

EQUITY RESEARCH

ACROBATICA SPA

RESULTS REVIEW

Press release

BUY

TP 15.0€

Up/Downside: 105%

Solid Performance

The Acrobatica group has published its 2024 revenue, which stands at €152.5M (-7.3% yoy), in line with our expectations. This is a commendable performance, considering that the group completely restructured its Energy activities, which had generated more than €30M in revenue last year, almost fully offset by the group's other activities.

Acrobatica published its 2024 revenue at the end of last week. The group closed the year with revenue of €152.5M, down 7.3% compared to last year's reported revenue (€164.4M) and 4% compared to the VOP recorded (€158.8M). The difference between these figures stemmed from costs related to receivables transfers under tax incentives. Last year, the group operated through its EA110 subsidiary under the Superbonus 110 program, generating over €30M in revenue. At the beginning of the year, the group reorganized its energy operations by creating the Energy subsidiary to replace EA110 and focus on photovoltaics, as well as forming the Acrobatica Smart Living (ASL) joint venture. In its first year, the Energy subsidiary generated €600K in revenue, a 98.2% decline compared to EA110's revenue last year. While we initially expected ASL to contribute in 2024, the recent JV ultimately did not start any projects during the year. However, this did not prevent the group from closing the year with total revenue close to our expectations.

Resilience throughout the year was driven by strong growth across the group's other activities, particularly in its core business in Italy (+10.6% yoy to €131.1M) and in its Enigma subsidiary (+55.7% yoy to €12.3M). The group's other, smaller subsidiaries also posted strong growth, with revenue increasing by 38.5% in France (€5.4M), by 70% in Spain (€2M), and reaching €1M in Monaco.

After overcoming difficult base effects related to the Energy activities, the group is expected to return to growth in 2025. Following multiple delays, ASL's activities should kick off next week, with three projects already in the pipeline for this year, which could drive revenue above €10M. The outlook remains promising in Italy, where the group continues to invest in human resources (+500 employees in 2024) and in branch openings.

After a challenging year for the stock, a return to growth could allow it to recover given the current valuation multiples. We maintain our Buy recommendation on the stock, along with our €15 price target.

Key data

Price (€)	7.3
Industry	Engineering & Contracting Services
Ticker	EDAC-IT
Shares Out (m)	8.236
Market Cap (m €)	60.1

Source: FactSet

Ownership (%)

Arim Holding Sarl	74.0
Treasury shares	0.3
Free float	25.7

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	0.32	0.50	0.86
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	3.1	-4.5	-2.9
Rel FTSE Italy	3.0	-12.0	-13.1



Source: FactSet

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	158.8	153.9	170.7	187.1	EV/Sales	0.7	0.6	0.5
Current Op Inc (m €)	14.4	7.2	9.7	14.4	EV/EBITDA	6.2	5.1	3.8
Current op. Margin (%)	9.0	4.7	5.7	7.7	EV/EBIT	14.3	10.5	6.7
EPS (€)	0.73	0.32	0.50	0.86	PE	22.6	14.6	8.5
DPS (€)	0.15	0.08	0.12	0.20	Source: TPICAP Midcap			
Yield (%)	2.1	1.1	1.6	2.8				
FCF (m €)	-21.5	21.0	6.0	9.9				

Analyst

Corentin Marty
corentin.marty@tpicap.com
+33173030981



FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	86.9	134.5	158.8	153.9	170.7	187.1
Changes (%)	94.7	54.6	18.1	-3.0	10.9	9.6
Gross profit	79.8	121.1	142.3	139.3	154.5	169.3
% of Sales	91.7	90.0	89.6	90.5	90.5	90.5
EBITDA	21.3	30.7	24.0	16.6	20.1	25.8
% of Sales	24.5	22.9	15.1	10.8	11.8	13.8
Current operating profit	18.3	30.7	14.4	7.2	9.7	14.4
% of Sales	21.1	22.9	9.0	4.7	5.7	7.7
EBIT	18.3	30.7	14.4	7.2	9.7	14.4
Net financial result	-1.2	-5.6	-3.5	-3.4	-3.7	-4.1
Income Tax	-6.0	-7.8	-4.8	-1.2	-1.9	-3.2
Tax rate (%)	35.0	31.0	44.1	31.0	31.0	31.0
Net profit, group share	11.1	17.4	6.1	2.7	4.1	7.1
EPS	1.36	2.11	0.73	0.32	0.50	0.86
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	0.6	0.6	11.6	13.7	13.7	13.7
Tangible and intangible assets	4.5	4.5	6.0	3.0	-0.4	-4.0
Right of Use	0.0	0.0	20.3	20.3	20.3	20.3
Financial assets	0.4	2.0	6.5	6.5	6.5	6.5
Working capital	15.3	19.8	47.9	36.6	42.1	47.0
Other Assets	0.7	0.4	0.0	0.0	0.0	0.0
Assets	21.5	27.2	92.2	80.0	82.2	83.4
Shareholders equity group	22.1	35.2	29.7	31.2	34.7	40.9
Minorities	0.0	-0.0	-0.1	0.0	0.0	0.0
LT & ST provisions and others	2.6	4.0	5.5	5.5	5.5	5.5
Net debt	-3.6	-12.0	57.1	43.3	41.9	37.1
Other liabilities	0.4	0.2	0.0	0.0	0.0	0.0
Liabilities	21.5	27.2	92.2	80.0	82.1	83.4
Net debt excl. IFRS 16	-3.6	-12.0	36.3	22.5	21.1	16.2
Gearing net	-0.2	-0.3	1.9	1.4	1.2	0.9
Leverage	-0.2	-0.4	2.4	2.6	2.1	1.4
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	20.9	25.0	15.8	12.3	14.4	18.0
Δ WCR	-6.1	-10.9	-33.9	11.4	-5.5	-4.9
Operating cash flow	14.8	14.1	-18.1	23.7	8.9	13.1
Net capex	-1.7	-2.3	-3.4	-2.6	-2.9	-3.2
FCF	13.2	11.8	-21.5	21.0	6.0	9.9
Free Cash Flow excl IFRS 16	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions/Disposals of subsidiaries	0.0	0.0	-4.7	-2.1	0.0	0.0
Other investments	-2.6	0.0	9.4	0.0	0.0	0.0
Change in borrowings	1.2	0.0	16.6	0.0	0.0	0.0
Dividends paid	-1.7	-2.4	-10.7	-1.2	-0.6	-1.0
Repayment of leasing debt	0.0	0.0	-4.0	-4.0	-4.0	-4.0
Equity Transaction	0.5	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	10.0	9.4	-14.9	13.7	1.3	4.9
ROA (%)	10.5%	12.2%	3.8%	1.8%	2.8%	4.6%
ROE (%)	50.1%	49.4%	20.5%	8.6%	11.9%	17.5%
ROCE (%)	59.2%	85.4%	10.4%	7.5%	9.6%	13.4%

