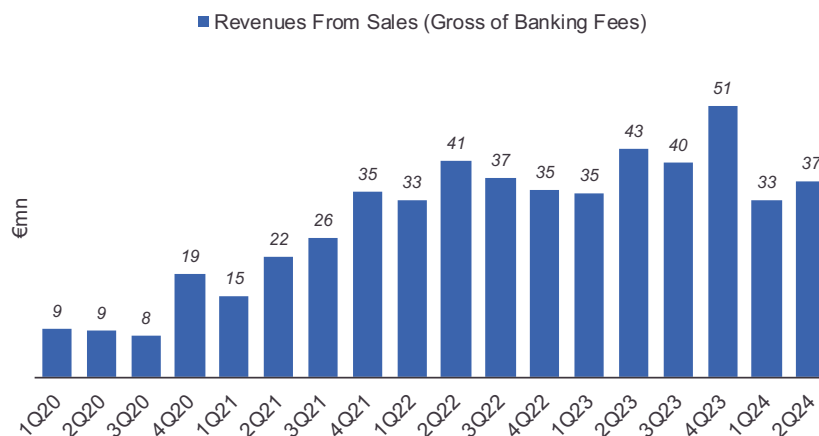
Key Financials (IAS, €mn)	1H22	1H23	1H24	y/y
Value of Production	67.9	73.7	70.9	-4%
EBITDA	23.0	11.0	7.0	-36%
EBITDA Margin (%)	33.9%	15.0%	9.9%	-510bps
Net Working Capital	nm	47.9 (*)	34.5	nm
Net Fin. Pos. [Debt(-)/Cash(+)]	nm	-57.1 (*)	-48.8	nm

Source: EdiliziAcrobatica, Value Track Analysis, (\*) FY23

## Profit & Loss

1H24 **Value of Production** totaled **€70.9mn**, down 4% y/y compared to €73.7mn in 1H23 (-7% organically, as Enigma Capital was consolidated starting in 2Q23). Considering the impact of the end of tax incentives on the sector, this result is commendable.

### EDAC: Revenues from Sales (Gross of Banking Fees) by Quarters



Source: EdiliziAcrobatica, Value Track Analysis

In terms of revenues breakdown, we highlight:

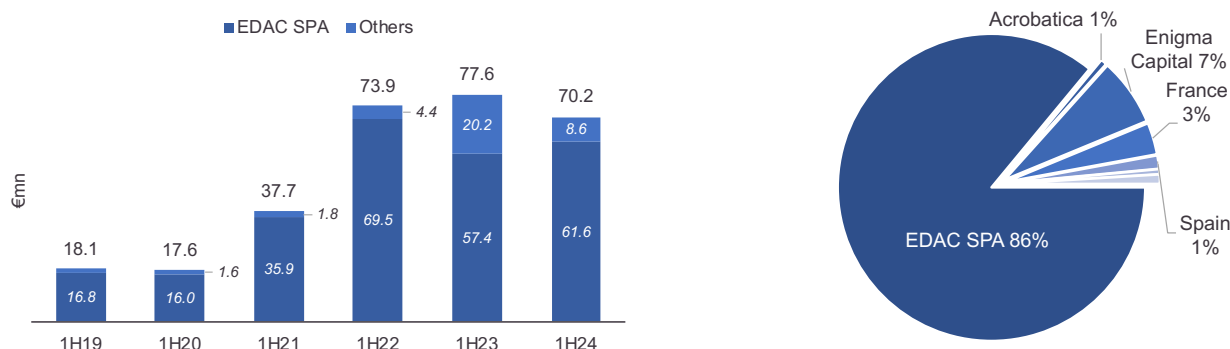
- ◆ **EdiliziAcrobatica SPA** posted €61.6mn vs. €57.4mn in 1H23 (gross of €4.1mn in banking fees), reflecting a solid 7% y/y growth and demonstrating the resilience of the core business;
- ◆ **Acrobatica Fotovoltaico & Smart Living** contributed just €460k in sales (vs. €15.3mn in 1H23), following the end of tax benefits and Superbonus-driven projects;
- ◆ **Enigma Capital LLC** generated €5.1mn in revenue (vs. €2.3mn in 2Q23), capitalizing on promising opportunities in the Middle East;
- ◆ **France** saw a modest increase in revenues, rising from €2.3mn in 1H23 to €2.4mn in 1H24;
- ◆ **Spain** nearly doubled its top line, from €0.7mn at 1H23 to €1.0mn in 1H24;
- ◆ **Monaco** contributed €370k to Group revenues, a sharp increase from €35k in 1H23.

