

EdiliziAcrobatica

Solid Traditional Business and New Niches for the Future

EdAc is holding up well in its traditional activities, with revenues in Italy up 16% yoy, supported by a large client base and an increasing number of contracts. Other European countries also showed rising sales in 1H24. The company is investing in new businesses and aims to expand geographically to capture new growth niches and adapt to a new scenario of no fiscal support. We believe it is only a matter of time before the newly launched business bears fruit.

1H24 revenues up on a LFL basis, with declining profitability but good cash flow

Operating revenues were EUR 70.9M in 1H24 vs. EUR 73.7M in 1H23. On a like-for-like basis, 1H24 sales increased by high single digits, in our calculations. The group EBITDA was EUR 7M (vs. EUR 11M of 1H23), with an underlying 9.9% margin vs. 15% of 1H23. The yoy gap was driven by the almost zero contribution from Acrobatica Energy, which in FY23 strongly benefitted from fiscal incentives, and higher personnel costs, also coming from the point of sales expansion, in our view. Operating cash flow was EUR 15M.

Core business' solid trend to support new initiatives

The stock has fallen by more than 60% from its peak (reached in August 2021 when some fiscal measures in Italy supported and also doped the overall sector), and in our view, it has discounted the change in scenario (absence of supportive fiscal measures). We have revised our estimates following 1H24A results and assumed lower contribution from the start-up businesses, given the current lack of visibility, but we are confident in their positive contribution, given the company's strong commercial footprint and the favourable future business environment. We expect the traditional business to continue growth in volumes both in Italy and abroad, with solid profitability; we also outline the important contribution from Enigma to group revenues and profitability.

Valuation

We value EdAc with a DCF valuation due to the absence of listed companies of a similar size and background. After our estimates revision, our DCF model points to a fair value of EUR 15 (from EUR 18.3 previously), and given the more than 100% potential upside, we confirm our BUY rating.

Acrobatica – Key data

Y/E Dec (EUR M)	2022A	2023A	2024E	2025E	2026E
Revenues	133.7	158.5	158.5	175.3	195.6
EBITDA	34.38	24.00	16.81	22.00	26.69
EBIT	28.45	14.35	8.81	13.80	18.39
Net income	14.56	6.28	3.68	5.54	8.36
Adj. EPS (EUR)	1.73	0.73	0.45	0.87	1.27
Net debt/-cash	5.00	57.08	56.13	49.10	40.66
Adj P/E (x)	8.9	21.9	15.8	8.1	5.6
EV/EBITDA (x)	3.9	8.1	7.2	6.2	5.6
EV/EBIT (x)	4.8	13.5	13.7	9.9	8.1
Div ord yield (%)	8.2	1.0	2.5	4.9	5.6
FCF Yield (%)	8.8	-19.9	3.8	14.3	19.0

Source: Company data and Intesa Sanpaolo Research estimates. Priced at 14/10/2024

16 October 2024: 9:28 CET
Date and time of production

BUY

Target Price: EUR 15.0
(from EUR 18.3)

Italy/Building Maintenance Services
Company Results

EGM

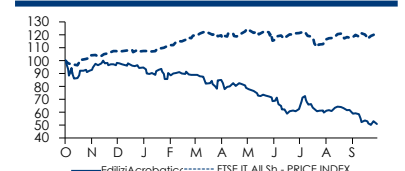
EdiliziAcrobatica - Key Data

Price date (market close)	14/10/2024
Target price (€)	15.0
Target upside (%)	110.67
Market price (€)	7.12
Market cap (EUR M)	59.80
52Wk range (€)	14.0/7.0

EPS – DPS changes

(€)	2024E	2025E	2024	2025
	EPS ▼	EPS ▼	chg%	chg%
Curr.	0.450	0.874	-59.85	-42.89
Prev.	1.120	1.531	-	-
	DPS ▼	DPS ▼	chg%	chg%
Curr.	0.180	0.350	-59.85	-42.89
Prev.	0.448	0.612	-	-

Price Perf. (RIC: EDAC.MI BB: EDAC IM)



Source: FactSet and Intesa Sanpaolo Research estimates

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1H24: Rather Weak EBITDA but Good Cash Generation

Trying to increase profitability after the Superbonus era

The yoy profitability gap in 1H24 comes from the absence of the contribution of Acrobatica Energy, which in FY23 strongly benefitted from fiscal incentives. The company is investing in new businesses and geographies, thus adapting to a normal scenario without strong fiscal measures.

