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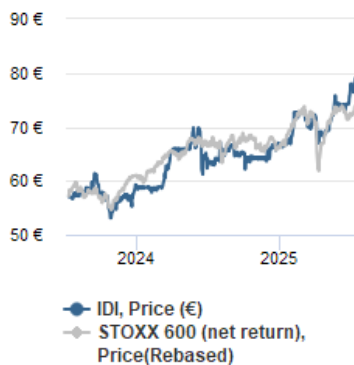
Opinion	Add
Upside (%)	22.6
Price (€)	79
Target Price (€)	96.9
Bloomberg Code	IDIP FP
Market Cap (€M)	568
Enterprise Value (€th)	-186,586
Momentum	STRONG
Sustainability	3/10

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Conflicts of interest

Corporate broking	No
Trading in corporate shares	No
Analyst ownership	No
Advice to corporate	No
Research paid for by corporate	Yes
Corporate access	No
Brokerage activity at AlphaValue	No
Client of AlphaValue Research	No

IDI

The smart bet in Private Equity

PROS

- IDI strikes as a private equity firm more aligned to the interests of its stakeholders as its management has skin in the game at the holding and equity stakes level.
- IDI is not subject to investment time constraints like most PE funds, this flexible approach allows IDI to accompany the investee companies through the whole development process, enhancing value creation.
- IDI's investment model based on engaged and entrepreneurial ownership has proven successful, ensuring stable dividend payments, an attractive yield and a 15% average annual total shareholder return since 1991.

CONS

- As a partnership limited by shares, minority shareholders could suffer from this legal set-up since the value of voting rights is essentially nil.
- Given its small size in absolute terms, IDI may fall below most investors' radars.
- Notwithstanding IDI's proven track record, the current environment is not favorable for private equity players, and valuations could suffer from the rise in interest rates and shrinking multiples.

KEY DATA	12/22A	12/23A	12/24E	12/25E	12/26E
Adjusted P/E (x)	4.54	6.15	7.56	8.37	8.06
Dividend yield (%)	4.96	8.29	4.32	4.18	4.81
EV/EBITDA(R) (x)	47.3	23.6	15.0	9.34	7.00
Adjusted EPS (€)	11.1	9.81	9.18	9.44	9.80
Growth in EPS (%)	-36.3	-11.6	-6.41	2.78	3.86
Dividend (€)	2.50	5.00	3.00	3.30	3.80
Sales (€th)	9,798	9,775	11,102	11,473	11,595
Dividend contributions margin (%)	73.8	8.80	8.13	8.26	7.79
Attributable net profit (€th)	80,384	70,812	66,025	67,859	70,476
ROE (after tax) (%)	12.5	10.1	9.04	9.26	9.51
Gearing (%)	-6.19	-22.7	-38.9	-32.7	-26.7

Detailed financials at the end of this report

Key Ratios

		12/23A	12/24E	12/25E	12/26E
Adjusted P/E	x	6.15	7.56	8.37	8.06
EV/EBITDA	x	23.6	15.0	9.34	7.00
P/Book	x	0.59	0.69	0.77	0.76
Dividend yield	%	8.29	4.32	4.18	4.81
Free Cash Flow Yield	%	-4.27	-4.35	-4.40	-4.53
ROE (after tax)	%	10.1	9.04	9.26	9.51
ROCE	%	12.5	11.3	10.6	9.95
Net debt/EBITDA	x	17.8	13.3	11.0	8.58

Consolidated P&L

		12/23A	12/24E	12/25E	12/26E
Sales	€th	9,775	11,102	11,473	11,595
EBITDA	€th	-17,164	-19,582	-19,978	-20,643
Underlying operating profit	€th	-14,526	-17,484	-17,753	-17,252
Operating profit (EBIT)	€th	71,296	70,484	72,414	75,169
Net financial expenses	€th	-890	-890	-890	-890
Pre-tax profit before exceptional items	€th	70,406	69,594	71,524	74,279
Corporate tax	€th	495	-3,480	-3,576	-3,714
Attributable net profit	€th	70,812	66,025	67,859	70,476
Adjusted attributable net profit	€th	70,812	66,025	67,859	70,476

Cashflow Statement

		12/23A	12/24E	12/25E	12/26E
Total operating cash flows	€th	-15,632	-18,865	-22,091	-22,854
Capital expenditure	€th	-1,980	-1,980	-1,980	-1,980
Total investment flows	€th	299,639	23,449	18,970	19,518
Dividends (parent company)	€th	-19,566	-35,943	-21,566	-23,722
New shareholders' equity	€th	218			
Total financial flows	€th	-18,696	-50,330	-36,627	-39,493
Change in net debt position	€th	249,311	-45,746	-39,748	-42,829
Free cash flow (pre div.)	€th	-18,502	-21,735	-24,961	-25,724

Balance Sheet

		12/23A	12/24E	12/25E	12/26E
Goodwill	€th	5,119	5,119	5,119	5,119
Total intangible	€th	5,120	5,119	5,119	5,119
Tangible fixed assets	€th	2,048	2,150	2,258	2,371
Right-of-use	€th	13,401	13,736	14,423	15,144
WCR	€th	-19,224	-23,421	-24,884	-26,386
Total assets (net of short term liabilities)	€th	442,627	484,844	532,549	585,093
Ordinary shareholders' equity (group share)	€th	732,410	728,546	736,503	746,218
Provisions for pensions	€th	605	0.00	0.00	0.00
Net debt / (cash)	€th	-306,160	-260,414	-220,665	-177,836
Total liabilities and shareholders' equity	€th	442,633	484,844	532,549	585,093
Gross Cash	€th	398,585	352,839	313,090	270,261

Per Share Data

		12/23A	12/24E	12/25E	12/26E
Adjusted EPS (bfr goodwill amort. & dil.)	€	9.81	9.18	9.44	9.80
Net dividend per share	€	5.00	3.00	3.30	3.80
Free cash flow per share	€	-2.56	-3.02	-3.47	-3.58
Book value per share	€	102	101	102	104
Number of diluted shares (average)	Th	7,215	7,189	7,189	7,189

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Businesses & Trends

IDI is a pioneer in the private equity arena in France, with over 50 years of experience in the field and a particular investment focus on SMEs. IDI is one of the first listed investment companies in France (1991), achieving an annualized IRR (dividends reinvested) of 15% over the past 30 years. IDI's NAV has grown significantly over the years and is now approaching €700 million, with an average discount of 30% observed since 2014.

IDI strikes as a private equity firm effectively more aligned to the interests of its stakeholders than the industry mediocre record in that respect. This is in spite of its resorting to a partnership limited by shares as a legal shell. IDI differs as it has no time constraint and as its management has skin in the game at the holding level as well as at the equity stakes level. Indeed, what sets IDI apart from other private equity players, aside from the fact that most of the investment activity is funded by its own equity capital, is that it operates under a model that is not constrained by time to liquidity that most PE funds are subject to.

On the one hand, this flexible approach allows IDI to accompany the investee companies through the whole development process without having to resort to hasty value-pumping measures in order to appease investors waiting to be paid out. On the other hand, the liberty of not having to adhere to a calendar also allows the company to be agile and seize opportunities when they arise. This may result in IDI exiting investments faster than its more usual investment horizon of five to seven years, to capitalise on favourable market conditions and crystallise higher IRRs.