**EDAC: Revenues from Sales 1H22-1H24**

Revenues from Sales (IAS, €mn)	1H22	1H23	1H24	y/y
EdiliziAcrobatica SPA	69.5	57.4	61.6	7%
Acrobatica Fotovoltaico & Smart Living	1.4	15.3	0.5	-97%
Enigma Capital Investments LLC	0.0	2.1	5.1	143%
EdiliziAcrobatica France SAS	2.5	2.2	2.4	9%
EdiliziAcrobatica Iberica SL	0.5	0.5	1.0	100%
EdiliziAcrobatica Monaco SAM	0.0	0.0	0.4	nm
Intragroup	0.0	0.0	-0.7	nm
<b>Revenues from Sales (Gross of Banking Fees)</b>	<b>73.9</b>	<b>77.6</b>	<b>70.2</b>	<b>-4%</b>
Banking Fees	-6.5	-4.1	0.0	-100%
<b>Revenues from Sales</b>	<b>67.4</b>	<b>73.5</b>	<b>70.2</b>	<b>-4%</b>

Source: EdiliziAcrobatica, Value Track Analysis

**EDAC: Revenues from Sales (Gross of Banking Fees) by Legal Entity**



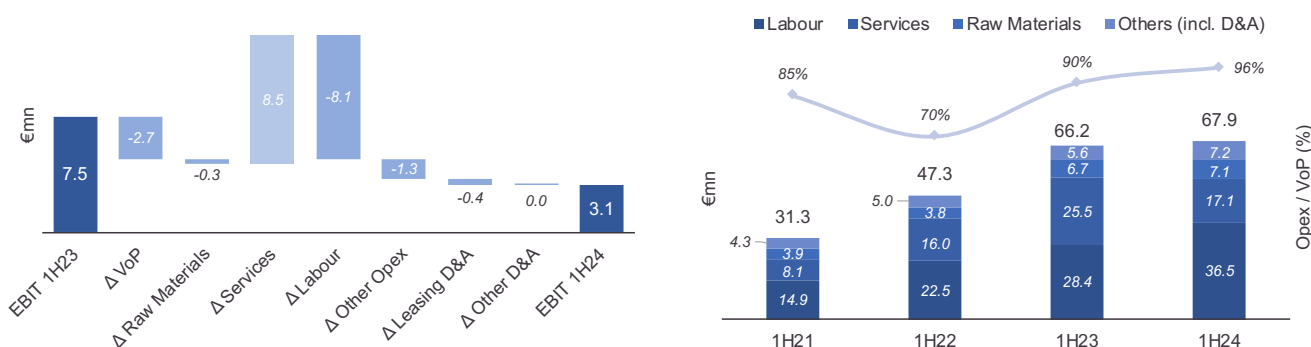
Source: EdiliziAcrobatica, Value Track Analysis

Operating and net profitability suffered more than top line due to the nihil contribution of Acrobatica Fotovoltaico & Smart Living and the higher share of ancillary services on total sales. Indeed, in 1H24:

- ◆ **EBITDA** was reported at €7.0mn (9.9% EBITDA Margin) vs. €11.0mn in 1H23 (15.0% EBITDA Margin). Looking at the EBITDA breakdown, we believe worth to highlight:

- **EdiliziAcrobatica SPA** reporting an EBITDA of ca. €6.6mn, implying an 11% EBITDA Margin, which is below the historical core business profitability pre-fiscal incentives due to the higher share of “Multiservizi” ancillary activities;
- **Acrobatica Fotovoltaico & Smart Living** at break-even;
- **Enigma Capital** contributing with €752k (vs. €135k in 1H23, consolidated as of 2Q23), with a 15% EBITDA Margin, despite ongoing optimization and integration efforts;
- **France** at -€333k, showing significant recovery from -€736k in 1H23, signaling an upward trend likely to continue in 2H24;
- **Spain**, still in its start-up phase, recorded an EBITDA of ca. -€181k, improving from -€336k in the prior year;
- **Monaco** reporting an EBITDA of €162k, improving from €-29k in 1H23.
- ◆ **EBIT** decreased more sharply than EBITDA (**€3.1mn** vs. €7.5mn in 1H23) due to higher D&A;
- ◆ **Net Profit** stood at **€345k**, implying a 90% reduction vs. 1H23 €3.7mn as a consequence of the decreasing EBIT and amplified incidence of taxes.

