



IDI

Holding Companies / France

Kicks off 2022 with investment in digital art museums

Significant news - 17/01/2022

Jointly with the group Chevrillon, IDI is buying into digital art museums and exhibitions by acquiring Culturespaces from Engie. A key player in a digitally-led market that is revolutionising art exhibitions and allowing larger audiences to experience artwork by famous painters.

Fact

- The consortium (IDI and group Chevrillon) will be acquiring Engie's 86.1% stake in the company, and joint founder and CEO of Culturespaces, Bruno Monnier.
- Founded in 1990, Culturespaces has become a key player in the digital art museum and exhibitions market.
- IDI has not disclosed the financial terms of the transaction. The deal is expected to close in Spring 2022.

Analysis

IDI is kicking off the year with a first acquisition in the digital art space, joined by PE fund Chevrillon. Culturespaces, a Paris-based firm that counts 30+ years of experience in the management of monuments, museums and art centres, and which has more recently pivoted towards the design and creation of 'immersive' digital art exhibitions, such as the *Atelier des Lumières* opened in Paris in 2018. This most recent acquisition fully ascribes to IDI's investment focus on digitally-led businesses.

With the consortium acquiring the 86.1% stake held by Engie, which is executing its strategic refocusing plan, IDI gains exposure to an innovative business with high growth potential. For example, the Ateliers des Lumières, which hosts digital exhibits of famous painters such as Van Gogh, Klimt and Picasso, welcomed 1.4m visitors in 2019; the most recent figures are approaching their pre-pandemic levels. The company reported revenues of €72.3m in 2019.

With three new art centres to be opened in New York, Amsterdam and Seoul, Culturespaces is expanding internationally, which is expected to accelerate with the entry of IDI as a shareholder. Not constrained by the same logistics of a traditional art exhibition, such as the transport and surveillance of valuable art pieces, the business model is in principle highly profitable, which is further supported by ticket prices (€16 per person) being similar to those of top-tier museums such as the Musée du Louvre and Musée d'Orsay.



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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: 59.7%
Target Price (6 months)	€ 78.1
Share Price	€ 48.9
Market Cap. €M	354
Price Momentum	UNFAVORABLE
Extremes 12Months	38.4 ▶ 56.4
Sustainability score	2.9 /10
Credit Risk	C →
Bloomberg	IDIP FP Equity
Reuters	IDVP.PA

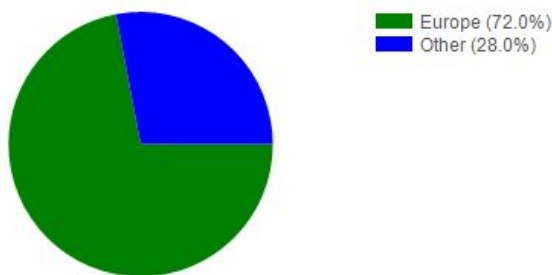

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PERF	1w	1m	3m	12m
IDI	6.30%	1.88%	-4.49%	26.2%
Other Financials	0.00%	-7.48%	6.82%	-20.3%
STOXX 600	0.17%	-6.38%	0.41%	-10.6%

Last updated: 06/09/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	2.98	24.3	22.2	19.0
Dividend yield (%)	7.58	5.73	6.13	7.16
EV/EBITDA(R) (x)	11.6	8.77	6.19	3.64
Adjusted EPS (€)	15.0	2.01	2.20	2.57
Growth in EPS (%)	401	-86.6	9.21	17.1
Dividend (€)	3.40	2.80	3.00	3.50
Sales (€th)	5,098	5,225	5,487	5,761
Dividend contributions marg...	70.6	70.6	70.6	70.6
Attributable net profit (€th)	108,980	14,586	15,929	18,649
ROE (after tax) (%)	19.3	2.47	2.91	3.73
Gearing (%)	-5.34	-5.64	5.33	21.4

[Company Valuation](#) - [Company Financials](#)