A resilient flexible investment approach in the face of a crisis

This no-rush approach is conducted by a management team that, all combined, makes up the main shareholder base, accounting for 55% of the share capital, providing plenty of confidence that the company's equity capital is being allocated wisely in order to support long-term value creation. The lack of a liquidation schedule also allows IDI to time its exits better in periods of market downturn — as was the case in 2020 at the height of the Coronavirus pandemic — to capitalise on a subsequent recovery in market multiples to crystallise higher rates of return.

Demonstrating the resilience of the IDI model in a volatile market environment, as was the case in the midst of the COVID-19 pandemic, is the performance shown in 2020, posting a 6.11% NAV growth rate. This was mainly led by improved fair values of the Private Equity Europe assets (+€36m) and liquid assets (+€12m), with the former benefiting from improved operational performance and higher valuation multiples at the end of the year, as well as the capital gains on the exit of HEA Expertise under very favourable valuation conditions agreed before the sanitary crisis, securing a solid 35% IRR. Even after having invested €32m over the course of 2020, IDI closed the year with a €124m-strong total liquidity position (€142m in FY19).

2022 and 2023: thriving and transformative years

After a resilient 2020 amid adverse market conditions, and a dynamic 2021 with 16 transactions totalling over €300m (+28% NAV growth), IDI delivered another solid performance in 2022 (+12% NAV, 15 deals) which proved to be a landmark year for IDI, as the Group embarked on a bold expansion into third-party asset management. This pivotal decision was marked by the acquisition of Omnes and the establishment of IdiCo, a newly-created entity merging Omnes' private equity and private debt operations. Through this transformative step, IDI successfully doubled the scale of its third-party asset management business, reaching €1.5bn of AUM. This strategic shift toward a hybrid model—balancing proprietary investments (€25m-€60m, up to €100m in co-investments targeting French and European SMEs) with IdiCo's smaller, focused investments (€5m-€25m in France) not only expanded IDI's market reach but also diversified its revenue streams.

2023 was on a par with the previous years, with an 11% increase in NAV and, above all, a record 21 transactions. The Group's stand-out deal was the sale of Flex Composite Group to Michelin for an enterprise value of €700m, yielding a 12x return on its initial investment and an IRR of 38%. This transaction significantly boosted IDI's investment capacity, leaving it with over €300m in available funds.

In essence, whether in tranquil or more dynamic years, IDI enjoys the distinct advantage of choice. While 2024 has proved quieter, this is only a temporary lull, as the past two years alone have seen an impressive 36 deals. This serves to reaffirm the profound strength of IDI's business model: not being constrained by time when the environment does not lend itself to investment.

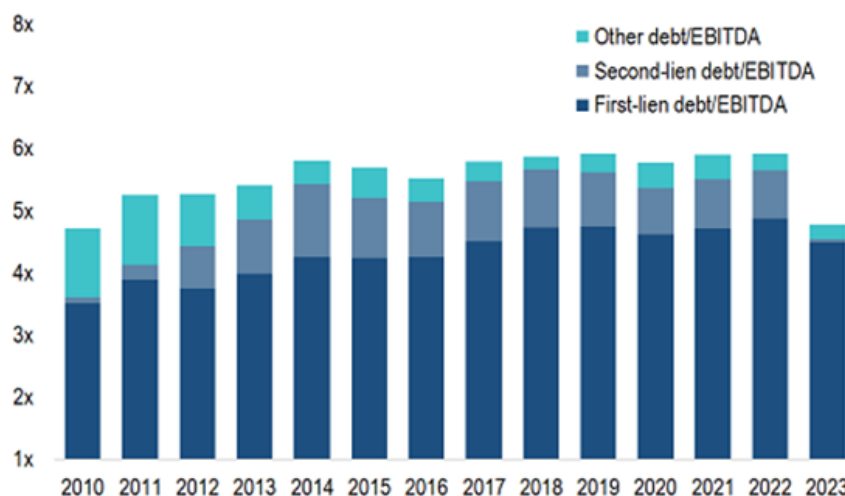
IDI: a hands-on shareholder

In the holding company universe, one can distinguish three different types of management styles of the portfolio: first, there are those that keep their investments at arms-length and are content with collecting periodic dividends, secondly are those that get “down and dirty”, getting directly involved in the operations of their investee companies, which can quickly get complicated when new investments fall in completely different sectors.

Then, there is a third path, to which IDI ascribes to, a hands-on approach as a shareholder, as it is working in close relationship with the investee company's management and getting involved in the supervisory board, but leaving the day-to-day operations to skilled managers who have the valuable knowledge in the respective sectors of activity. This avoids spreading the HoldCo's resources too thin, which increases the likelihood of execution risks.

Regarding investment strategies, IDI specialises in LBO investments as well as growth capital investments in SMEs. The company's judicious investment approach extends to the near-zero leverage maintained at the holding company level, with a relatively low average leverage ratio. Over recent years, IDI's leverage ratio has oscillated between 2.5x and 3x EBITDA. While the 2023 figure was higher at 4x, it remains below the market norms (6x in 2022, 4.8x in 2023).

Debt/EBITDA ratio of large corp LBO loans

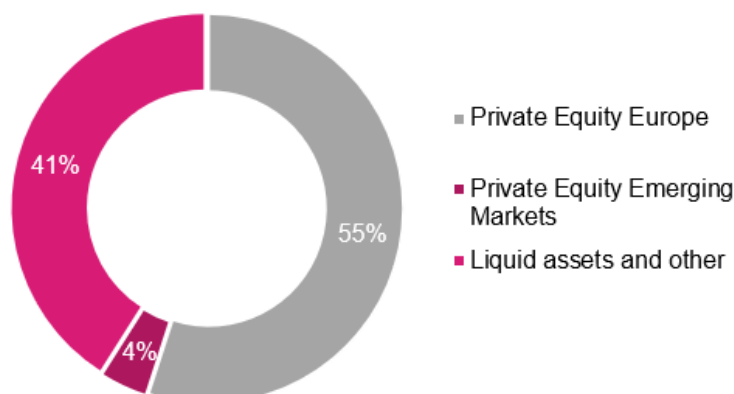


Source: PitchBook | LCD • Data through Dec. 31, 2023

Source: PitchBook

In terms of geographical breakdown, the lion's share of the portfolio is Europe-based (France in particular), accounting for 45% of the NAV, with the emerging market exposure (4% of the NAV) being run through a third-party capital management model (combined with own equity capital investing) under the IDI Emerging Markets Partners umbrella. The remaining 51% is made up of IDI's liquid assets, stemming from the sale of Flex Composite Group. This transaction considerably strengthened IDI's financial position, giving it substantial investment capacity moving forward.

NAV breakdown as of December 2023



Source: IDI Annual report, AlphaValue

Concerning the size of the investments, IDI being a relatively smaller player in the private equity space, these range between €10 and €50m and can extend up to €150m with family office type co-investors, i.e. not time constrained as

well. IDI is flexible in regards to the shareholding size, as its current portfolio includes majority, co-controlled and minority investments, usually determined by the scope of the deal.

An attractive high-growth portfolio

The portfolio is composed of 14 holdings, allocated across a variety of sectors, including many companies present in digitally-native businesses (reminding us of a smaller Kinnevik), which are supported by strong underlying trends with high-growth potential such as media streaming (Dubbing Bros), e-commerce (Group Positive), the energy transition (TucOnergie) and social issues like education (Talis) and healthcare (Winnicare Group).