### EDAC: EBIT Bridge and Opex Evolution



Source: EdiliziAcrobatica, Value Track Analysis

### Balance Sheet & Cash Flow Statement

EdiliziAcrobatica’s **Net Debt** improved by ca. €8.3mn vs. FY23 to **€48.8mn**. Main drivers behind this free cash flow generation were:

- ◆ **Net Working Capital** generating €13.4mn, thanks to (i) the sale of nearly all tax receivables held by Acrobatica Energy, and (ii) a reduction in trade payables, as Acrobatica Energy cleared a significant portion of its supplier debts, reducing its overall obligations;
- ◆ **Dividends** paid for €1.3mn, referring to the ordinary pay-out of €0.15 p/s on FY23 Net Profit.
- ◆ **Capex, Δ Leasing, Δ Other Assets** for ca. €5.5mn, of which €3.5mn related to new assets in leasing (points of sales), €1.3mn of tangible capex (kits, points of sales improvements, electronic equipment) and €0.5mn of intangibles (software development).

We remind that due to IFRS accounting principles, EDAC’s Net Debt include (i) leasing obligations for a total €22.2mn (rental fees) and (ii) €6.2mn option for the purchase of the residual 49% stake in Enigma Capital.

## Financial Statements 1H22-1H24

### EDAC: P&L 1H22-1H24

Key Financials (IAS, €mn)	1H22	1H23	1H24	y/y
<b>Value of Production</b>	<b>67.9</b>	<b>73.7</b>	<b>70.9</b>	<b>-4%</b>
Raw Materials (incl. $\Delta$ Inventory)	-3.8	-6.7	-7.1	5%
Costs of Services	-16.0	-25.5	-17.1	-33%
Labour Costs	-22.5	-28.4	-36.5	29%
Other Operating Costs	-2.6	-2.0	-3.3	63%
<b>EBITDA</b>	<b>23.0</b>	<b>11.0</b>	<b>7.0</b>	<b>-36%</b>
EBITDA Margin (%)	33.9%	15.0%	9.9%	-510bps
D&A	-2.4	-3.5	-3.8	7%
Provisions	0.0	0.0	-0.2	nm
<b>EBIT</b>	<b>20.6</b>	<b>7.5</b>	<b>3.1</b>	<b>-59%</b>
EBIT Margin (%)	30.4%	10.2%	4.3%	-590bps
Interest Expenses	-4.9	-1.5	-1.6	6%
Non-Operating Income/Expenses	-0.3	0.1	0.0	-100%
Taxes	-5.2	-2.4	-1.1	-56%
Minorities	0.0	0.1	0.0	nm
<b>Net Profit</b>	<b>10.2</b>	<b>3.7</b>	<b>0.3</b>	<b>-91%</b>

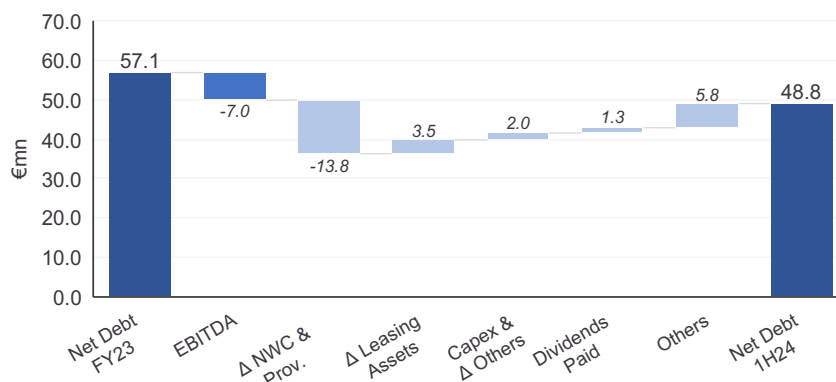
Source: EdiliziAcrobatica, Value Track Analysis