- **Operating revenues** were EUR 70.9M in 1H24 vs. EUR 73.7M in 1H23 when they included EUR 15.3M of Acrobatica Energy, a company specifically active in the Superbonus field. Sales in Italy from EdiliziAcrobatica SpA, rose 16% to EUR 61.6M from EUR 53.3M in 1H23, with yoy growth accelerating in 2Q24. The number of contracts increased to 11,800 from 8,500 in 1H23 (+38%). Acrobatica Energy posted revenues at EUR 0.46M (vs. EUR 15.3M in 1H23). Sales in France were EUR 2.4M vs. EUR 2.3M in 1H23. Sales in Spain were EUR 1M vs. EUR 0.7M in 1H23. Sales in Monte-Carlo grew to EUR 0.37M from EUR 0.035M in 1H23. Enigma recorded EUR 5.1M in 1H24 revenues vs. EUR 2.1M in 1H23, when it was consolidated only for 3 months. On a like-for-like basis, 1H24 sales increased by high single digits, in our calculations.

Acrobatica – 1H24 revenues

EUR M	1H23A	1H24A	yoy %
Operating revenues	73.68	70.94	-3.7
o/w Ediliziacrobatica SpA (Italy)	53.3	61.6	16.0
o/w Ediliziacrobatica France	2.3	2.4	7.0
o/w Ediliziacrobatica Spain	0.7	1.0	42.9
o/w Ediliziacrobatica Monte-Carlo	0.04	0.37	NM
o/w Enigma	2.1	5.1	NM
o/w Acrobatica Energy (former EA110)	15.3	0.46	NM

NM: non meaningful; A: actual; Source: Company data and Intesa Sanpaolo Research

- **The number of points of sales**, (in Italy and abroad, including franchisees) increased to 175 (from 159 at the end of 2023), with 117 direct points of sales in Italy (vs. 102 at the end of 2023). The total headcount stood at 2,784.
- **The group EBITDA was EUR 7M (vs. EUR 11M of 1H23)**, with an underlying 9.9% margin vs. 15% of 1H23. The yoy gap was driven by the almost zero contribution from Acrobatica Energy (it was around EUR 3M in 1H23) and higher personnel costs, also coming from the point of sales expansion, in our view. EdiliziAcrobatica SpA EBITDA dropped to EUR 6.6M from EUR 9M in 1H23. The profitability of the French subsidiary was slightly negative, but it improved, and the company expects further improvements in 2H24. The Spanish and the Monegasque companies improved their profitability as well. Enigma reported EUR 0.75M in EBITDA but the company's expectations are for a strong contribution to the group's profitability in the coming years;
- **1H24 EBIT was EUR 3M (vs. EUR 7.5M in 1H23);**
- **Financial charges were EUR 1.6M, in line with 1H23;**
- **The net profit** was at EUR 0.365M vs. EUR 3.6M in 1H23, after a far higher tax rate than in 1H23;
- **The net financial position** was EUR 48.8M (net debt) and improved by EUR 8.3M vs. YE23 when the net debt was EUR 57.1M (EUR 58M in 1H23). The company paid all the loans attributable to Acrobatica Energy. The net debt includes EUR 6.2M for the option to buy the remaining 49% stake in Enigma and EUR 22.2M IFRS 16 impact;

- **We outline that the operating cash flow** was EUR 15M (negative for EUR 18.8M in 1H23) after EUR 10.7M of cash generated by the net working capital (tax credit decreased by EUR 35.8M after the sale of almost all the tax credits in Acrobatica Energy).

