

EQUITY RESEARCH

ACROBATICA SPA

RESULTS REVIEW

Press release

BUY

TP 10.0€ (vs 15.0€)

Up/Downside: 79%

FY24

Acrobatica has published its 2024 results. EBITDA came in at €10.9M (vs. €16.6M expected), representing an EBITDA margin of 7.1%, down 7 points YoY. Despite the EBITDA shortfall, the group delivered better-than-expected cash generation thanks to a positive working capital effect.

The group reported revenue of €154.5M, slightly above the €152.5M figure released in February, and down 3% compared to last year.

While we were expecting a decline in results, the drop in EBITDA turned out to be more pronounced than anticipated. EBITDA stood at €10.9M (vs. €16.6M expected), resulting in a 7.1% margin (vs. 15.1% in 2023). This performance was notably impacted by the Energy division, the French subsidiary, and the Spanish subsidiary, which together weighed -€1.6M. The gap versus our forecasts is primarily due to a higher-than-expected increase in personnel expenses (+40% to €86.2M). The group cited new initiatives, particularly in its training academy, as a contributing factor to the rise in costs. Net income for the year came in at -€2.8M.

Despite the lower-than-expected EBITDA, the group posted stronger cash generation, driven by a reduction in working capital. Although we had anticipated a decrease in WCR due to the clean-up of the balance sheet following tax bonus credits, the decline was more substantial than expected. Net debt (including IFRS 16) amounted to €42.5M, compared to €57M in the previous year.

Looking ahead, the group issued for the first time a guidance, targeting mid-single-digit revenue growth and an improvement in the EBITDA margin. This outlook appears conservative, considering the three growth levers identified: Acrobatica Spa (core Italian operations), ASL (energy JV), and Enigma (Dubai-based subsidiary). Following this release, we slightly lower our revenue growth expectation for 2025 (to 7% vs. 10.5% previously) while remaining above the company's guidance. However, we are revising our profitability assumptions more significantly due to the new cost structure and now forecast an EBITDA margin of 8.9% for 2025e (vs. 11.8% previously) and 10.2% for 2026e (vs. 13.8% previously).

Taking these adjustments and updated market assumptions into account, our target price is lowered to €10 (from €15). We maintain our Buy recommendation on the stock.

Key data

Price (€)	5.6
Industry	Engineering & Contracting Services
Ticker	EDAC-IT
Shares Out (m)	8.236
Market Cap (m €)	46.1

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	-0.35	0.13	0.36
Change vs previous estimates (%)	na	-73.88	-58.52

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-5.7	-10.3	-25.5
Rel FTSE Italy	-0.5	4.8	-23.2



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	154.5	165.2	176.1	EV/Sales	0.6	0.5	0.4
Current Op Inc (m €)	14.4	1.5	4.6	7.2	EV/EBITDA	7.9	5.6	4.3
Current op. Margin (%)	9.0	1.0	2.8	4.1	EV/EBIT	na	17.8	10.8
EPS (€)	0.73	-0.35	0.13	0.36	PE	na	42.9	15.7
DPS (€)	0.15	-0.08	0.03	0.08				
Yield (%)	2.7	na	0.6	1.5				
FCF (m €)	-21.5	23.8	8.3	8.4				

Source: TPICAP Midcap

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	154.5	165.2	176.1
Changes (%)	94.7	54.6	18.1	-2.7	6.9	6.6
Gross profit	79.8	121.1	142.3	139.3	149.5	159.4
% of Sales	91.7	90.0	89.6	90.2	90.5	90.5
EBITDA	21.3	30.7	24.0	10.9	14.6	17.9
% of Sales	24.5	22.9	15.1	7.1	8.9	10.2
Current operating profit	18.3	30.7	14.4	1.5	4.6	7.2
% of Sales	21.1	22.9	9.0	1.0	2.8	4.1
EBIT	18.3	30.7	14.4	1.5	4.6	7.2
Net financial result	-1.2	-5.6	-3.5	-3.4	-3.0	-2.9
Income Tax	-6.0	-7.8	-4.8	-1.0	-0.5	-1.3
Tax rate (%)	35.0	31.0	44.1	31.0	31.0	31.0
Net profit, group share	11.1	17.4	6.1	-2.9	1.1	0.0
EPS	1.36	2.11	0.73	na	0.13	0.36
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	2.9	-0.3	-3.7
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	28.2	28.2	30.2
Other Assets	0.7	0.4	0.0	0.0	0.0	0.0
Assets	21.5	27.2	92.2	71.7	68.4	67.0
Shareholders equity group	22.1	35.2	29.7	25.6	27.4	30.1
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	40.5	35.5	31.4
Other liabilities	0.4	0.2	0.0	0.0	0.0	0.0
Liabilities	21.5	27.2	92.2	71.7	68.4	67.0
Net debt excl. IFRS 16	-3.6	-12.0	36.3	19.7	14.7	10.6
Gearing net	-0.2	-0.3	1.9	1.6	1.3	1.0
Leverage	-0.2	-0.4	2.4	3.7	2.4	1.8
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	6.8	11.1	13.4
Δ WCR	-6.1	-10.9	-33.9	19.7	0.0	-2.0
Operating cash flow	14.8	14.1	-18.1	26.4	11.1	11.4
Net capex	-1.7	-2.3	-3.4	-2.6	-2.8	-3.0
FCF	13.2	11.8	-21.5	23.8	8.3	8.4
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	0.7	-0.3
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	16.5	5.0	4.1
ROA (%)	10.5%	12.2%	3.8%	na	0.8%	2.0%
ROE (%)	50.1%	49.4%	20.5%	na	3.9%	9.8%
ROCE (%)	59.2%	85.4%	10.4%	0.7%	6.0%	8.7%

