



IDI

Holding Companies / France

IDI's tech-SPAC enters negotiations with French B2C parcel delivery frontrunner Colis Privé

Latest - 25/11/2021

DEE Tech, a SPAC that counts with IDI as sponsor and investor, has entered into exclusive talks with Colis Privé, one of the leaders in business-to-consumer parcel delivery for e-merchants in France. This potential deal confirms the attractiveness of DEE Tech as the first tech SPAC in France and is a welcome addition to IDI's growing roster of digitally-native businesses that are supported by strong underlying trends.

Fact

- DEE Tech has entered into exclusive talks with Colis Privé for a merger between both companies, with the combined entity to be listed on the Euronext Paris.
- Colis Privé is the leading private sector parcel delivery operator in France, with an average of 270k packages delivered per day as of the end of June 2021.
- DEE Tech is the first tech-focused SPAC to be listed on the Euronext Paris, at the end of June. Founded by five investors and entrepreneurs, including IDI, the objective was to invest in a high-potential tech company in the fields of digital and e-commerce solutions.

Analysis

Just five months after IDI announced its investment in DEE Tech, the listed acquisition company is on its path to merge with one of the leading firms in the French e-commerce solutions space. Colis Privé is a recognised player in this fast-growing market, counting Amazon as one of its key customers in addition to more than 200 e-merchants.

Colis Privé reported revenues of €234m in FY20, up +46% yoy, and realised EBITDA of €22m, up +95% yoy. The company has made significant profitability gains over the past three years, with its recurring EBITDA margin increasing from 1.2% to 10.1% LTM at the close of June 2021. In terms of cash generation, the group boasts of strong cash conversion of c.90% of EBITDA as of 2020.

Regarding the financial terms of the deal, the proposed transaction is based on an equity value of Colis Privé of €550m. The existing shareholders of the target company would transfer 100% of the outstanding shares to DEE Tech in exchange for €330m in new shares in the SPAC and €220m in cash. As a reminder, back in June, DEE Tech raised €165m in a private placement from investors, including "up to" €15m contributed by IDI. To fund the transaction, the remainder will be financed through an estimated €50-80m PIPE investment (private investment in public equity), with the final amount being subject to increased redemption requests.

The SPAC reverse merger would support Colis Privé in expanding its business in and outside of France, leveraging the expertise and network of the DEE Tech team in the European tech space, which includes serial tech entrepreneur and



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This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

Buy	Upside: 60.0%
Target Price (6 months)	€ 79.8
Share Price	€ 49.9
Market Cap. €M	361
Price Momentum	STRONG
Extremes 12Months	37.6 ▶ 51.0
Sustainability score	3.0 / 10
Credit Risk	C →
Bloomberg	IDIP FP Equity
Reuters	IDVP.PA



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PERF	1w	1m	3m	12m
IDI	-0.99%	-2.16%	24.7%	31.1%
Other financials	-3.76%	-5.86%	-7.80%	18.5%
STOXX 600	-2.09%	1.58%	1.67%	22.2%

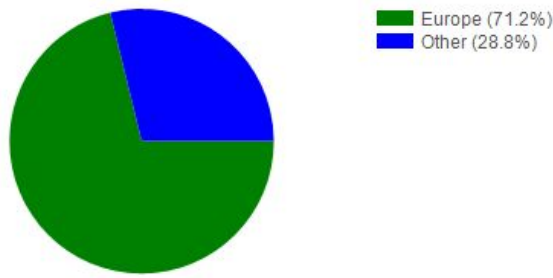
Last updated: 15/10/2021	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	13.2	22.3	20.5	19.4
Dividend yield (%)	5.03	4.21	4.21	4.21
EV/EBITDA(R) (x)	14.1	11.5	10.9	10.6
Adjusted EPS (€)	3.00	2.24	2.44	2.57
Growth in EPS (%)	12.7	-25.5	8.82	5.40
Dividend (€)	2.00	2.10	2.10	2.10
Sales (€th)	3,880	4,851	4,900	5,145
Dividend contributions marg...	90.9	88.6	88.6	88.6
Attributable net profit (€th)	21,722	16,208	17,637	18,590
ROE (after tax) (%)	4.26	3.02	3.21	3.40
Gearing (%)	-3.83	-2.52	-2.23	1.23

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founder Marc Menasé, as well as top executives from e-retailer Veepee and IDI's managing partner Julien Bentz.

For IDI, this is an attractive entry into the portfolio, as it is an asset that benefits from the strong underlying trends behind e-commerce, supporting NAV growth ambitions.