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Methodology

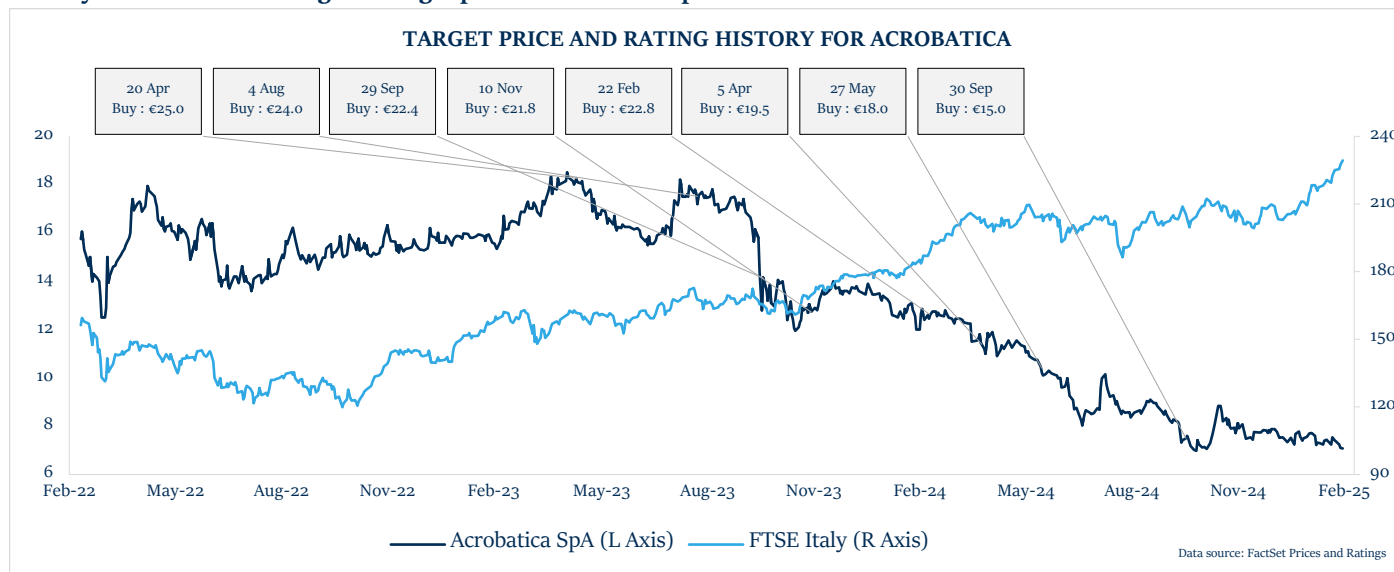
This Report may mention evaluation methods defined as follows:

1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Acrobatica SpA

History of investment rating and target price – Acrobatica SpA



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
26 Dec 24 - 23:11:32	Corentin Marty	€ 15.00	€ 15.00	€ 7.54	Buy	Buy
08 Nov 24 - 08:05:52	Corentin Marty	€ 15.00	€ 15.00	€ 8.00	Buy	Buy
30 Sep 24 - 08:09:56	Corentin Marty	€ 18.00	€ 15.00	€ 7.42	Buy	Buy
08 Aug 24 - 07:54:33	Corentin Marty	€ 18.00	€ 18.00	€ 8.68	Buy	Buy
19 Jul 24 - 09:32:46	Corentin Marty	€ 18.00	€ 18.00	€ 9.58	Buy	Buy
27 May 24 - 07:46:38	Corentin Marty	€ 19.50	€ 18.00	€ 10.75	Buy	Buy
14 May 24 - 08:19:45	Corentin Marty	€ 19.50	€ 19.50	€ 11.30	Buy	Buy
05 Apr 24 - 08:18:42	Corentin Marty	€ 22.80	€ 19.50	€ 11.80	Buy	Buy
22 Feb 24 - 08:08:19	Corentin Marty	€ 21.80	€ 22.80	€ 12.60	Buy	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	80%	62%
Hold	15%	72%
Sell	3%	20%
Under review	2%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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