### EDAC: Balance Sheet 1H23-1H24

Balance Sheet (IAS, €mn)	1H23	FY23	1H24
Net Fixed Assets	45.2	44.3	49.1
Net Working Capital	44.2	47.9	34.5
Provisions	4.4	5.5	6.1
<b>Total Capital Employed</b>	<b>85.0</b>	<b>86.7</b>	<b>77.5</b>
<b>Group Net Equity</b>	<b>27.0</b>	<b>29.7</b>	<b>28.7</b>
<b>Net Fin. Pos. [Debt(-)/Cash(+)]</b>	<b>-58.0</b>	<b>-57.1</b>	<b>-48.8</b>

Source: EdiliziAcrobatica, Value Track Analysis

### EDAC: Cash Flow Statement 1H24



Source: EdiliziAcrobatica, Value Track Analysis

## Business Development

### Commercial Development

1H24 business development continued at unrelenting pace, with #15 new branches openings, #289 new net hires (Group HR close to 2,800 people), +40% y/y new contracts, +59% y/y new clients. We remind that in FY23, EDAC concluded Enigma Capital acquisition, new partnerships (Banca Sella, Italsoft) and business units (“Acrobatica Fotovoltaico”, “Acrobatica Smart Living”) for additional business expansion and diversification.

### Contracts & Clients

Over the last few months, EDAC has significantly increased the number of signed contracts on a year-over-year basis. More in details:

- ◆ As of 1Q23, the number of YTD contracts signed grew by 43% y/y;
- ◆ As of 1H23, the number of YTD contracts signed grew by 50% y/y, from ca. 7,700 to ca. 11,500;
- ◆ As of 9M23, the number of YTD contracts signed grew by 53% y/y, from 12,149 to 18,590;
- ◆ As of FY23, the number of FY contracts signed grew by 48%, from 17,925 to 26,550;
- ◆ As of 1Q24, the number of YTD contracts signed grew by 48% y/y to 7,241.

The latest news is the number of **new contracts signed in 1H24**, which **grew by another 40.1% y/y to ca. 16,100**. Also related to 1H24, the **number of clients increased by an astonishing 58.8% y/y**, another strong sign of healthy business development and a result achieved thanks to management ability to anticipate the stop of fiscal bonuses and understand that the large client base (intended as condominium administrators) achieved during that period could be recurring.

### Commercial, Internalization & Diversification Strategies

Behind the rising number of contracts signed there are few brand new commercial, internationalization and diversification strategies:

- ◆ **“Finanziamento Condominio”**, i.e. the new partnership with Sella Personal Credit signed in May 2023 that should enable tenants to access the necessary financing for building renovation works and recover the investment made through tax declarations in 10 years (government policy substituting invoice discounting).

Tenants could access resources between €10k and €160k for a period between 19-48 months and only 10% of the total work amount should be anticipated.

The project is having great success and is one of the main reasons of the rising number of contracts YTD, as customers are able to defer renovation expenses while still enjoying the pros of *Bonus Facciate* (recovering the investments by cumulating tax returns) even if on a longer term horizon;

- ◆ **Enigma Capital** acquisition, Middle East group providing “double rope access based” maintenance, cleaning and facility management services for residential and commercial buildings (more details in our Update Report of April '23);
- ◆ **Acrobatica Energy**: delivered the last projects on *Ecobonus* in FY23 and now started to dedicate to the energy efficiency of residential buildings (50 cities in 17 areas), using the traditional double-rope technique to install PV panels on roofs and acting as general contractor for interventions such as installations of thermal coats and condensing boilers and the replacement of windows frames. **“Acrobatica Fotovoltaico”** will indeed offer (i) preventive analysis, (ii) in-house design, (iii) installation by qualified personnel and (iv) post-installation services (e.g., panel cleaning).