Sales by Geography



Consolidated P&L Accounts

	12/20A	12/21E	12/22E
Sales	€th 3,880	4,851	4,900
Change in sales	% 45.3	25.0	1.00
Change in staff costs	% -62.6	5.00	2.00
EBITDA	€th -17,714	-18,600	-18,786
EBITDA(R) margin	% -457	-383	-383
Depreciation	€th -441	-463	-468
Underlying operating profit	€th -17,640	-19,063	-19,253
Operating profit (EBIT)	€th 21,932	24,466	26,452
Net financial expense	€th -1,881	-1,956	-1,956
of which related to pensions	€th	0.00	0.00
Exceptional items & other	€th		
Corporate tax	€th 1,671	-6,303	-6,859
Equity associates	€th		
Minority interests	€th		
Adjusted attributable net profit	€th 21,722	16,208	17,637
NOPAT	€th 15,352	17,127	18,517

Cashflow Statement

	12/20A	12/21E	12/22E
EBITDA	€th -17,714	-18,600	-18,786
Change in WCR	€th -2,867	18,295	1,445
Actual div. received from equity holdi...	€th 0.00	0.00	0.00
Paid taxes	€th -1,671	-6,303	-6,859
Exceptional items	€th 0.00		
Other operating cash flows	€th -1,499		
Total operating cash flows	€th -23,751	-6,608	-24,200
Capital expenditure	€th -24.0	-24.0	-24.0
Total investment flows	€th 14,456	33,485	28,520
Net interest expense	€th -1,881	-1,956	-1,956
Dividends (parent company)	€th -12,453	-14,485	-15,210
Dividends to minorities interests	€th 0.00	0.00	0.00
New shareholders' equity	€th 0.00		
Total financial flows	€th 493	-17,044	-17,774
Change in cash position	€th -8,802	9,833	-13,454
Free cash flow (pre div.)	€th -25,656	-8,588	-26,180

Per Share Data

	12/20A	12/21E	12/22E
No. of shares net of treas. stock (year...)	Th 7,243	7,243	7,243
Number of diluted shares (average)	Th 7,232	7,243	7,243
Benchmark EPS	€ 3.00	2.24	2.44
Restated NAV per share	€		
Net dividend per share	€ 2.00	2.10	2.10

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 88.4	55%	● Ackermans & van H...
Dividend Yield	€ 99.8	20%	● Bolloré
DCF	€ 34.8	10%	● Corporacion Financ...
P/E	€ 40.9	10%	● GBL
P/Book	€ 72.9	5%	● Kinnevik Investment
TARGET PRICE	€ 79.8	100%	● Wendel

NAV/SOTP Calculation

Balance Sheet

	12/20A	12/21E	12/22E
Goodwill	€th		
Total intangible	€th 0.00	0.00	0.00
Tangible fixed assets	€th 662	695	702
Financial fixed assets	€th 531,341	557,908	563,487
WCR	€th -11,133	-29,428	-30,873
Other assets	€th 4,622	22,350	22,350
Total assets (net of short term liab.)	€th 527,415	553,429	557,570
Ordinary shareholders' equity	€th 518,395	554,445	545,092
Quasi Equity & Preferred	€th		
Minority interests	€th 8.00	8.00	8.00
Provisions for pensions	€th 399	0.00	0.00
Other provisions for risks and liabilities	€th 3,834	4,026	4,066
Total provisions for risks and liabilities	€th 4,233	4,026	4,066
Tax liabilities	€th 2,506	2,506	2,506
Other liabilities	€th 11,318	11,318	11,318
Net debt (cash)	€th -9,040	-18,873	-5,419
Total liab. and shareholders' equity	€th 527,420	553,429	557,570

Capital Employed

	12/20A	12/21E	12/22E
Capital employed after depreciation	€th 520,870	529,175	533,317

Profits & Risks Ratios

	12/20A	12/21E	12/22E
ROE (after tax)	% 4.26	3.02	3.21
ROCE	% 2.95	3.24	3.47
Gearing (at book value)	% -3.83	-2.52	-2.23
Adj. Net debt/EBITDA(R)	x 0.51	1.01	0.29
Interest cover (x)	x -9.38	-9.75	-9.84

Valuation Ratios

	12/20A	12/21E	12/22E
Reference P/E (benchmark)	x 13.2	22.3	20.5
Free cash flow yield	% -8.91	-2.38	-7.24
P/Book	x 0.56	0.65	0.66
Dividend yield	% 5.03	4.21	4.21

EV Calculation

	12/20A	12/21E	12/22E
Market cap	€th 288,050	361,410	361,410
+ Provisions	€th 4,233	4,026	4,066
+ Unrecognised actuarial losses/(gains)	€th 0.00	0.00	0.00
+ Net debt at year end	€th -10,963	-20,777	-7,323
+ Leases debt equivalent	€th 0.00	0.00	0.00
- Financial fixed assets (fair value)	€th 531,341	557,908	563,487
+ Minority interests (fair value)	€th 8.00	8.00	8.00
= EV	€th -250,013	213,242	205,326
EV/EBITDA(R)	x 14.1	11.5	10.9
EV/Sales	x -64.4	-44.0	-41.9

Analyst : Jorge Velandia, Changes to Forecasts : 15/10/2021.