

IDI

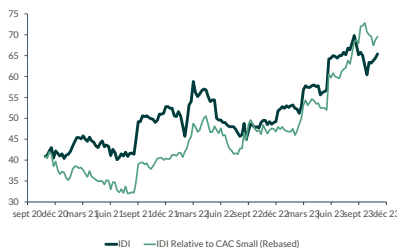
Outperform → | Target price : 78.0 €

Price (01/12/2023) : 65.40 € | Upside : 19%

Revision 12/23e 12/24e
EPS

Disposal of stake in Ateliers de France

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Sources : ODDO BHF Securities, SIX

Share data

IDIP.FP IDVP.PA		
Market Cap (€m)		474
Enterprise value (€m)		ns
Extrema 12 months (€)	48.50	69.80
Free Float (%)		25.0

Performance (%)	1m	3m	12m
Absolute	5.5	-1.5	34.6
Perf. rel. Country Index	-1.2	-3.2	28.1
Perf. rel. CAC Small	-2.0	10.4	49.9

P&L	12/23e	12/24e	12/25e
Sales (€m)	44.5	46.4	48.4
EBITDA (€m)	11.7	12.2	13.0
Current EBIT (€m)	74.6	78.2	82.4
Attr. net profit (€m)	70.4	74.1	78.1
Adjusted EPS (€)	9.72	10.23	10.79
Dividend (€)	2.80	3.14	3.51
P/E (x)	6.7	6.4	6.1
P/B (x)	0.7	0.6	0.6
Dividend Yield (%)	4.3	4.8	5.4
FCF yield (%)	14.0	34.2	17.6
EV/Sales (x)	ns	ns	ns
EV/EBITDA (x)	ns	ns	ns
EV/Current EBIT (x)	ns	ns	ns
Gearing (%)	6	-13	-19
Net Debt/EBITDA (x)	3.5	-8.3	-12.3

Next Events

14/03/2024	FY Results
12/09/2024	H1 Results
14/11/2024	Q3 Results

Exit from the Ateliers de France group ownership structure after more than 6 years with a disposal multiple of 2.1x

One week after the publication of its Q3 NAV, through which the group confirmed its brisk portfolio rotation momentum, IDI announced this morning its 15th transaction and 4th disposal since the beginning of the year.

Specifically, IDI, Raise Invest (a private equity company investing in French SMEs with € 600m under management), Tikehau Capital (an alternative asset management company active in various asset classes with € 42bn under management) and Bpifrance's Cultural and Creative Industries division are jointly selling their majority stake in Ateliers de France to the group's founders, managers and employees.

After holding a stake in the company for more than 6 years, IDI has achieved a disposal multiple of 2.1x (compared with an average of 2.6x for disposals over the last 10 years).

Ateliers de France: a company generating brisk growth

Founded in 2000, Ateliers de France is a French specialist in heritage restoration and top-of-the-range decorative craftsmanship, with numerous restoration and decoration projects completed throughout the world, including: Eiffel Tower, National Gallery, White House, Notre-Dame de Paris, Hôtel de la Marine, Peninsula Hotel.

IDI acquired a stake in Ateliers de France, accompanied by Raise Invest, Tikehau Capital and Bpifrance, in September 2017 as part of a secondary LBO with an invested amount of € 31m for a 21.8% stake. The group has grown strongly over the years, with sales expected to accelerate to € 550m by 2023 (50% of which will be generated outside France, compared with 10% in 2010), compared with € 200m in 2018, i.e. a CAGR for 2018-2023 of nearly 22%, underpinned by : i/ an active external growth policy, with 22 acquisitions, and ii/ strong organic growth linked to diversification and international expansion, which today translates into more than 50 artisanal trade companies focusing on 8 areas of expertise (decors, stone & marble, metal, wood, covered ceilings, fixtures and fittings, technical packages and general contracting).

Outperform rating and target price of € 78 maintained

Unsurprisingly, this deal is perfectly in line with IDI's strategy in terms of the duration of ownership of its stakes (flexible duration of the holding stakes between 4 and 7 years) and confirms the good portfolio rotation anticipated for 2023 (15 transactions completed to date).

At the same time, with a satisfactory multiple, this disposal has further strengthened the Group's financial resources, which should enable it to seize new opportunities in 2024, given that IDI's investment capacity stood at € 325m at the end of September 2023.

We do not have enough information to quantify the likely impact of this deal, at this stage. That said, the continuation of portfolio rotation remains a positive element for IDI. Outperform recommendation maintained for target price of € 78.