Acrobatica – 1H24 results

EUR M	1H23A	1H24A	yoy %
Total revenues	73.7	70.9	-3.7
EBITDA	11.1	7.0	-36.5
EBITDA margin on total revenues (%)	15.0	9.9	
EBIT	7.5	3.1	-59.2
EBIT margin on total revenues (%)	10.2	4.3	
Net profit (pre-minorities)	3.6	0.4	-89.9
Net margin on total revenues	4.9	0.5	
Net debt (-cash)	58.0	48.8	
Net debt (-cash) ex IFRS 16 impact	38.0	26.6	

A: actual; Source: Company data and Intesa Sanpaolo Research

Outlook and Estimates Revision

In a framework where the traditional business is growing in terms of volumes both in Italy, despite the absence of fiscal support, and abroad (e.g. France, Spain, and Monte-Carlo) with solid profitability, the company outlined 2 important points for future developments:

- **International development.** In 1H24 EdAc consolidated its leadership positioning in its reference markets: keeping business volumes up and expanding both in Italy (the number of directly operated points of sales increased by 15 units vs. YE23) and abroad (new operating branches were opened in Saudi Arabia and Kuwait through Enigma and there was an organizational revision in the eight French units for a better market positioning). For the near future, the company confirmed its plans for international development, on which it is currently working.
- **Green transition impacts on the renovation and infrastructure sectors.** These sectors are expected to grow in the coming years, supported by the green transition and the expansion of digital networks (e.g. driven by new techniques such as the A.I. and augmented reality). In the mid-long run, the green transition in Europe should give a big boost to the overall construction sector, especially in the buildings' energy requalification (we recall the crucial role of companies like Acrobatica Energy for the photovoltaic businesses and Acrobatica Smart Living for buildings' upgrades not only in the energy field).

Estimates revision

Following the 1H24 results, we cut our FY24E estimates. We see the traditional business of double-rope safety operational construction in Italy growing double digits (+17.8% yoy), in line with the 1H24 growth trend, helped by the new openings and the increasing demand for this technique. We see a stabilisation in FY25E and a growth recovery, at mid-single digits, in FY26E in Italy. We expect France, Spain and Monte-Carlo to grow substantially in FY25E, positively contributing to the group's profitability. As for the company's expectations, we see Enigma growing with increasingly improving margins.

Acrobatica Energy is re-orienting towards the domestic photovoltaic business and, along with the newly established Acrobatica Smart Living, can be seen as a start-up, with a small contribution to EdAc's results in 2H24. The bulk of our estimates revision comes from a more cautious stance on Acrobatica Energy and Acrobatica Smart Living, for which we expect revenues to be material only in FY25E.

We trimmed our EBITDA estimates for FY24E and onwards on the back of 1H24 results and given the unmeaningful contribution to profitability of 2 start-up businesses in our estimates in FY24E, partially offset by the sound EBITDA margin of EdAc in Italy.

We see YE24E net financial position in line with FY23; we expect around EUR 10M cash-in from tax credits (out of EUR 19M) in FY25E.

Acrobatica – Top line assumptions (2024/26E)

EUR M	2021A	2022A	2023A	2024E	2025E	2026E
Revenues	87.7	134.5	158.8	158.5	175.3	195.6
o/w Italy	82.9	121.3	113.8	134.0	136.0	145.0
PoS (direct) no.	77	83	102	117	127	137
Franchisee points of sale no.	30	30	39	41	43	44
o/w Acrobatica Energy*	0.7	7.8	32.0	2.0	13.0	18.0
o/w France	3.4	4.7	3.9	6.5	7.5	10.0
PoS (direct) no.	8	8	8	8	9	10
o/w Spain	0.5	0.8	1.0	2.0	2.6	3.0
o/w Monte-Carlo		0.0	0.2	1.0	1.2	1.6
o/w Enigma			7.9	13.0	15.0	18.0

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research; *If includes JV Acrobatica Smart Living

Acrobatica – New estimates vs. Old estimates (2024E/26E)