Regarding the more industrial-type businesses, IDI previously held investments like Flex Composite Group, which followed a solution-based approach that brought added value and recurring revenue generation, setting it apart from its more commoditized, and hence cyclical, peers. While Flex Composite Group was sold in 2023, IDI's diversified asset base continues to offer stakeholders exposure to unlisted, high-potential SMEs that may fall under the radar of equity investors.

Divisional Breakdown Of Revenues

Sector		12/23A	12/24E	12/25E	12/26E	Change 24E/23		Change 25E/24E	
						€th	of % total	€th	of % total
Total sales		9,775	11,102	11,473	11,595	1,327 ▲	100%	371 ▲	100%
PE Europe	Holding Companies	3,360	3,528	3,704	3,890	168 ▲	13%	176 ▲	47%
PE Emergents	Holding Companies	140	147	154	162	7 ▲	1%	7 ▲	2%
Actifs Liquides	Invest Mgt-Advis Serv	163	171	180	189	8 ▲	1%	9 ▲	2%
Other		6,112	7,256	7,435	7,354	1,144 ▲	86%	179 ▲	48%

Key Exposures

	Revenues	Costs	Equity
Dollar	25.0%	25.0%	25.0%
Emerging currencies	0.0%	0.0%	0.0%
Euro	75.0%	75.0%	75.0%
Long-term global warming	0.0%	0.0%	0.0%

Sales By Geography

Europe	73.1%
Other	26.9%

We address exposures (eg. how much of the turnover is exposed to the \$) rather than sensitivities (say, how much a 5% move in the \$ affects the bottom line). This is to make comparisons easier and provides useful tools when extracting relevant data. Actually, the subject is rather complex on the ground. The default position is one of an investor managing in €. An investor in £ will obviously not react to a £ based stock trading partly in € as would a € based investor. In addition, certain circumstances can prove difficult to unravel such as for eg. a € based investor confronted to a Swiss company reporting in \$ but with a quote in CHF... Sales exposure is probably straightforward but one has to be careful with deep cyclical. Costs exposure is a bit less easy to determine (we do not allow for hedges as they can only be postponing the day of reckoning). How much of the equity is exposed to a given subject is rarely straightforward but can be quite telling. In addition, subjects are frequently intertwined. A \$ exposure may encompass all revenues in \$ pegged currencies and an emerging currency exposure is likely to include \$ pegged currencies as well. Exposure to global warming issues is frequently indirect and may require to stretch a bit imagination.

Money Making

With the exception of idiCo, which is consolidated in IDI's accounts, IDI's holdings are not consolidated, regardless of the size of the stake held (majority or co-controlled), hence the company's accounts primarily reflect the activity at the holding company level. Based on its pure-play investment company structure, the P&L is not particularly elucidating and is thus of lesser importance compared to the NAV, which stands as the chief performance indicator for this type of structure.

Focusing on cash generation, as is the case for pure investment companies, the lion's share of the cash stems from exits from investments and the capital gains realised from the sales. These capital gains are accounted for under 'Changes in fair value of financial assets', which comprises both realised and unrealised gains, which evidently carry very different cash implications. In 2023, changes to the fair value of assets amounted to €85.8m, representing c.96% of the result from investment activities.

In terms of recurring income, the main source comes from the dividend upstream from portfolio companies that pay out dividends, which is usually the case for the more mature larger assets. In 2023, IDI received €860k in dividend inflows, with €650k (c.75%) originating from investee companies within the Private Equity Europe segment.

Although marginal, the third-party capital management activity nesting in the IDI Emerging Markets Partners subsidiary also generates interest income from the invested AUMs, which, when combined with the carried interest earned from these funds, makes it the third — though quite minor — source of cash for the holding company. In 2023, interest income amounted to €2.8bn, with the PE Emergents segments representing 97% of the result (€2.7bn).

Attractive dividend yield stands out from peers

IDI's flexible investment approach supports its ability to identify the best time for exits, allowing the company to achieve high IRRs (averaging 15-25% for its PE Europe activity) and realise sizeable capital gains. This, combined with a disciplined stance on maintaining an average share of 20% of liquid assets & cash in the portfolio, is translated into a robust dividend policy that is able to withstand a volatile market environment (to the benefit of the family-owners and minority shareholders alike); which was the case in 2020. Despite the impact of the global pandemic, IDI was able to distribute a dividend of €1.50 per share (modestly cut from a pre-pandemic proposal of €1.90), which represented a solid 5.0% dividend yield. This compared quite favourably to the 3.1% dividend yield averaged across holding companies under our coverage last year.

When market conditions improve, IDI is also keen to follow with more generous dividend pay-outs, which helps support IDI's case as an alluring investment proposition for investors that value attractive and dependable dividends as part of improving shareholder returns. Backed by the strong 2023 results and a liquidity position of €382.4 million at the end of the year, the HoldCo decided to

distribute a €5.00 dividend, consisting of €2.75 as an ordinary dividend (up 10% year-over-year) and €2.25 as a special dividend, corresponding to a 5% yield, well above the 2.5% yield of its peers. In 2024, despite a quieter year on the investment front, IDI distributed an interim dividend of €2.50 in December 2024, representing 90% of the 2023 ordinary dividend.

Divisional Dividend contributions

	12/23A	12/24E	12/25E	12/26E	Change 24E/23		Change 25E/24E	
					€th	of % total	€th	of % total
Total	860	903	948	904	43	100%	45	100%
PE Emergents	92.0	96.6	101	96.7	5	11%	4	10%
Actifs Liquides	128	134	141	135	6	14%	7	16%
PE Europe	640	672	706	673	32	74%	34	76%
Other/cancellations	0.00	0.00	0.00	0.00	0	0%	0	0%

Divisional Dividend contributions margin

	12/23A	12/24E	12/25E	12/26E
Total	8.80%	8.13%	8.26%	7.79%
PE Emergents	65.7%	65.7%	65.7%	59.7%
Actifs Liquides	78.5%	78.5%	78.5%	71.3%
PE Europe	19.0%	19.0%	19.0%	17.3%

Valuation

The basis of our valuation starts with the NAV, which is estimated as an aggregate of the individual valuations of the participations in the portfolio, segmented in IDI's two operating pillars, Private Equity Europe and Private Equity Emergents. IDI has seen its discount to NAV decrease substantially, from over 50% to just above 25%. We still believe there is significant upside, as IDI's conservative asset valuation has been proven through successful disposals, where exit prices often exceed the fair value retained in the NAV.

Being a pure-play investment company with no consolidated activities outside the parent and IdiCo, the DCF is not particularly elucidating when it comes to valuing this type of holding company structure. As a result, the DCF primarily reflects the dividend flows from investee companies, since trying to estimate cash entries from potential disposals seems too vague of an exercise given IDI's investment profile, which is not subject to fund liquidation schedules like the majority of its private equity peers do. This was the case in 2020, where due to an unfavourable market environment brought by the COVID-19 pandemic, management held back on disposals, having just carried out the sale of HEA Expertise in April 2020 on conditions agreed before the sanitary and economic crisis (and realising a solid 35% IRR on its investment).

