



IDI

Holding Companies / France

IDI concludes busy investment year with Ekosport acquisition

Latest - 20/12/2021

Ekosport, a sports equipment and apparel multi-channel distributor, becomes the newest addition to IDI's high-growth and digitally-led portfolio assets through a primary LBO that sees IDI acquiring a reference minority stake in the company. This latest deal closes a very busy year for IDI, with 15 transactions realised over 2021.

Fact

- IDI has announced the investment in Ekosport along with the Frasteya holding company and Ekosport's management team.
- IDI will be obtaining a reference minority stake of around 30% in Ekosport, supporting the company in its organic and acquired growth ambitions in the sports apparel market.
- Ekosport, based in the Auvergne-Rhône-Alpes region, counts nine stores and two e-commerce platforms through which it distributes over 25,000 product references in the outdoor sports segment.
- The companies did not disclose the financial terms of the deal.

Analysis

IDI is making its first entry in the sports equipment and apparel sector with Ekosport. We see this novel exposure as a positive development for the HoldCo, as this market fully adheres to the high-growth + a strong digital component investment focus. Ekosport is particularly well positioned in the outdoor sports equipment and apparel segment, with a large product offering serving both summer and winter sports' customer needs.

Ekosport's multi-channel strategy should provide plenty of organic growth opportunities, with its retail presence in the Auvergne-Rhône-Alpes region leveraging the wide offer of hiking trails, natural parks and ski stations, while its two e-commerce platforms, ekosport.fr and achat-ski.com, allow the company to serve the greater French and European markets.

The sports equipment and apparel market is particularly attractive as the increase in health awareness, the rising popularity of fitness and the growth in disposable income in developing countries is set to boost consumer demand in the coming years. The online retail component is also a major growth driver for the industry, with Ekosport already showing promising progress in this regard, with almost a third of its €80m revenues coming from international markets through its e-commerce websites, making it a leading player in the distribution of outdoor sports equipment and apparel in Europe.

With the support of IDI, Ekosport will embark on an external growth path, consolidating the market through the acquisition of new retail locations and online platforms, while continuing to show strong embedded growth in line with the underlying trends that support the sports equipment and apparel market.



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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: 55.5%**

Target Price (6 months) € 79.3

Share Price € 51.0

Market Cap. €M 369

Price Momentum **STRONG**

Extremes 12Months 37.6 ▶ 51.6

Sustainability score 2.9 / 10

Credit Risk C →

Bloomberg IDIP FP Equity

Reuters IDVP.PA

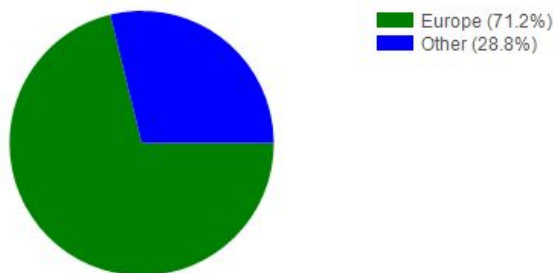

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PERF	1w	1m	3m	12m
IDI	0.00%	1.19%	26.3%	28.0%
Other financials	-1.56%	-5.70%	-7.98%	9.14%
STOXX 600	-0.35%	-3.28%	2.61%	19.3%

Last updated: 15/10/2021	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	13.2	22.8	20.9	19.9
Dividend yield (%)	5.03	4.12	4.12	4.12
EV/EBITDA(R) (x)	14.1	11.0	10.5	10.2
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

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

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	€ 97.8	20%	● Bolloré
DCF	€ 35.1	10%	● Corporacion Financ...
P/E	€ 41.6	10%	● GBL
P/Book	€ 68.8	5%	● Kinnevik Investment
TARGET PRICE	€ 79.3	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	22.8	20.9
Free cash flow yield	%	-8.91	-2.32	-7.09
P/Book	x	0.56	0.67	0.68
Dividend yield	%	5.03	4.12	4.12

EV Calculation

		12/20A	12/21E	12/22E
Market cap	€th	288,050	369,377	369,377
+ 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	205,275	197,360
EV/EBITDA(R)	x	14.1	11.0	10.5
EV/Sales	x	-64.4	-42.3	-40.3

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