The aim is to surf the opportunities from the *Energy Performance of Buildings Directive*, a package of rules proposed by the EU to promote energy-efficient renovation and construction of new buildings with a jump of two energy classes by 2033 and zero emissions by 2050;

- ◆ **Acrobatica Smart Living:** new JV created with Italsoft (51% EDAC, 49% Italsoft), Italian technological leader for the digital and energetic innovation of the construction sector. The JV is a further strengthening of EDAC value-added services offering to condos and residents, that from now on will also focus on the energy requalification of buildings, the creation of residential energy communities, smart buildings transformation, and, in a second phase, the provision of services for the administration of properties through digital platforms. We expect the Newco to generate significant cross-selling opportunities for both the companies: while EDAC will provide its renowned commercial footprint, Italsoft will lever on its technological know-how, engineering and software hub for the efficient management of building sites, and general contractor network.

#### EDAC: Acrobatica Fotovoltaico and Acrobatica Smart Living



Source: EdiliziAcrobatica

#### Point of Sales & Human Resources

In terms of directly managed branches, EDAC added #15 new units over the latest six months all in Italy). We now count #117 Italian direct branches, #72 more than at the end of 2019, #18 foreign branches, and #40 domestic franchises, for #175 total point of sales, up from #83 in 2019.

We also highlight that over 1H24 the Group continued its forceful hiring strategy, reaching 2,784 human resources vs. 2,495 at the end of FY23.

#### Corporate Development

On July 9<sup>th</sup>, 2024, EDAC BoD approved a reserved capital increase in favour of Emintad Italy SRL (strategic financial advisor partner with already 10,198 EDAC shares). EDAC issued 24,120 shares at a price of €9.056 p/s for a total injection of €218,436.43. Emintad signed a lock-up clause of 12 months.



## Forecasts 2024E-26E

### Estimates Revision

We are revising EDAC 2024E-26E estimates as follows:

- ◆ **Value of Production:** largely in line with previous expectations, though with a different revenue composition. We now anticipate a greater contribution from core business and ancillary activities (e.g., EdiliziAcrobatica SPA, including lower-margin units like “Multiservizi,” “Restauri,” “Eolica,” and others) rather than Acrobatica Energy (now "Acrobatica Fotovoltaico" and "Acrobatica Smart Living"), following weaker-than-expected 1H24 results;
- ◆ **EBITDA:** the shift in revenue mix, combined with delayed commercial traction in energy efficiency-related businesses, is expected to reduce overall profitability. The increasing contribution of lower-margin ancillary services to EDAC SPA’s top line is also weighing on operating margins;
- ◆ **Net Financial Position:** while lower Net Profit forecasts will substantially impact the financial position, this will be partially offset by an improved Net Working Capital cycle, particularly through the collection of fiscal credits.

### EDAC: Old vs. New Estimates

Key Financials (IAS, €mn)	2024E			2025E			2026E		
	Old	New	Δ	Old	New	Δ	Old	New	Δ
Value of Production	165.8	159.8	-4%	183.0	175.3	-4%	204.5	195.8	-4%
EBITDA	25.4	17.0	-33%	30.1	22.3	-26%	35.0	27.4	-22%
EBITDA Margin (%)	15.3%	10.6%	-470bps	16.4%	12.7%	-370bps	17.1%	14.0%	-310bps
EBIT	16.6	8.7	-48%	20.7	13.4	-35%	25.0	17.9	-28%
EBIT Margin (%)	10.0%	5.4%	-460bps	11.3%	7.6%	-370bps	12.2%	9.1%	-310bps
Net Profit	7.9	3.3	-58%	10.8	6.5	-40%	13.9	9.5	-31%
Net Fin. Pos. [Debt (-) / Cash (+)]	-41.3	-46.3	-5.0	-27.0	-36.3	-9.3	-11.7	-24.2	-12.5

Source: Value Track Analysis

### New Estimates 2024E-26E

#### Key Forecasts & Drivers

Our new 2024E-2026E estimates outline:

- ◆ **Value of Production** growing at 7% CAGR<sub>23A-26E</sub> achieving **€195.8mn** in 2026E;
- ◆ **EBITDA** growing up to **€27.4mn** in 2026E (EBITDA Margin 2026E at 14%);
- ◆ **Cumulated OpFCF<sub>b.t.</sub>** 2024E-26E at **€59.2mn**, with a >90% average EBITDA conversion rate;
- ◆ **Net Debt at €24.2mn** as of 2026 year-end, also considering ca. €3.9mn cumulated dividends.