Regarding the peer metrics valuation, the approach is much more clear-cut. We base it on a group of family-type holding companies with a control/hands-on style in the management of the underlying assets. Many of the above hold assets in their respective portfolios that follow a service-based focus, which supports added-value ambitions and recurring-revenue generation, setting them apart from more commoditised and, hence, cyclical peers. The yield-based valuation jumps out, presenting substantial upside potential, justified by IDI's solid c.5% dividend yield, compared to a modest 2.5% for its peers.

Please also read section 'Worth Knowing' about the impact of the SCA status on valuation

Valuation Summary

Benchmarks		Values (€)	Upside	Weight
NAV/SOTP per share		92.0	17%	55%
Dividend Yield	Peers	103	30%	20%
DCF		60.7	-23%	10%
P/E	Peers	158	100%	10%
P/Book	Peers	76.8	-3%	5%
Target Price		96.9	23%	

Comparison based valuation

Computed on 18 month forecasts	P/E (x)	P/Book (x)	Yield(%)
Peers ratios	31.8	0.74	3.48
IDI's ratios	8.19	0.77	4.53
Premium	-33.0%	0.00%	0.00%
Default comparison based valuation (€)	158	76.8	103
Bolloré	63.2	0.59	1.80
GBL	36.5	0.73	7.24
Ackermans & van Haaren	12.6	1.23	1.98
Corporacion Financiera Alba	21.6	0.94	1.10
Wendel	16.6	1.19	5.65
Kinnevik Investment	-22.3	0.69	0.00

DCF Valuation Per Share

WACC	%	9.39	Avg net debt (cash) at book value	€th	-240,5...
PV of cashflow FY1-FY11	€th	-166,9...	Provisions	€th	635
FY11CF	€th	-29,945	Unrecognised actuarial losses (gains)	€th	0.00
Normalised long-term growth "g"	%	2.00	Financial assets at market price	€th	520,035
Sustainability "g"	%	1.60	Minorities interests (fair value)	€th	0.00
Terminal value	€th	-384,2...	Equity value	€th	436,345
PV terminal value	€th	-156,6...	Number of shares	Th	7,189
PV terminal value in % of total value	%	48.4	Implied equity value per share	€	60.7
Total PV	€th	-323,5...	Sustainability impact on DCF	%	1.98

Assessing The Cost Of Capital

Synthetic default risk free rate	%	3.50	Company debt spread	bp	0.00
Target equity risk premium	%	5.00	Marginal Company cost of debt	%	3.50
Tax advantage of debt finance (normalised)	%	25.0	Company beta (leveraged)	x	0.77
Average debt maturity	Year	5	Company gearing at market value	%	-45.9
Sector asset beta	x	1.18	Company market gearing	%	-84.7
Debt beta	x	0.00	Required return on geared equity	%	7.37
Market capitalisation	€th	567,902	Cost of debt	%	2.63
Net debt (cash) at book value	€th	-260,4...	Cost of ungeared equity	%	9.39
Net debt (cash) at market value	€th	-260,4...	WACC	%	9.39

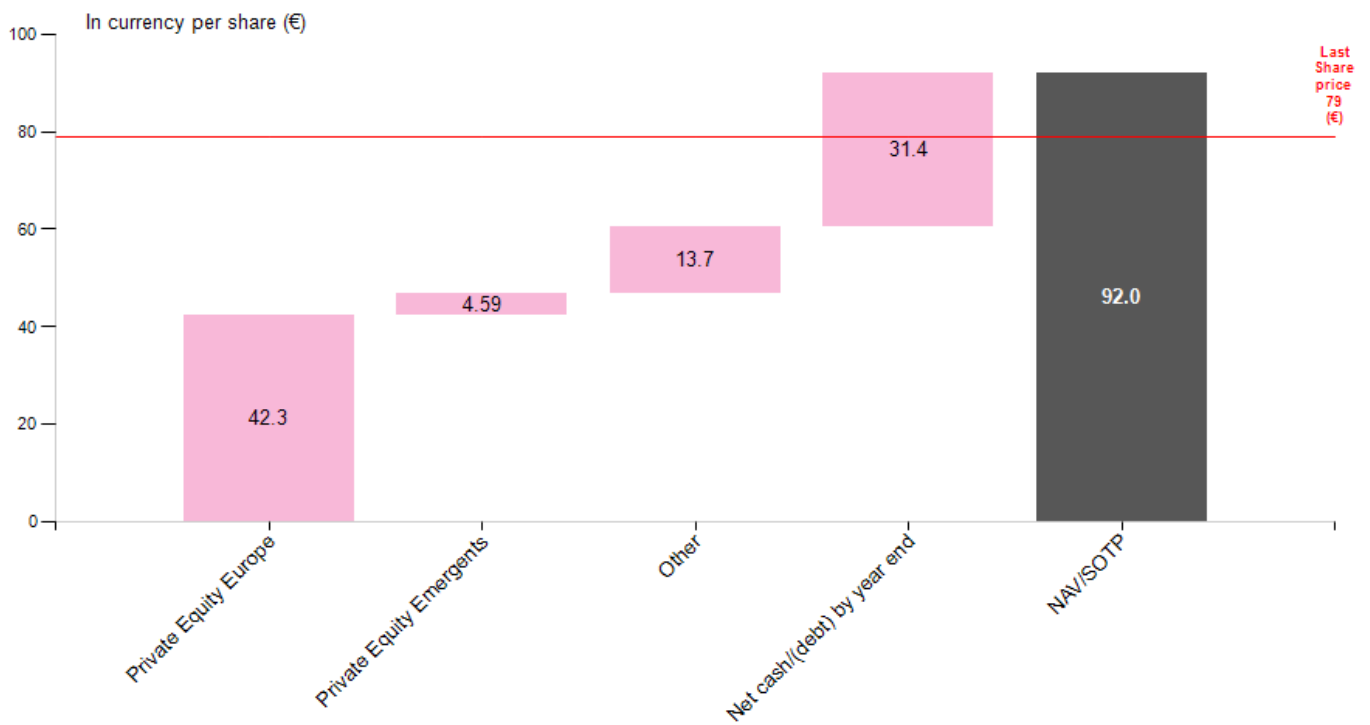
DCF Calculation

		12/23A	12/24E	12/25E	12/26E	Growth	12/27E	12/34E
Sales	€th	9,775	11,102	11,473	11,595	2.00%	11,827	13,585
EBITDA	€th	-17,164	-19,582	-19,978	-20,643	2.00%	-21,055	-24,186
EBITDA Margin	%	-176	-176	-174	-178		-178	-178
Change in WCR	€th	5,361	4,197	1,463	1,502	2.00%	1,533	1,760
Total operating cash flows (pre tax)	€th	-16,127	-15,385	-18,515	-19,140		-19,523	-22,426
Corporate tax	€th	495	-3,480	-3,576	-3,714	2.00%	-3,788	-4,351
Net tax shield	€th	-223	-223	-223	-223	2.00%	-227	-261
Capital expenditure	€th	-1,980	-1,980	-1,980	-1,980	2.00%	-2,020	-2,320
Capex/Sales	%	-20.3	-17.8	-17.3	-17.1		-17.1	-17.1
Pre financing costs FCF (for DCF purposes)	€th	-17,835	-21,067	-24,294	-25,057		-25,558	-29,358
Various add backs (incl. R&D, etc.) for DCF purposes	€th							
Free cash flow adjusted	€th	-17,835	-21,067	-24,294	-25,057		-25,558	-29,358
Discounted free cash flows	€th	-17,835	-21,067	-22,208	-20,939		-19,524	-11,964
Invested capital	€	428	468	515	566		578	664