EUR M	FY24	FY24	New/Old %	FY25	FY25	New/Old %	FY26	FY26	New/Old %
	E	E		E	E				
	Old	New		Old	New		Old	New	
Net revenues	165.3	158.5	-4.1	182.4	175.3	-3.9	204.2	195.6	-4.4
EBITDA	24.8	16.8	-32.4	30.0	22.0	-26.6	36.5	26.7	-27.4
EBITDA margin (%)	15.0	10.6		16.4	12.5		17.9	13.6	
EBIT	17.2	8.8	-48.7	22.3	13.8	-38.1	28.9	18.4	-36.9
EBIT margin (%)	10.4	5.6		12.2	7.9		14.1	9.4	
Net profit (before minorities)	9.4	3.8	-59.8	12.9	7.3	-42.9	17.5	10.7	-39.6
Net margin	5.7	2.4		7.0	4.2		8.5	5.4	
Net debt (-cash)	42.4	56.1		31.9	49.1		22.2	40.7	
Net debt (-cash) ex IFRS 16 impact	29.4	34.1		18.9	27.1		9.2	18.7	

E: estimates; Source: Company data and Intesa Sanpaolo Research estimates

Acrobatica – New estimates (2024/26E)

EUR M	FY23A	FY24E	yoy %	FY25E	yoy %	FY26E	yoy %
Net revenues	158.5	158.5	0.0	175.3	10.6	195.6	11.6
Total revenues	158.8	158.8	0.0	175.6	10.6	195.9	11.6
EBITDA	24.0	16.8	-30.0	22.0	30.8	26.7	21.4
EBITDA margin (%)	15.1	10.6		12.5		13.6	
EBIT	14.4	8.8	-38.6	13.8	56.6	18.4	33.3
EBIT margin (%)	9.1	5.6		7.9		9.4	
Net profit (before minorities)	6.1	3.8	-38.0	7.3	94.4	10.7	45.1
Net margin	3.8	2.4		4.2		5.4	
Net debt (-cash)	57.1	56.1		49.1		40.7	
Net debt (-cash) ex IFRS 16 impact	36.3	34.1		27.1		18.7	

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research estimates

Acrobatica – 2H24E estimates

EUR M	1H23A	1H24A	yoy %	2H23A	2H24E	yoy %
Total revenues	73.7	70.9	-3.7	85.1	87.8	3.3
EBITDA	11.1	7.0	-36.5	13.0	9.8	-24.6
EBITDA margin on total revenues (%)	15.0	9.9		15.3	11.1	
EBIT	7.5	3.1	-59.2	6.8	5.8	-16.0
EBIT margin on total revenues (%)	10.2	4.3		8.0	6.5	
Net profit (pre-minorities)	3.6	0.4	-89.9	2.5	3.4	38.3
Net margin on total revenues	4.9	0.5		2.9	3.9	
Net debt (-cash)	58.0	48.8		57.1	56.1	
Net debt (-cash) ex IFRS 16 impact	38.0	26.6		36.3	34.1	

A: actual; Source: Company data and Intesa Sanpaolo Research

Valuation

We value EdAc with a DCF valuation, due to the absence of listed companies of a similar size and background. After our estimates' revision, our DCF model points to a **fair value of EUR 15** (from EUR 18.3 previously) and, given the more than 100% potential upside, **we confirm our BUY rating**.

DCF Model

- A 3.75% risk-free rate (vs. 4% in our previous update);
- A 6.5% equity risk premium (unchanged);
- A target gearing ratio of 40% (from the previous 0% when the company was almost debt-free), since EdAc has a little more debt than previously forecasted, even though we think that cash generation will continue to be strong and help reduce the financial debt;
- Beta at 1.05x (from 0.95x).
- Our WACC becomes 7.2% (vs. 10.2% previously).