**EDAC: Revenues from Sales 2023A-26E**

Revenues from Sales (IAS, €mn)	2023A	2024E	2025E	2026E	CAGR <sub>24A-26E</sub>
EdiliziAcrobatica SPA	113.8	135.3	140.4	148.5	8%
Acrob. Fotovoltaico & Smart Living	32.0	2.0	8.0	14.0	-28%
Enigma Capital Investments LLC	7.9	13.0	15.6	18.7	33%
EdiliziAcrobatica France SAS	3.9	6.5	7.5	10.0	37%
EdiliziAcrobatica Iberica SL	1.2	2.0	2.6	3.0	36%
EdiliziAcrobatica Monaco SAM	0.2	1.0	1.2	1.6	>100%
Intragroup	-0.5	0.0	0.0	0.0	nm
<b>Revenues from Sales</b>	<b>158.5</b>	<b>159.8</b>	<b>175.3</b>	<b>195.8</b>	<b>7%</b>

Source: EdiliziAcrobatica, Value Track Analysis

**Financial Statements 2023A-26E****EDAC: P&L 2023A-26E**

P&L (IAS, €mn)	2023A	2024E	2025E	2026E	CAGR <sub>24A-26E</sub>
<b>Revenues from Sales</b>	<b>158.5</b>	<b>159.8</b>	<b>175.3</b>	<b>195.8</b>	<b>7%</b>
Other Revenues	0.3	0.0	0.0	0.0	nm
<b>Value of Production</b>	<b>158.8</b>	<b>159.8</b>	<b>175.3</b>	<b>195.8</b>	<b>7%</b>
Raw Materials	-16.5	-16.8	-18.4	-20.6	8%
Costs of Services	-51.5	-39.0	-42.7	-50.3	-1%
Labour Costs	-61.8	-80.3	-84.9	-89.7	13%
Other Operating Costs	-5.0	-6.8	-7.0	-7.8	16%
<b>EBITDA</b>	<b>24.0</b>	<b>17.0</b>	<b>22.3</b>	<b>27.4</b>	<b>4%</b>
<i>EBITDA Margin (%)</i>	<i>15.1%</i>	<i>10.6%</i>	<i>12.7%</i>	<i>14.0%</i>	<i>-110bps</i>
D&A	-7.7	-8.1	-8.7	-9.3	7%
Provisions	-2.0	-0.2	-0.2	-0.2	-53%
<b>EBIT</b>	<b>14.4</b>	<b>8.7</b>	<b>13.4</b>	<b>17.9</b>	<b>8%</b>
<i>EBIT Margin (%)</i>	<i>9.0%</i>	<i>5.4%</i>	<i>7.6%</i>	<i>9.1%</i>	<i>10bps</i>
Interest Expenses	-3.5	-3.5	-3.0	-2.5	-10%
<b>Pre-Tax Profit</b>	<b>10.9</b>	<b>5.2</b>	<b>10.4</b>	<b>15.4</b>	<b>12%</b>
Taxes	-4.8	-1.8	-3.6	-5.4	4%
Minorities	0.2	-0.1	-0.2	-0.5	nm
<b>Net Profit</b>	<b>6.3</b>	<b>3.3</b>	<b>6.5</b>	<b>9.5</b>	<b>15%</b>

Source: EdiliziAcrobatica, Value Track Analysis

**EDAC: Balance Sheet 2023A-26E**

Balance Sheet (IAS, €mn)	2023A	2024E	2025E	2026E
Net Fixed Assets	44.3	46.4	44.7	43.2
Net Working Capital	47.9	39.1	36.7	35.2
Provisions	5.5	7.2	7.6	8.0
<b>Total Capital Employed</b>	<b>86.7</b>	<b>78.3</b>	<b>73.7</b>	<b>70.4</b>
<b>Group Net Equity</b>	<b>29.7</b>	<b>32.0</b>	<b>37.5</b>	<b>46.2</b>
<b>Net Fin. Pos. [Debt(-)/Cash(+)]</b>	<b>-57.1</b>	<b>-46.3</b>	<b>-36.3</b>	<b>-24.2</b>