NAV/SOTP Calculation

	% owned	Valuation technique	Multiple used	Valuation at 100% (€th)	Stake valuation (€th)	In currency per share (€)	% of gross assets
Private Equity Europe	100%	AlphaValue valuation		304,160	304,160	42.3	69.8%
Private Equity Emerg...	100%	NAV		33,030	33,030	4.59	7.58%
Other					98,551 ⁽¹⁾	13.7	22.6%
Total gross assets					435,741	60.6	100%
Net cash/(debt) by year end					225,894	31.4	51.8%
Commitments to pay							
Commitments received							
NAV/SOTP					661,635	92.0	152%
Number of shares net of treasury shares - year end (Th)					7,189		
NAV/SOTP per share (€)					92.0		
Current discount to NAV/SOTP (%)					14.2		

1. Corresponds to other non-cash liquid assets.



Debt

IDI exemplifies a conservative approach to leverage, a rarity among its private equity peers, by not taking on debt at the holding company level to fund its acquisitions. It also carefully monitors the leverage ratios of its portfolio companies, maintaining their ratios between 2.5x and 3x net debt/EBITDA from 2019 to 2022, although this increased to 4x at the end of 2023, still well below its European private equity-sponsored peers, whose leverage ratios were around 6x during the same period. Note that, even if one of the portfolio companies were to run into difficulty, the holdings are siloed to prevent any impact on the other assets or IDI itself.

The company has a €30 million revolving credit facility and an unused cash facility of €5 million. At the holding company level, IDI maintains a net cash position that exceeded €300 million in 2023, following the disposal of Flex Composite Group. In this regard, IDI has significant firepower to finance new acquisitions. Generally speaking, as part of its investment strategy, IDI maintains a healthy level of liquid assets as a percentage of its total portfolio, averaging around 20% historically (although it represented exceptionally more than 50% in 2023).

Detailed financials at the end of this report

Funding - Liquidity

		12/23A	12/24E	12/25E	12/26E
EBITDA	€th	-17,164	-19,582	-19,978	-20,643
Funds from operations (FFO)	€th	-23,487	-23,952	-24,444	-25,246
Ordinary shareholders' equity	€th	732,410	728,546	736,503	746,218
Gross debt	€th	92,425	92,425	92,425	92,425
+ Gross Cash	€th	398,585	352,839	313,090	270,261
= Net debt / (cash)	€th	-306,160	-260,414	-220,665	-177,836
Gearing (at book value)	%	-22.7	-38.9	-32.7	-26.7
Equity/Total asset (%)	%	165	150	138	128
Adj. Net debt/EBITDA(R)	x	17.8	13.3	11.0	8.58
Adjusted Gross Debt/EBITDA(R)	x	-5.40	-4.75	-4.66	-4.51
Adj. gross debt/(Adj. gross debt+Equity)	%	11.2	11.3	11.2	11.1
Ebit cover	x	-16.3	-19.6	-19.9	-19.4
FFO/Gross Debt	%	-25.3	-25.7	-26.3	-27.1
FFO/Net debt	%	7.67	9.20	11.1	14.2
FCF/Adj. gross debt (%)	%	-20.0	-23.4	-26.8	-27.6
(Gross cash+ "cash" FCF+undrawn)/ST debt	x	12.4	10.8	9.41	7.99
"Cash" FCF/ST debt	x	-0.66	-0.71	-0.82	-0.84

Worth Knowing

IDI's inception as a standalone investment corporation was rather unique in that it came from a privatisation process back in 1988 when France put an end to its vision of socialism. The then and still CEO saw an opportunity to list IDI and organise for himself to become a reference shareholder.

One legal device was to set up in 1990 a *commandite par actions* (SCA), i.e. a partnership limited by shares. The *Associés Commandités* are the general partners: they have the power and shoulder all risks (rather a nominal concept these days). This legal set up in effect splits the economic interests and the decision-making process as the voting rights held by the 'associés commanditaires' provide them with no leverage to unseat the management/general partners. French 'commandites' are very robust/difficult to break. So that the value of voting rights is essentially nil with no simple formula to assess how much of a discount this creates on the valuation. As for anything listed, the lack of voting rights is only relevant when the going gets rough and when markets are risk averse.

When money is cheap and the sky is blue, hope reigns supreme and voting rights do not matter. The point here is really that the SCA structure is a negative but that it need not have a great impact in current market conditions. A limited number of occurrences, spread over decades, whereby an SCA becomes a limited company (SA) does not provide much light on the implied discount of holding a share in an SCA as opposed to a SA.

At IDI, the *Associés Commandités* (general partners) take the form of a corporation named Ancelle et Associés. The control of Ancelle provides the control of IDI. Ancelle as the *Associé Commandité* will provide limitless guarantees to debtors of IDI while other shareholders' risk are limited to their ownership. The indefinite risk of Ancelle is obviously a very limited one in real life as IDI's business is indeed not to pile up debt and risks at the corporate level. Obviously, as well, the fact that the general partner is a corporate entity means that risks are also absorbed at this level.

See Governance section to review this dimension

Shareholders

Name	% owned	Of which % voting rights	Of which % free to float
Ancelle & Associés	67.8%	85.5%	0.00%
Allianz IARD	5.26%	3.29%	5.26%
Apparent free float			32.2%

Sustainability

AlphaValue's scoring model was previously deemed inapplicable to IDI, as several data inputs necessary for the computation of Environmental and Social scores did not pertain to holding company-type structures such as IDI. However, IDI has demonstrated a clear commitment to ESG principles, notably with the creation of an ESG Committee within its supervisory board in 2022. The HoldCo places significant emphasis on integrating sustainability considerations within its investment strategy, promoting responsible practices across its portfolio companies.

By 2024, the majority of IDI's holdings are expected to have completed their first carbon footprint assessments, accompanied by ESG reporting. This will enable better tracking of IDI's evolving ESG metrics and further embed sustainability into its operations and investments.

Sustainability score

Sustainability is made of analytical items contributing to the E, the S and the G, that can be highlighted as sustainability precursors and can be combined in an intellectually acceptable way. This is the only scale made available

	Score	Weight
Governance		
Independent directors rate	5/10	25%
Board geographic diversity	0/10	20%
Chairman vs. Executive split	✓	5%
Environment		
CO ² Emission	1/10	25%
Water withdrawal	1/10	10%
Social		
Wage dispersion trend	0/10	5%
Job satisfaction	3/10	5%
Internal communication	10/10	5%
Sustainability score	2.9/10	100%

Governance & Management

The four active managers are part of an executive committee. Checks and balances are provided by a supervisory board of 11 members (six of whom we judge as independent based on AlphaValue's criteria) with three of them sharing responsibilities on an Audit committee.

The supervisory board has a limited sway as, ultimately, the general partner (Ancelle et Associés; *see Worth Knowing*) has all the power. Ancelle is as per the by-laws not represented on the supervisory board but two members of the controlling family (Langlois-Meurine) have seats.