Acrobatica – WACC calculation (%)

Risk-free rate	3.8
Equity risk premium	6.5
Beta (x)	1.1
Cost of equity	10.6
Gross Cost of Debt	3.3
Tax rate	35.0
Gearing	40.0
WACC	7.2

Source: Intesa Sanpaolo Research

To calculate LT, we use a 0% terminal value growth to incorporate a growth path, which should go beyond FY26E, but also the termination of fiscal incentives in Italy. We point out that in our estimates we assume a positive development of the start-up businesses, driven by the favourable market environment and the solid commercial footprint of EdAc. As usual, in the long term, capex equals depreciation.

Acrobatica – DCF calculation

EUR M	2024E	2025E	2026E	LT
Revenues	158.5	175.3	195.6	195.6
Change yoy (%)	0.0	10.6	11.6	0.0
EBIT	8.8	13.8	18.4	18.4
EBIT margin (%)	5.6	7.9	9.4	9.4
Taxes	-2.0	-4.0	-5.7	-5.7
NOPAT	6.8	9.8	12.7	12.7
D&A	8.0	8.2	8.3	0.0
Capex	-2.0	-2.0	-2.0	0.0
NWC changes	-1.3	1.2	0.6	0.0
FCF	11.5	17.2	19.6	12.7
Discounted FCF	10.7	15.0	15.9	10.3
WACC (%)	7.2			
Perpetuity growth rate (%)	0.0			
NPV of cash flows	41.6			
NPV of terminal value	141.7			
EV	183.2			
NFP @FY23	57.1			
Equity value	126.2			
N. of shares fully diluted (M)	8.4			
Value per share (EUR)	15.0			
Vs. current price (%)	110.7			

Source: Intesa Sanpaolo Research estimates

Multiples' analysis as a cross-check

There are no listed peers that perfectly match EdAc's business model, size and geographical presence. Therefore, in our peers' analysis, we selected companies active in business similar to EdAc's, but also in the larger industry of Facility Management services. We compared EV/EBITDA, EV/EBIT and P/E for FY24E, FY25E and FY26E multiples.

Acrobatica – Multiples comparison

x	Mkt cap (EUR M)	EV/EBITDA			EV/EBIT			P/E		
		2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
ABM Industries	3,063.3	9.2	8.8	8.1	12.5	11.3	10.2	15.1	14.6	13.2
Mears Group	414.2	1.7	1.8	1.7	3.5	4.3	4.1	9.0	11.6	11.9
Rentokil Initial	10,625.4	10.3	9.6	8.7	14.8	13.4	11.7	16.7	15.3	13.7
GDI Integrated Facility Services	361.3	9.0	7.6		34.6	22.6		64.5	29.0	20.5
Median		9.1	8.2	8.1	13.7	12.3	10.2	15.9	15.0	13.5
EdAc EBITDA (EUR M)		16.8	22.0	26.7						
EdAc EBIT (EUR M)					8.8	13.8	18.4			
EdAc net income (EUR M)								3.8	7.3	10.7
EdAc net debt/-cash (EUR M)		56.1	49.1	40.7	56.1	49.1	40.7			
EV (EUR M)		153.7	180.4	215.6	120.4	170.0	187.1			
Fair value (EUR M)		97.5	131.3	174.9	64.3	120.9	146.4	60.1	109.8	143.4
Fair value per share (EUR)		11.6	15.6	20.8	7.7	14.4	17.4	7.2	13.1	17.1

Price at market close of 13/10/2024; Source: FactSet and Intesa Sanpaolo Research estimates for EdAc

Valuation and Key Risks

Valuation basis

Our valuation is DCF model based and points to a fair value of EUR 15/share. WACC is 7.2% (3.75% risk-free, 6.5% equity risk premium; target gearing=40%, beta=1.05x).

Key Risks

Company specific risks:

- Labour intensive business model, requiring highly-skilled workers;
- Still high exposure to the Italian market;
- Credit collection takes long time.

Sector generic risks:

- Possible rising competition from either the traditional business of construction works with scaffolds or from new competitors given low entry barriers;
- Difficulties to replicate the model outside Italy, also in light of different regulatory landscapes;
- A significant change in the Regulatory framework.