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IDVP.PA | IDIP FP

Holding companies | France

Outperform

Upside 19.27%

Price 65.40 €

TP 78.0 €

PER SHARE DATA (€)	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
Adjusted EPS	9.41	4.50	4.51	17.83	11.29	9.72	10.23	10.79
Reported EPS	9.48	4.56	4.51	17.83	11.29	9.72	10.23	10.79
Growth in adjusted EPS	-52.8%	-52.2%	0.2%	ns	-36.7%	-14.0%	5.3%	5.4%
Net dividend per share	1.90	1.50	2.00	2.00	2.50	2.80	3.14	3.51
FCF to equity per share	17.63	12.11	9.08	23.89	14.24	9.19	22.34	11.53
Book value per share	66.79	69.80	72.25	86.52	94.53	100.11	107.55	115.06
Number of shares market cap (m)	7.22	7.22	7.22	7.24	7.24	7.24	7.24	7.24
Number of diluted shares (m)	7.27	7.31	7.22	7.23	7.24	7.24	7.24	7.24
VALUATION (€m)	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
12m highest price (€)	54.00	48.90	46.30	53.00	58.80	69.80		
12m lowest price (€)	37.60	39.30	30.80	40.00	44.70	49.70		
(*) Reference price (€)	44.91	43.55	39.77	44.85	50.37	65.40	65.40	65.40
Capitalization	324	315	287	325	365	474	474	474
Restated Net debt	140	94.3	108	75.1	89.1	40.6	-100.9	-160.7
Minorities (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial fixed assets (fair value)	603	625	652	720	726	722	719	716
Provisions	4.6	4.7	4.2	4.2	3.8	3.8	3.8	3.8
Enterprise Value	ns	ns	ns	ns	ns	ns	ns	ns
P/E (x)	4.8	9.7	8.8	2.5	4.5	6.7	6.4	6.1
P/CF (x)	2.5	3.8	4.2	1.9	3.3	6.4	6.1	5.8
Net Yield	4.2%	3.4%	5.0%	4.5%	5.0%	4.3%	4.8%	5.4%
FCF yield	39.3%	27.8%	22.8%	53.3%	28.3%	14.0%	34.2%	17.6%
P/B incl. GW (x)	0.67	0.62	0.55	0.52	0.53	0.65	0.61	0.57
P/B excl. GW (x)	0.67	0.62	0.55	0.52	0.53	0.65	0.61	0.57
EV/Sales (x)	ns	ns	ns	ns	ns	ns	ns	ns
EV/EBITDA (x)	ns	ns	ns	ns	ns	ns	ns	ns
EV/Current EBIT (x)	ns	ns	ns	ns	ns	ns	ns	ns
(*) historical average price								
PROFIT AND LOSS (€m)	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
Sales	5.0	1.7	3.6	4.9	34.3	44.5	46.4	48.4
EBITDA	-8.5	-12.1	-7.3	-12.1	17.8	11.7	12.2	13.0
Depreciations	70	47.5	39.6	141	60	63	66	69
Current EBIT	61	35.4	32.3	129	78	75	78	82
Published EBIT	61	36.3	32.6	129	78	75	79	83
Net financial income	-2.1	-2.2	-1.9	-0.5	-1.6	-1.0	-0.7	-0.7
Corporate Tax	8.7	-1.4	1.7	-2.2	4.0	-3.7	-3.9	-4.1
Net income of equity-accounted companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss of discontinued activities (after tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attributable net profit	68	32.7	32.4	126	80	70	74	78
Adjusted attributable net profit	68	32.7	32.4	126	80	70	74	78
BALANCE SHEET (€m)	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tangible fixed assets	0.6	3.0	2.6	2.1	15.1	14.9	14.7	14.5
WCR	21.6	-27.6	-24.4	-30.7	24.7	32.2	-51.7	-54.0
Financial assets	603	625	652	720	726	722	719	716
Ordinary shareholders equity	480	501	518	612	673	725	779	833
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders equity	480	501	518	612	673	725	779	833
Non-current provisions	4.6	4.7	4.2	4.2	3.8	3.8	3.8	3.8
Net debt	140	94.3	108	75.1	89.1	40.6	-100.9	-160.7
CASH FLOW STATEMENT (€m)	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
EBITDA	-8.5	-12.1	-7.3	-12.1	17.8	11.7	12.2	13.0
Change in WCR	-0.7	3.8	-2.9	4.4	-6.8	-7.4	83.9	2.3
Interests & taxes	-2.3	-2.3	-1.5	-1.1	-1.8	-1.0	-0.7	-1.6
Others	138.1	97.6	76.9	177.9	92.1	63.3	66.4	69.7