Governance score

Company (Sector)





5.0 (5.6)

Independent board























Yes

Parameters	Company	Sector	Score	Weight
Number of board members	11	10	7/10	5.0%
Board feminization (%)	45	37	9/10	5.0%
Board domestic density (%)	100	63	0/10	10.0%
Average age of board's members	61	58	5/10	5.0%
Type of company : Small cap, controlled			4/10	10.0%
Independent directors rate	54	43	5/10	20.0%
One share, one vote			✗	10.0%
Chairman vs. Executive split			✓	0.0%
Chairman not ex executive			✓	5.0%
Full disclosure on mgt pay			✓	5.0%
Disclosure of performance anchor for bonus trigger			✗	5.0%
Compensation committee reporting to board of directors			✗	5.0%
Straightforward, clean by-laws			✓	15.0%
Governance score			5.0/10	100.0%

Management

Name		Function	Birth date	Date in	Date out	Compensation, in k€ (year)	
						Cash	Equity linked
Christian LANGLOIS-MEURINNE	M	 CEO	1944	1971		(2024)	(2024)
Julien BENTZ	M	 Managing Partner	1975	2005		(2024)	(2024)
Marco DE ALFARO	M	 Partner	1961	2004		(2024)	(2024)
Tatiana NOURISSAT	F	 General Secretary	1969	2004		(2024)	(2024)

Board of Directors

Name			Indep. Function	Completion of current mandate	Birth date	Date in	Date out	Fees / indemnity, in k€ (year)	Value of holding, in k€ (year)
Luce GENDRY	F			President/Chairman of th...	2023	1950	2008	20.0 (2024)	
Gilles BABINET	M			Member	2022	1967	2019	9.00 (2024)	(2024)
Nathalie BALLA	F			Member	2023	1967	2021	9.00 (2024)	(2024)
Sebastien BRETEAU	M			Member	2025	1971	2019	9.00 (2024)	(2024)
Philippe CHARQUET	M			Member	2023	1963	2011	17.0 (2024)	(2024)
Grégoire CHERTOK	M			Member	2023	1966	2017	9.00 (2024)	(2024)
Cyrille CHEVRILLON	M			Member	2025	1953	2022	9.00 (2024)	(2024)
Iris LANGLOIS-MEURINNE	F			Member	2023	1976	2017	9.00 (2024)	(2024)
Domitille MEHEUT	F			Member	2023	1973	2014	14.0 (2024)	(2024)
Hélène MOLINARI	F			Member	2023	1963	2020	14.0 (2024)	(2024)
Jacques RICHIER	M			Member	2023	1955	2016	9.00 (2024)	

Environment

AlphaValue's automated Environment scoring model was previously not applicable to IDI, as several data inputs necessary for the computation of the score did not pertain to holding company-type structures such as IDI. However, this is set to change as IDI's ESG strategy now incorporates environmental considerations. The company actively works to embed sustainable practices within its portfolio, encouraging investee companies to reduce their environmental impacts. With the implementation of ESG reporting and the majority of the holdings expected to complete their first carbon footprint assessments by 2024, IDI will soon meet the criteria for a score to be applied.

Environmental score

Data sets evaluated as trends on rolling calendar, made sector relative

Parameters	Score	Sector	Weight
CO ² Emission	1/10	5/10	30%
Water withdrawal	1/10	3/10	30%
Energy	1/10	4/10	25%
Waste	1/10	3/10	15%
Environmental score	1.0		100%
























Company (Sector)














1.0 (3.8)

Environmental metrics

	2022	Company 2023	2024	2025
	1.0	1.1	1.0	1.0

Sector figures

Company	Country	Environment score	Energy (total, in GJ)	CO ₂ Emissions (in tons)	Water Withdrawal (in m3)	Waste (total, (in tons)
En+		3/10	346,800,000	53,600,000	1,062,000,000	157,900,000
DWS		6/10	61,308	1,497		
Adyen		3/10	n/a	10,168	n/a	n/a
Nexi		5/10	240,602	11,573	605,600	1,319
HBM Healthcare Investments		1/10				
IDI		1/10				
Leonteq AG		6/10	12,294	321		
Pluxee		4/10	72,379	3,759	n/a	n/a
Wise		4/10	12,565	60,680	n/a	227
Prosus		5/10	1,850	18,743	1,074	23
EdenRed		4/10	36,598	8,098	44,411	377
Vivendi		10/10	18,101	2,519	n/a	n/a
Deutsche Boerse		6/10	311,256	8,556	74,633	20
Porsche SE		1/10				
Bouygues		6/10	42,149,000	2,300,000	1,000,000	
GBL		4/10		171		
Investor		10/10	7,808,000	127,102	4,224,000	128,002
Hal Trust		1/10				
Heineken Holding		7/10	28,051,200	1,047,000	49,000,000	4,741,000
London Stock Exchange Group		4/10	593,842	73,836	1,166	185
Eurazeo		2/10	9,827,411	832,409	36,311,694	40,627
Industrivärden		10/10	3,181,032	328	2,474,136	88,362
Kinnevik Investment		6/10	738	229,124	n/a	n/a

Sonae		8/10	3,279,258	152,787	1,807,947	99,554
Ackermans & van Haaren		2/10		754,749		
Partners Group		4/10		1,581	2,374,472	
Exor		1/10		351,370		
Bolloré		10/10	571,961	25,092	n/a	5,508
Wendel		4/10		116		
D'leteren Group		6/10	768,647	165,528		180,340
Tessenderlo Group		4/10	9,752,619	561,304	16,300,368	998,165
VZ Holding		2/10		461,000		
Swissquote Group Holding		7/10	12,751	113	n/a	276
Deutsche Beteiligungs AG		4/10		3		
Amundi		9/10	56,282	6,392	32,085	161
Euronext NV		4/10	23,522	6,714		
Worldline		10/10	308,599	9,770	639	644

Social

Similarly, Social scoring, which was also previously deemed inapplicable, is becoming relevant as IDI has advanced its Social impact agenda. The company promotes equitable and responsible policies within its operations and those of its investee companies. These initiatives underline IDI's evolving commitment to broader ESG principles, moving beyond traditional holding company constraints.

Social score

Company (Sector)

4.3 _(5.8)

Quantitative metrics (67%)

Set of staff related numerical metrics available in AlphaValue proprietary modelling aimed at ranking on social/HR matters

Parameters	Score	Weight
Staffing Trend	2/10	20%
Average wage trend	8/10	35%
Share of added value taken up by staff cost	1/10	25%
Share of added value taken up by taxes	1/10	20%
Wage dispersion trend	0/10	0%
Pension bonus (0 or 1)	0	
Quantitative score	3.7/10	100%

Qualitative metrics (33%)

Set of listed qualitative criterias and for the analyst to tick

Parameters	Score	Weight
Accidents at work	10/10	25%
Human resources development	5/10	35%
Pay	0/10	20%
Job satisfaction	3/10	10%
Internal communication	10/10	10%
Qualitative score	5.6/10	100%

AlphaValue analysts tick boxes on essential components of the social/HR corporate life.

Decision about ticking Yes or No is very much an assessment that combines the corporate's communication on relevant issue and the analyst's better judgment from experience.