Sales by Geography



Consolidated P&L Accounts

		12/21A	12/22E	12/23E
Sales	€th	5,098	5,225	5,487
Change in sales	%	31.4	2.50	5.00
Change in staff costs	%	74.2	6.50	5.00
EBITDA	€th	-29,218	-29,802	-30,696
EBITDA(R) margin	%	-573	-570	-559
Depreciation	€th	-443	-454	-477
Underlying operating profit	€th	-29,649	-30,244	-31,160
Operating profit (EBIT)	€th	111,650	15,263	16,623
Net financial expense	€th	-480	-502	-502
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th			
Corporate tax	€th	-2,190	-175	-191
Equity associates	€th			
Minority interests	€th			
Adjusted attributable net profit	€th	108,980	14,586	15,929
NOPAT	€th	78,155	10,684	11,636

Cashflow Statement

EBITDA	€th	-29,218	-29,802	-30,696
Change in WCR	€th	4,440	10,854	919
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	-2,190	-175	-191
Exceptional items	€th	0.00		
Other operating cash flows	€th	-1,101		
Total operating cash flows	€th	-28,069	-19,124	-29,969
Capital expenditure	€th	-16.0	-16.0	-16.0
Total investment flows	€th	77,870	28,054	18,207
Net interest expense	€th	-480	-502	-502
Dividends (parent company)	€th	-23,429	-20,280	-20,280
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	0.00		
Total financial flows	€th	-75,540	-57,672	-59,517
Change in cash position	€th	-25,739	-48,742	-71,279
Free cash flow (pre div.)	€th	-28,565	-19,642	-30,487

Per Share Data

No. of shares net of treas. stock (year...	Th	7,243	7,243	7,243
Number of diluted shares (average)	Th	7,243	7,243	7,243
Benchmark EPS	€	15.0	2.01	2.20
Restated NAV per share	€			
Net dividend per share	€	3.40	2.80	3.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 88.4	55%	● GBL
Dividend Yield	€ 97.8	20%	● Corporacion Financ...
DCF	€ 38.0	10%	● Kinnevik Investment
P/E	€ 35.4	10%	● Ackermans & van H...
P/Book	€ 51.3	5%	● Bolloré
TARGET PRICE	€ 78.1	100%	● Wendel

NAV/SOTP Calculation

Balance Sheet

		12/21A	12/22E	12/23E
Goodwill	€th			
Total intangible	€th	0.00	0.00	0.00
Tangible fixed assets	€th	652	668	702
Financial fixed assets	€th	584,534	599,147	629,105
WCR	€th	-16,713	-27,567	-28,486
Other assets	€th	4,979	4,979	4,979
Total assets (net of short term liab.)	€th	574,944	578,720	607,792
Ordinary shareholders' equity	€th	612,432	567,828	525,427
Quasi Equity & Preferred	€th			
Minority interests	€th	8.00	8.00	8.00
Provisions for pensions	€th	393	0.00	0.00
Other provisions for risks and liabilities	€th	3,835	3,873	4,067
Total provisions for risks and liabilities	€th	4,228	3,873	4,067
Tax liabilities	€th	3,376	3,376	3,376
Other liabilities	€th	11,280	11,280	11,280
Net debt (cash)	€th	-56,387	-7,645	63,634
Total liab. and shareholders' equity	€th	574,937	578,720	607,792

Capital Employed

Capital employed after depreciation	€th	568,473	572,249	601,321
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Profits & Risks Ratios

ROE (after tax)	%	19.3	2.47	2.91
ROCE	%	13.7	1.87	1.94
Gearing (at book value)	%	-5.34	-5.64	5.33
Adj. Net debt/EBITDA(R)	x	1.93	0.26	-2.07
Interest cover (x)	x	-61.8	-60.2	-62.1

Valuation Ratios

Reference P/E (benchmark)	x	2.98	24.3	22.2
Free cash flow yield	%	-8.80	-5.55	-8.61
P/Book	x	0.53	0.62	0.67
Dividend yield	%	7.58	5.73	6.13

EV Calculation

Market cap	€th	324,730	354,167	354,167
+ Provisions	€th	4,228	3,873	4,067
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	-57,879	-9,137	62,142
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th	610,381	610,381	610,381
+ Minority interests (fair value)	€th	8.00	0.00	8.00
= EV	€th	-339,294	261,478	189,998
EV/EBITDA(R)	x	11.6	8.77	6.19
EV/Sales	x	-66.6	-50.0	-34.6