Company Snapshot

Company Description

Conceived in 1994 and officially founded in 2004, EDAC is the leading company in Italy and Europe in the field of double-rope safety operational construction. It has over 130 operational areas active in the renovation sector but also in the business of sanitation, energy efficiency and conservative maintenance. In 2109, with the acquisition of Etair Mediterranee, it entered the French market; in 2021 it entered the Spanish market and in 2022 it acquired 51% of Enigma Capital Investments, an Emirates holding company based in Dubai and Nepal, active in the same field as EDAC. EdiliziAcrobatica is headquartered in Genova and can count on around 2,300 employees.

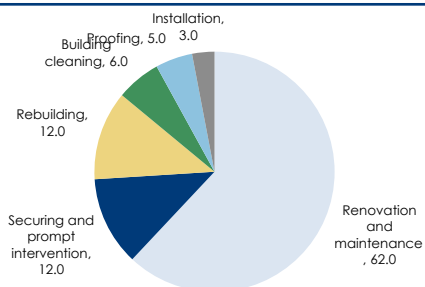
Key data

Mkt price (€)	7.12	Free float (%)	23.9
No. of shares	8.40	Major shr	Arim holding
52Wk range (€)	14.0/7.0	(%)	73.3
Reuters	EDAC.MI	Bloomberg	EDAC IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-16.2	-1M	-18.8
-3M	-16.6	-3M	-16.6
-12M	-48.8	-12M	-58.2

Estimates vs. consensus

EUR M (Y/E Dec)	2023A	2024E	2024C	2025E	2025C	2026E	2026C
Sales	158.5	158.5	159.5	175.3	177.3	195.6	195.8
EBITDA	24.00	16.81	21.45	22.00	25.55	26.69	30.85
EBIT	14.35	8.81	12.25	13.80	15.65	18.39	20.15
Pre-tax income	10.89	5.81	13.10	11.30	17.70	16.39	22.50
Net income	6.28	3.68	5.40	5.54	7.80	8.36	6.95

Sales breakdown by service (%)



Branches and Franchisees FY23 (no.)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 14/10/2024)