Operating Cash flow	126.7	87.0	65.2	169.1	101.3	66.6	161.8	83.5
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free cash-flow	126.7	87.0	65.2	169.1	101.3	66.6	161.8	83.5
Acquisitions / disposals	-46.5	-19.7	11.1	74.9	81.4	0.0	0.0	0.0
Dividends	-45.7	-13.6	-12.5	-23.4	-20.0	-18.1	-20.3	-23.7
Net capital increase	-0.2	0.0	0.6	-8.8	-0.1	0.0	0.0	0.0
Others	193.2	-47.8	-2.7	-28.3	-5.1	0.0	0.0	0.0
Change in net cash	-42.9	92.6	22.8	69.2	19.4	48.4	141.5	59.8
GROWTH MARGINS PRODUCTIVITY	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
Sales growth	-30.7%	-65.4%	ns	34.6%	ns	29.4%	4.3%	4.5%
Lfi sales growth	-30.7%	-65.4%	ns	34.6%	ns	29.4%	4.3%	4.5%
Current EBIT growth	-57.8%	-42.2%	-8.6%	ns	-39.6%	-4.0%	4.8%	5.4%
Growth in adjusted EPS	-52.8%	-52.2%	0.2%	ns	-36.7%	-14.0%	5.3%	5.4%
Net margin	ns	ns	ns	ns	ns	ns	ns	ns
EBITDA margin	ns	ns	ns	ns	51.9%	26.3%	26.2%	26.9%
Current EBIT margin	ns	ns	ns	ns	ns	ns	ns	ns
CAPEX / Sales	0.0%	-1.1%	-0.7%	-0.3%	0.0%	0.0%	0.0%	0.0%
WCR / Sales	ns	ns	ns	ns	72.0%	72.4%	ns	ns
Tax Rate	-14.6%	4.0%	-5.4%	1.7%	-5.2%	5.0%	5.0%	5.0%
Normative tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset Turnover	0.5	-1.4	-0.2	-0.2	6.1	1.0	9.2	-1.3
ROCE post-tax (normative tax rate)	ns	ns	ns	ns	ns	ns	ns	ns
ROCE post-tax hors GW (normative tax rate)	ns	ns	ns	ns	ns	ns	ns	ns
ROE	14.5%	6.7%	6.3%	22.3%	12.5%	10.1%	9.9%	9.7%
DEBT RATIOS	12/18	12/19	12/20	12/21	12/22	12/23e	12/24e	12/25e
Gearing	29%	19%	21%	12%	12%	6%	-13%	-19%
Net Debt / Market Cap	0.43	0.30	0.38	0.23	0.24	0.09	-0.21	-0.34
Net debt / EBITDA	-16.55	-7.78	-14.71	-6.18	5.00	3.47	-8.30	-12.33
EBITDA / net financial charges	-3.8	-5.4	-4.9	-11.0	10.1	12.0	18.6	19.9

Sources: ODDO BHF Securities, SIX



• **Valuation method**

Our target prices are established on a 12-month timeframe and we use three valuation methods to determine them. First, the discounting of available cash flows using the discounting parameters set by the Group and indicated on ODDO BHF' website. Second, the sum-of-the-parts method based on the most pertinent financial aggregate depending on the sector of activity. Third, we also use the peer comparison method which facilitates an evaluation of the company relative to similar businesses, either because they operate in identical sectors (and are therefore in competition with one another) or because they benefit from comparable financial dynamics. A mixture of these valuation methods may be used in specific instances to more accurately reflect the specific characteristics of each company covered, thereby fine-tuning its evaluation.

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Neutral: performance expected to be comparable to that of the benchmark index, sectoral (large caps) or other (small and mid caps).

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Date	Reco	Price Target (EUR)	Price (EUR)	Analyst
25/09/23	Outperform	78.00	67.40	Amira Manai
20/06/23	Outperform	75.00	65.60	Amira Manai
25/05/23	Outperform	70.00	56.00	Amira Manai

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		Outperform	Neutral	Underperform
Our whole coverage	(677)	53%	37%	11%
Liquidity providers coverage	(80)	50%	36%	14%
Research service coverage	(50)	64%	22%	14%
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