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Analyst certifications

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Methodology

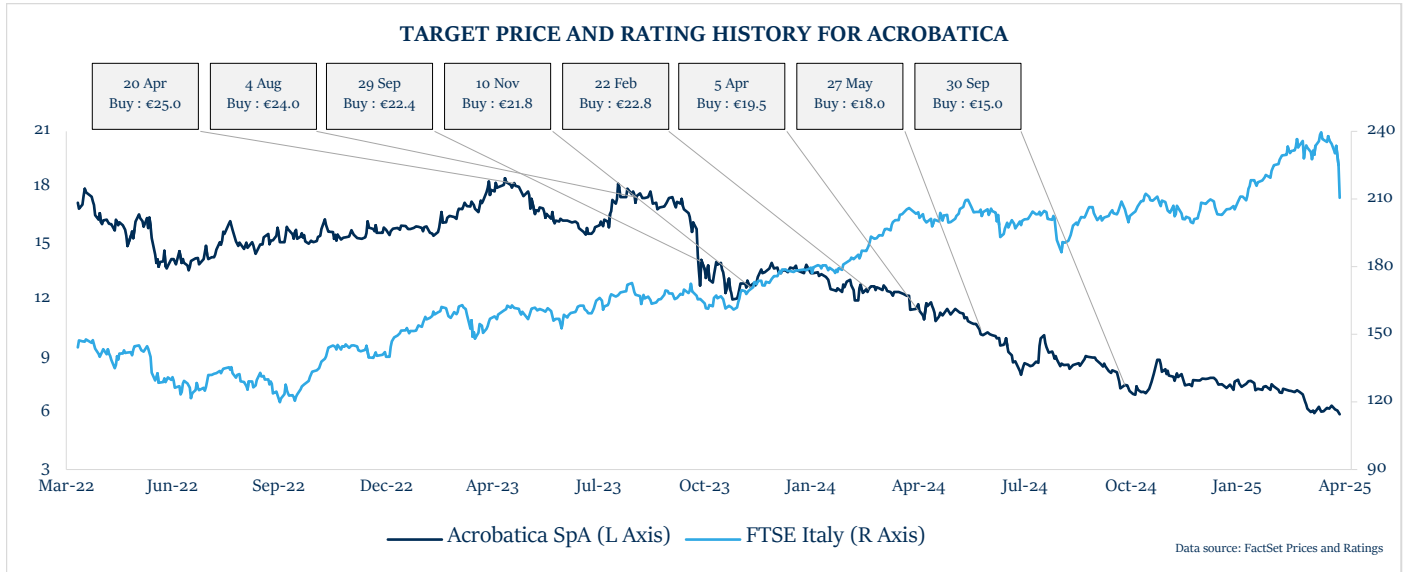
This Report may mention evaluation methods defined as follows:

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
17 Feb 25 - 09:06:02	Corentin Marty	€ 15.00	€ 15.00	€ 7.30	Achat	Buy
26 Dec 24 - 23:11:32	Corentin Marty	€ 15.00	€ 15.00	€ 7.54	Achat	Buy
08 Nov 24 - 08:05:52	Corentin Marty	€ 15.00	€ 15.00	€ 8.00	Achat	Buy
30 Sep 24 - 08:09:56	Corentin Marty	€ 18.00	€ 15.00	€ 7.42	Achat	Buy
08 Aug 24 - 07:54:33	Corentin Marty	€ 18.00	€ 18.00	€ 8.68	Achat	Buy
19 Jul 24 - 09:32:46	Corentin Marty	€ 18.00	€ 18.00	€ 9.58	Achat	Buy
27 May 24 - 07:46:38	Corentin Marty	€ 19.50	€ 18.00	€ 10.75	Achat	Buy
14 May 24 - 08:19:45	Corentin Marty	€ 19.50	€ 19.50	€ 11.30	Achat	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	78%	63%
Hold	17%	68%
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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