Source: EdiliziAcrobatica, Value Track Analysis

**EDAC: Cash Flow Statement 2023A-26E**

Cash Flow Statement (IAS, €mn)	2023A	2024E	2025E	2026E
EBITDA	24.0	17.0	22.3	27.4
Δ NWC (incl. Provisions)	-30.5	10.3	2.7	1.6
Capex, Δ Others (incl. Δ Leasing)	-18.1	-7.2	-7.0	-7.8
<b>OpFCF (b.t.)</b>	<b>-24.6</b>	<b>20.1</b>	<b>17.9</b>	<b>21.2</b>
As a % of EBITDA	<i>nm</i>	<i>&gt;100%</i>	<i>80.6%</i>	<i>77.4%</i>
Cash Taxes	-4.8	-1.8	-3.6	-5.4
<b>OpFCF (a.t.)</b>	<b>-29.4</b>	<b>18.3</b>	<b>14.3</b>	<b>15.8</b>
Interest Expenses	-3.5	-3.5	-3.0	-2.5
Others (incl. Financial Investments)	-9.1	-3.0	0.0	0.0
Capital Injections	0.5	0.2	0.0	0.0
Dividends Paid	-10.7	-1.3	-1.3	-1.3
<b>Δ Net Financial Position</b>	<b>-52.1</b>	<b>10.7</b>	<b>10.1</b>	<b>12.1</b>

Source: EdiliziAcrobatica, Value Track Analysis

## Valuation

### Fair Equity Value at €15.00 p/s (from €18.00)

We have adjusted EDAC's **Fair Equity Value at €15.00 p/s**, reflecting the downward revision of profitability and financial position estimates. Although our Sum of the Parts (SOTP) model is based on an EV/Sales multiple, the shift in revenue mix—now more focused on lower-margin ancillary activities—has led us to slightly reduce EDAC SPA's fair multiple. The previous periods, where Acrobatica Energy drove significant upside, offered stronger margins than the current mix.

At €15.00 EDAC would trade at 1.1x-0.9x EV/Sales, 10.2x-7.3x EV/EBITDA 2024E-25E respectively, at ca. 20% discount vs. international peers (2025E, average).

### EDAC: Multiples Sensitivity at Various Stock Price Levels

Fair Equity Value p/s (€)	EV / Sales (x)			EV / EBITDA (x)			EV / EBIT (x)		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
10.50	0.8	0.7	0.6	7.9	5.6	4.1	15.6	9.3	6.3
12.00	0.9	0.8	0.6	8.7	6.2	4.6	17.0	10.3	7.0
13.50	1.0	0.9	0.7	9.4	6.7	5.0	18.5	11.2	7.7
<b>15.00</b>	<b>1.1</b>	<b>0.9</b>	<b>0.8</b>	<b>10.2</b>	<b>7.3</b>	<b>5.5</b>	<b>19.9</b>	<b>12.2</b>	<b>8.4</b>
16.50	1.2	1.0	0.8	10.9	7.9	6.0	21.4	13.1	9.1
18.00	1.2	1.1	0.9	11.7	8.4	6.4	22.8	14.1	9.8
19.50	1.3	1.1	1.0	12.4	9.0	6.9	24.3	15.0	10.5

Source: Value Track Analysis

## Peers Analysis

### Peers' Current Stance

EDAC international peers' multiples have not moved significantly over the last few months, still trading at 1.2x EV/Sales FY1 (stock prices going hand in hand with forecasts consensus).

Given the weak performance of EDAC stock over the last 6 months, the Italian group is still trading at substantial discount vs. peers, in our view unjustified even in the current normalized scenario without the major contribution of fiscal incentives.

Since there are still no close listed comparables, we stick to our panel of foreign players active in real estate facility services. On the other hand, our domestic cluster include energy efficiency businesses in order to infer a possible valuation of Acrobatica Fotovoltaico and Acrobatica Smart Living.

