

# EdiliziAcrobatica

Sector: Real Estate services



Analyst

Marco Greco

+39 02 80886654

marco.greco@value-track.com

skype: marco.m.greco

## Business rebound continues

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.

### 1Q21 Revenues +61.5% YoY

EdiliziAcrobatica has released its 1Q21 Revenue figure (based on management account and not audited) that stood at €14.4mn, i.e. a sound +61.5% YoY growth rate, also boosted by the introduction of façade restoration works (so called “*Bonus Facciate 90%*”).

In the same period, the overall volume of services delivered on Italian construction sites was up ca. +63.9%, (despite the obvious complexity brought by Covid-19 outbreak), while the French subsidiary recorded revenues from sales and services of ca. €0.8mn in 1Q21, stable y/y.

### Business development goes on and on

Business wise, we underline that EdAc is continuing to grow not only in terms of sales but also in terms of distribution and operating network. Indeed, at the end of March EdAc counts 65 direct branches in Italy (vs. 59 as of 2020 year end) while the whole Group has reached a total staff of ca. 1,100 resources, foreseen to grow by some 400 additional employees by the end of the year.

### 2021E-22E estimates unchanged, for the time being

For the time being we confirm our 2021E-22E estimates, as we have strongly revised them upwards ca. one month ago, but we are aware that if the current positive momentum continues, there is room for future upward revisions of our forecasts. Our estimates do not take into account yet the recently announced entrance in the business related to 110% fiscal aids.

### Fair Value at €8.80 per share (up from €8.30)

EdAc is steadily and consistently rebounding after the stop-and-go related to Covid-19. This means, in our view, that we can progressively accept slightly lower discount of EdAc fair multiples compared to its peers.

So, we are confident in **revising upward our fair valuation at €8.80 per share**, (up from the previous €8.30 per share).

At €8.80 fair value, EdAc shares would trade at 1.3x-1.1x EV/Sales and 10.5x - 8.3x EV/EBITDA 2021E-22E.

**Fair Value (€)** **8.80**  
**Market Price (€)(\*)** **7.36**  
**Market Cap. (€m)(\*)** **60.0**

KEY FINANCIALS (€m)	2020A	2021E	2022E
VALUE OF PRODUCTION	46.2	62.9	75.5
EBITDA	5.0	7.6	9.9
EBIT	3.1	5.6	7.6
NET PROFIT	1.8	3.1	4.6
EQUITY	12.9	15.3	18.6
NET FIN. POS.	-7.7	-8.6	-10.5
EPS ADJ. (€)	0.2	0.4	0.6
DPS (€)	0.2	0.2	0.2

Source: EdiliziAcrobatica (historical figures),  
Value Track (2021E-22E estimates)

RATIOS & MULTIPLES	2020A	2021E	2022E
EBITDA MARGIN (%)	10.8%	12.2%	13.1%
EBIT MARGIN (%)	6.8%	9.0%	10.1%
NET DEBT / EBITDA (x)	1.5	1.1	1.1
EV/SALES (x)	1.3	1.1	0.9
EV/EBITDA (x)	11.6	9.0	7.1
EV/EBIT (x)	18.5	12.2	9.3
P/E ADJ. (x)	27.3	18.9	13.0
DIV YIELD (%)	2.7	2.2	2.2

Source: EdiliziAcrobatica (historical figures),  
Value Track (2021E-22E estimates)

### STOCK DATA

FAIR VALUE (€)	8.80
MARKET PRICE (€)	7.36
SHS. OUT. (m)	8.03
MARKET CAP. (€m)	60.0
FREE FLOAT (%)	23.6
AVG. -20D VOL. (#)	18,426
RIC / BBG	EDAC.MI / EDAC IM
52 WK RANGE	4.43-7.78

Source: Stock Market Data

(\*) Stock price and Market Capitalization as of May 6<sup>th</sup> market open



## 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	2019A	2020A	2021E	2022E
<b>Value of Production (*)</b>	<b>41.8</b>	<b>46.2</b>	<b>62.9</b>	<b>75.5</b>
Chg. % YoY	59.3%	10.6%	36.2%	20.1%
<b>EBITDA</b>	<b>4.2</b>	<b>5.0</b>	<b>7.6</b>	<b>9.9</b>
EBITDA Margin	10.1%	10.8%	12.2%	13.1%
<b>EBIT</b>	<b>2.3</b>	<b>3.1</b>	<b>5.6</b>	<b>7.6</b>
EBIT Margin	5.6%	6.8%	9.0%	10.1%
<b>Net Profit</b>	<b>1.1</b>	<b>1.8</b>	<b>3.1</b>	<b>4.6</b>
Chg. % YoY	-50.8%	60.7%	79.1%	46.2%
<b>Adjusted Net Profit</b>	<b>1.1</b>	<b>1.8</b>	<b>3.1</b>	<b>4.6</b>
Chg. % YoY	-52.7%	60.7%	79.1%	46.2%
<b>Net Fin. Position</b>	<b>-2.7</b>	<b>-7.7</b>	<b>-8.6</b>	<b>-10.5</b>
Net Fin. Pos. / EBITDA (x)	0.6	1.5	1.1	1.1
Capex	-2.8	-1.7	-3.0	-4.0
<b>OpFCF b.t.</b>	<b>-2.3</b>	<b>-2.4</b>	<b>2.3</b>	<b>2.5</b>
OpFCF b.t. as % of EBITDA	-53.7%	-48.8%	30.1%	25.0%

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

(\*) Net of rebate to clients of fiscal aid ("Bonus Facciate") cash in costs

## Investment case

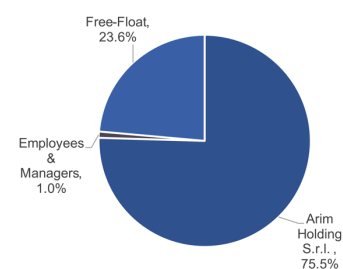
### Strengths / Opportunities

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

### Weaknesses / Risks

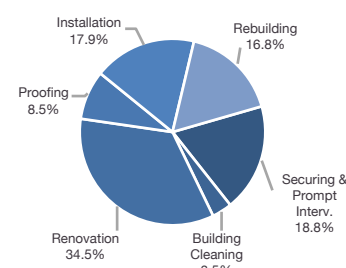
- ◆ Labor intensive business model, requiring highly-skilled workers;
- ◆ The company is braked in its (international) expansion by different regulatory landscapes;
- ◆ Credit collection takes long time, but bad debt risks are minimal.

## Shareholders Structure



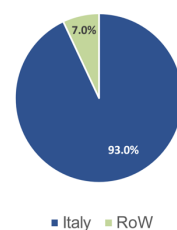
Source: EdAc SpA

## Revenues breakdown by product line



Source: EdAc SpA (\*) 1H20

## Revenues breakdown by geography



Source: EdAc SpA

## Stock multiples @ €8.80 Fair Value

	2021E	2022E
EV / SALES (x)	1.3	1.1
EV / EBITDA (x)	10.5	8.3
EV / EBIT (x)	14.2	10.8
EV / CAP.EMP. (x)	3.4	2.8
OpFCF Yield (%)	2.6	2.7
P / E (x)	22.6	15.6
P / BV (x)	4.7	3.9
Div. Yield. (%)	1.8	1.8

Source: Value Track

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