Qualitative score

Parameters	Yes  / No 	Weight
Accidents at work		25%
Set targets for work safety on all group sites?		10.0%
Are accidents at work declining?		15.0%
Human resources development		35%
Are competences required to meet medium term targets identified?		3.5%
Is there a medium term (2 to 5 years) recruitment plan?		3.5%
Is there a training strategy tuned to the company objectives?		3.5%
Are employees trained for tomorrow's objectives?		3.5%
Can all employees have access to training?		3.5%
Has the corporate avoided large restructuring lay-offs over the last year to date?		3.5%
Have key competences stayed?		3.5%
Are managers given managerial objectives?		3.5%
If yes, are managerial results a deciding factor when assessing compensation level?		3.5%
Is mobility encouraged between operating units of the group?		3.5%
Pay		20%
Is there a compensation committee?		6.0%
Is employees' performance combining group AND individual performance?		14.0%
Job satisfaction		10%
Is there a measure of job satisfaction?		3.3%
Can anyone participate ?		3.4%
Are there action plans to prop up employees' morale?		3.3%
Internal communication		10%
Are strategy and objectives made available to every employee?		10.0%
Qualitative score	5.6/10	100.0%

Staff & Pension matters

IDI's portfolio holdings were previously unconsolidated, limiting staff costs to the holding company, with around 17 employees. However, following the creation of idiCo and the acquisition of part of Omnes, the headcount increased to 38 employees. As a result, IDI recorded consolidated staff expenses of €9.97 million at the end of 2023, compared to €3.92 million at the end of 2022.

Recent updates

01/07/2025 Opinion change, due to market moves, from Buy to Add

26/03/2025

IDI: Private equity access with shareholder focus

Earnings/sales releases

In a challenging 2024, IDI remained selective yet resilient, prioritising quality over volume with eight strategic deals, including stakes in Capexsto and TTK. While this measured approach weighed on net income, it reflected IDI's disciplined investment strategy—waiting for the right opportunities, not just any. With €346m ready to deploy, IDI remained poised for action. A €1.4 extraordinary dividend reinforced its unwavering commitment to shareholder returns. Steady, strategic, and built for long-term value—IDI is the gateway to private equity with a yield that delivers.

Fact

- IDI ended the year with a +2.4% yoy increase in NAV per share, reaching €91.52 (post-dividend), narrowing the discount to NAV to 24%.
- The group maintained a strong investment capacity of €346M (net of debt), representing 35% of its NAV.
- In 2024, IDI completed eight transactions, including two new investments—a majority stake in Capexsto and a minority stake in TTK—as well as six bolt-on acquisitions.
- In line with a quieter investment pace, investment income dropped to €35m (vs. €89.5m in 2023), weighing on net income (€19.6m vs. €70.8m last year).
- Despite a modest year, IDI remains committed to shareholder returns, proposing an extraordinary dividend of €1.4 per share, in addition to an ordinary dividend of €2.8, bringing the total payout to €4.2 per share.

Analysis

IDI's NAV: Resilience in motion

After a remarkable +11.4% NAV surge in 2023, IDI once again proved that it is built to last. In 2024, despite a quieter market, NAV per share still edged up +2.42% to €91.52 (post-dividend). At this level, IDI trades at a 24% discount, a sharp improvement from 45% in 2021 and 38% just a year ago. While still significant, this narrowing underscores IDI's growing attractiveness relative to its peers—Wendel, GBL, and Eurazeo—all of which continue to trade at discounts exceeding 30%. The market is taking notice—IDI's resilience, performance, and yield strategy are closing the gap. In any case, a 24% discount still reflects untapped intrinsic value waiting to be realised.

Strategic moves, long-term vision

In 2024, IDI completed just eight transactions—a sharp contrast to 21 last year—prioritising quality over quantity. Among them, TTK stands out, leveraging its

cutting-edge leak detection technology to tap into the booming data centre market, where reliability is paramount and ESG investment momentum is accelerating. Likewise, IDI took a majority stake in Capexsto, a leader in high-performance elastomer solutions, further strengthening its portfolio with industrial innovation.

Beyond these cornerstone deals, six bolt-on acquisitions reinforced IDI's active shareholder approach, fuelling external growth across its portfolio. While no disposals were made, this measured approach reflects IDI's discipline—focusing on high-quality investments rather than forced exits in a market where the bid-ask spread remains too wide.

A reliable yield stock

Investment income dropped to €35m from €89.5m in 2023, and net income softened to €19.6m from €70.8m—yet IDI remains unwavering in its commitment to shareholder value. A €4.20 dividend per share, including a €2.80 ordinary payout and a €1.40 special dividend, underscores IDI's confidence, discipline, and ability to deliver even in softer years.

IDI is not just another private equity player—it is a yield stock through cycles, delivering an average annual return of 15.73% since IPO. Over 34 years, this translates into a staggering 134x multiple. Consistency, resilience, and shareholder-first thinking—that's the IDI formula.

Strong start to 2025

The year is already off to a bold start. IDI's highly successful exit from CDS/S4BT delivered a 46% IRR and a 6.5x multiple, proving once again that patience and strategic timing pay off. But IDI didn't just cash out—it reinvested as a minority shareholder alongside founder and CEO Ziad Minkara, reinforcing its long-term conviction in high-quality businesses.

A prime balance sheet, no rush to deploy

Consolidated shareholders' equity stood at €696M, down from €732M in 2023, primarily due to substantial dividend distributions—a total of €5 per share in 2024, including the €2.50 interim dividend paid in December. As of March 21, following the sale of S4BT/CDS Group, IDI's net investment capacity—including Financière Bagatelle—stands at €346.7M. With this strong financial position, IDI has the liquidity and flexibility to act strategically, not react hastily—a stark contrast to traditional PE funds under pressure to deploy capital quickly.

The bottom line: Long-term vision

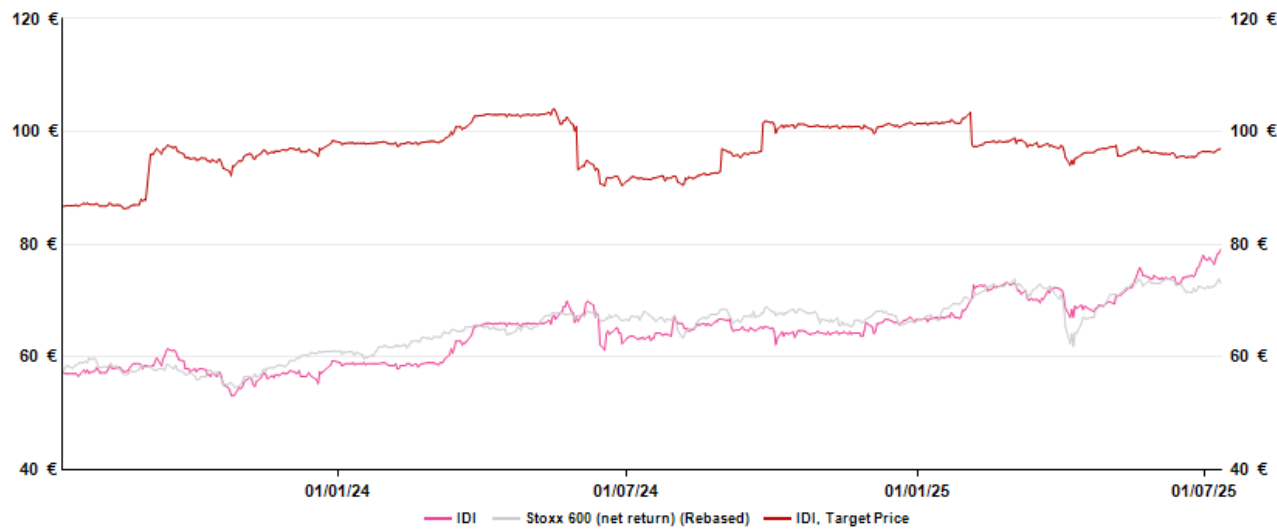
While 2024 was a year of recalibration, IDI remains one of the most compelling yield investments in the market. Its strength lies in a multi-faceted investment approach that spans the private equity spectrum, combining direct investments in small and mid-cap companies, third-party capital deployment through idiCo, and a unique proposition for retail investors seeking private equity exposure without the usual constraints.