### Sum of the Parts Valuation

For our SOTP valuation, we used 2024E as the reference year with the following assumptions:

- ◆ **EdiliziAcrobatica SPA** (core business) valued at 15% discount to international peers due to the lower profitability of ancillary services ("Multiservizi," "Restauro," "Eolica," and others) that now contribute a larger share of revenues. We selected EV/Sales as the most reliable multiple, given the historically strong correlation between EDAC's mkt cap and its annualized revenues;
- ◆ **Acrobatica Fotovoltaico** (100% controlled stake) and **Acrobatica Smart Living** (51% controlled stake) valued in line with Italian peers in the energy efficiency sector. The forecast revisions largely stem from these business units, impacting their implied valuations;

- ◆ **France, Spain, Monaco** subsidiaries valued at 1.5x EV/Sales 2024E, reflecting their early-stage, start-up, or scale-up status and anticipated expansion phases;
- ◆ **Enigma Capital** valued in line with international peers, with no discount applied due to its strong commercial traction and profit margins. We consider a 100% stake as minorities are included under the IAS Net Financial Position.

This results in a Fair Equity Value of €15.00 per share, after deducting an estimated €46.3mn in Net Debt for 2024E.

### EDAC: Sum of the Parts Valuation

Fair Equity Value p/s (€)	EDAC SPA	PV & SL	France	Spain	Monaco	Enigma	EDAC Group
Fair EV/Sales 2024E	1.0	0.6	1.5	1.5	1.5	1.2	
Enterprise Value (€mn)	141.2	1.1	9.8	3.0	1.5	16.0	
Pro-Quota Stake (%)	100%	100%	100%	90%	60%	100%	
<b>EV Pro-Quota (€mn)</b>	<b>141.2</b>	<b>1.1</b>	<b>9.8</b>	<b>2.7</b>	<b>0.9</b>	<b>16.0</b>	<b>171.6</b>
Net Fin. Position 2024E (€mn)							-46.3
Adjustments (€mn)							0.0
<b>Fair Equity Value (€mn)</b>							<b>125.3</b>
NOSH							8.4
<b>Fair Equity Value p/s (€)</b>							<b>15.00</b>

Source: Value Track Analysis, (\*) Treasury Shares at Market Price

### EDAC: Peers Trading Multiples

Peers	EV/Sales (x)		EV/EBITDA (x)		EV/EBIT (x)		P/E Adj. (x)	
	2024E	2025E	2024E	2025E	2024E	2025E	2024E	2025E
Rentokil Initial	2.2	2.1	10.2	9.4	14.3	12.9	26.3	20.5
Stericycle	2.5	2.4	14.3	12.5	18.6	15.5	nm	31.7
Mears Group	0.4	0.5	3.8	4.1	7.6	9.5	8.7	11.2
ABM Industries	0.5	0.5	9.1	8.5	11.7	10.6	21.2	15.4
GDI Integrated Facility	0.5	0.4	8.8	7.4	nm	22.0	nm	26.7
<b>Average International Peers</b>	<b>1.2</b>	<b>1.2</b>	<b>9.2</b>	<b>8.4</b>	<b>13.1</b>	<b>14.1</b>	<b>18.7</b>	<b>21.1</b>
Nusco	0.3	0.3	2.4	1.9	3.2	2.5	4.7	3.8
GIBUS	0.7	0.6	5.3	4.2	10.0	6.7	16.2	9.9
Sciuker Frames	0.6	0.4	3.3	1.9	5.0	2.7	7.3	3.4
Innovatec	0.6	0.4	4.4	2.9	7.9	4.6	8.8	5.1
<b>Average Domestic Peers</b>	<b>0.6</b>	<b>0.4</b>	<b>3.8</b>	<b>2.7</b>	<b>6.5</b>	<b>4.1</b>	<b>9.2</b>	<b>5.5</b>
<b>Total Average</b>	<b>0.9</b>	<b>0.9</b>	<b>6.8</b>	<b>5.9</b>	<b>9.8</b>	<b>9.7</b>	<b>13.3</b>	<b>14.2</b>
<b>EdiliziAcrobatica</b>	<b>0.7</b>	<b>0.5</b>	<b>6.3</b>	<b>4.3</b>	<b>12.3</b>	<b>7.2</b>	<b>18.3</b>	<b>9.2</b>
Discount vs. Total Average. (%)	-28%	-36%	-8%	-26%	25%	-25%	37%	-35%

Source: Market Consensus, Value Track Analysis

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