EdiliziAcrobatica – Key Data

Rating BUY	Target price (€/sh) Ord 15.0		Mkt price (€/sh) Ord 7.12		Sector Building Maintenance Services	
Values per share (EUR)	2021A	2022A	2023A	2024E	2025E	2026E
No. ordinary shares (M)	8.40	8.40	8.40	8.40	8.40	8.40
Total no. of shares (M)	8.40	8.40	8.40	8.40	8.40	8.40
Market cap (EUR M)	103.66	129.98	133.10	59.80	59.80	59.80
Adj. EPS	1.32	1.73	0.73	0.45	0.87	1.27
BVPS	2.6	4.0	3.6	3.8	4.5	5.5
Dividend ord	0.29	1.27	0.16	0.18	0.35	0.40
Income statement (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Revenues	86.95	133.7	158.5	158.5	175.3	195.6
EBITDA	21.28	34.38	24.00	16.81	22.00	26.69
EBIT	18.33	28.45	14.35	8.81	13.80	18.39
Pre-tax income	17.09	22.42	10.89	5.81	11.30	16.39
Net income	11.09	14.56	6.28	3.68	5.54	8.36
Adj. net income	11.09	14.56	6.28	3.68	5.54	8.36
Cash flow (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Net income before minorities	11.1	14.5	6.1	3.8	7.3	10.7
Depreciation and provisions	3.0	5.9	9.1	8.0	8.2	8.3
Others/Uses of funds	0	0	-4.0	-6.2	-6.2	-6.2
Change in working capital	1.8	-4.4	-30.1	-1.3	1.2	0.6
Operating cash flow	15.8	16.1	-18.5	4.3	10.5	13.4
Capital expenditure	-2.8	-4.7	-8.1	-2.0	-2.0	-2.0
Financial investments	0	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0
Free cash flow	13.0	11.4	-26.5	2.3	8.5	11.4
Dividends	-1.7	-2.4	-10.7	-1.3	-1.5	-2.9
Equity changes & Non-op items	0	-17.6	-14.9	0	0	0
Net change in cash	11.3	-8.6	-52.1	0.9	7.0	8.4
Balance sheet (EUR M)	2021A	2022A	2023A	2024E	2025E	2026E
Net capital employed	18.5	42.0	85.8	84.8	80.0	73.1
of which associates	0	0	0	0	0	0
Net debt/-cash	-3.6	5.0	57.1	56.1	49.1	40.7
Minorities	0.0	0.0	0.2	0.3	2.1	4.4
Net equity	22.1	33.8	29.7	32.0	36.1	41.5
Minorities value	0.5	0.2	3.6	4.9	28.3	49.1
Enterprise value	100.5	135.2	193.8	120.8	137.2	149.6
Stock market ratios (x)	2021A	2022A	2023A	2024E	2025E	2026E
Adj. P/E	9.4	8.9	21.9	15.8	8.1	5.6
P/CFPS	7.4	6.5	9.5	5.1	4.4	3.6
P/BVPS	4.7	3.8	4.5	1.8	1.6	1.3
Payout (%)	22	73	22	40	40	32
Dividend yield (% ord)	2.4	8.2	1.0	2.5	4.9	5.6
FCF yield (%)	12.6	8.8	-19.9	3.8	14.3	19.0
EV/sales	1.2	1.0	1.2	0.76	0.78	0.76
EV/EBITDA	4.7	3.9	8.1	7.2	6.2	5.6
EV/EBIT	5.5	4.8	13.5	13.7	9.9	8.1
EV/CE	5.4	3.2	2.3	1.4	1.7	2.0
D/EBITDA	Neg.	0.15	2.4	3.3	2.2	1.5
D/EBIT	Neg.	0.18	4.0	6.4	3.6	2.2
Profitability & financial ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E
EBITDA margin	24.5	25.7	15.1	10.6	12.5	13.6
EBIT margin	21.1	21.3	9.1	5.6	7.9	9.4
Tax rate	NM	NM	NM	NM	NM	NM
Net income margin	12.7	10.9	4.0	2.3	3.2	4.3
ROCE	98.9	67.7	16.7	10.4	17.2	25.2
ROE	63.3	52.1	19.8	11.9	16.3	21.6
Interest cover	-14.8	-4.7	-4.2	-2.9	-5.5	-9.2
Debt/equity ratio	Neg.	14.8	191.1	173.6	128.7	88.6
Growth (%)		2022A	2023A	2024E	2025E	2026E
Sales		53.7	18.6	0.0	10.6	11.6
EBITDA		61.5	-30.2	-30.0	30.8	21.4
EBIT		55.2	-49.6	-38.6	56.6	33.3
Pre-tax income		31.2	-51.4	-46.7	94.4	45.1
Net income		31.4	-56.9	-41.5	50.7	50.9
Adj. net income		31.4	-56.9	-41.5	50.7	50.9

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

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Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation of around EUR 1Bn.

Equity Research Publications in Last 12M

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Equity rating key: (long-term horizon: 12M)

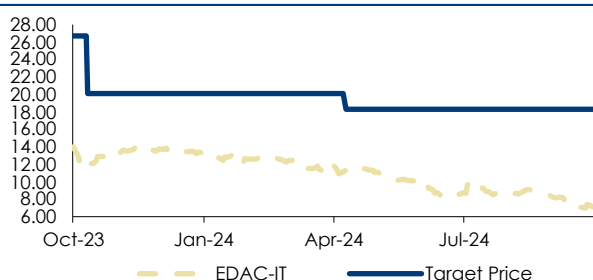
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EdiliziAcrobatica:**Target price and market price trend (-1Y)****Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
24-Apr-24	BUY	18.3	11.3
26-Oct-23	BUY	20.1	12.1

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at October 2024)**

Number of companies considered: 158	BUY	HOLD	SELL
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of which Intesa Sanpaolo's Clients (%)**	64	41	0

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