With a robust balance sheet, significant investment firepower, and the flexibility to act at the right time, IDI continues to distinguish itself as a patient, disciplined investor.

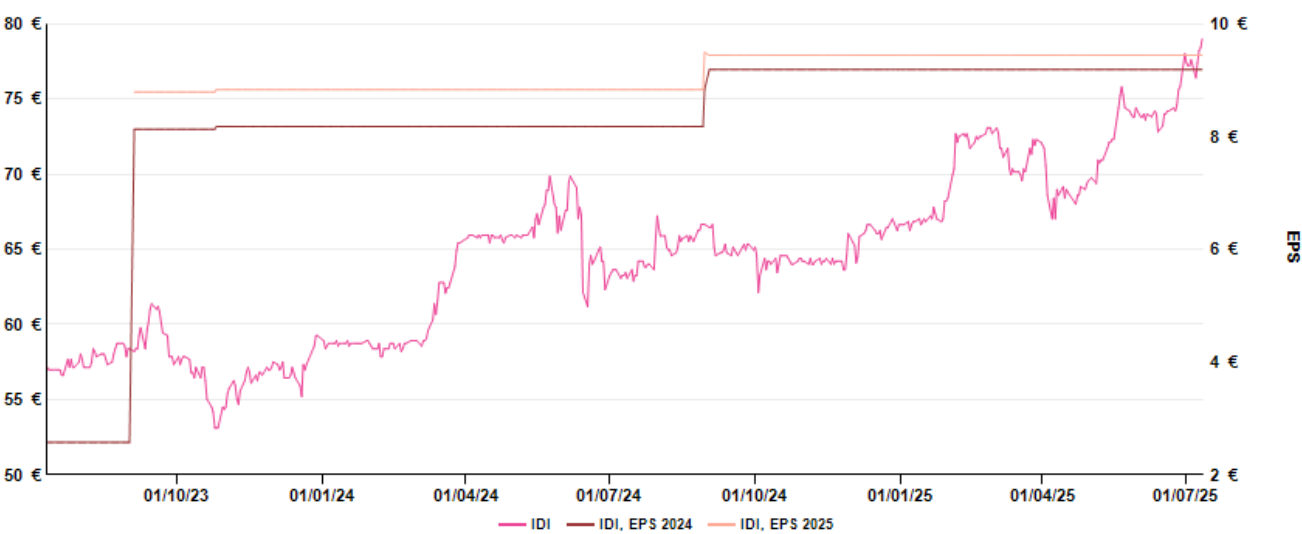
Impact

We will integrate the FY24 figures into our model and carry forward our estimates to 2027. Despite a quieter investment year, IDI's significant dry powder and careful, strategic approach reinforce our positive outlook.

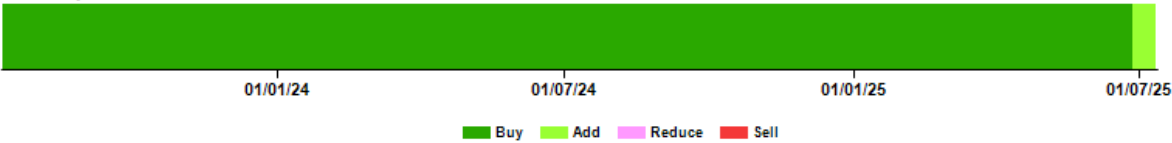
Stock Price and Target Price



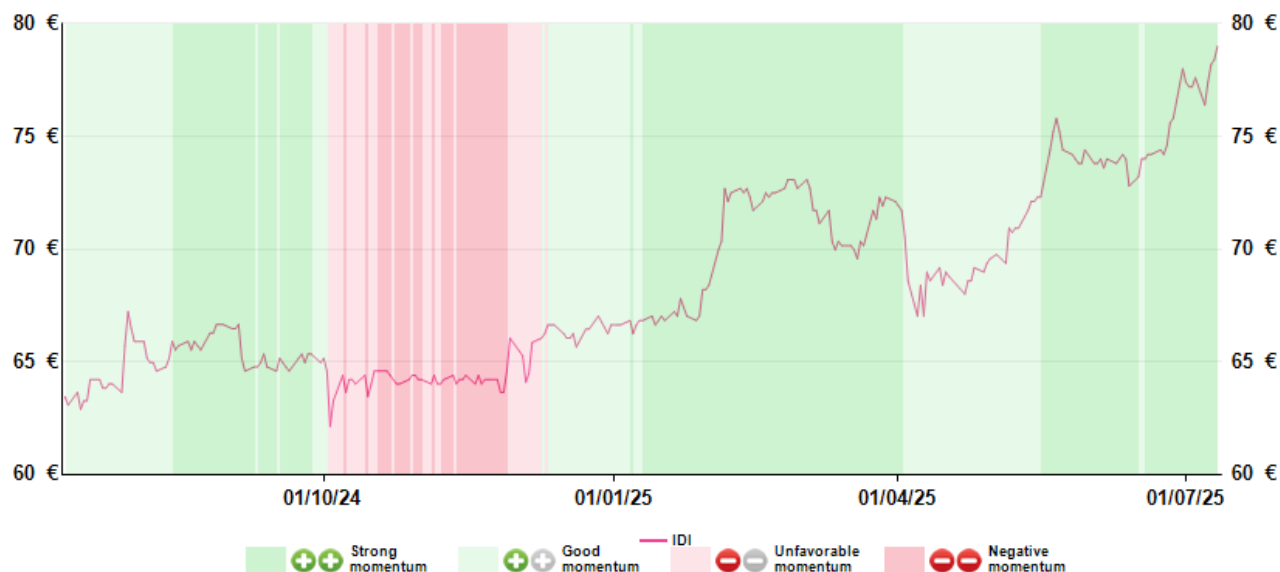
Earnings Per Share & Opinion



IDI : Opinion



Momentum





Momentum analysis consists in evaluating the stock market trend of a given financial instrument, based on the analysis of its trading flows.


The main indicators used in our momentum tool are simple moving averages over three time frames: short term (20 trading days), medium term (50 days) and long term (150 days). The positioning of these moving averages relative to each other gives us the direction of the flows over these time frames.


For example, if the short and medium-term moving averages are above the long-term moving average, this suggests an uptrend which will need to be confirmed. Attention is also paid to the latest stock price relative to the three moving averages (advance indicator) as well as to the trend in these three moving averages - downtrend, neutral, uptrend - which is more of a lagging indicator.

The trend indications derived from the flows through moving averages and stock prices must be confirmed against trading volumes in order to confirm the signal. This is provided by a calculation based on the average increase in volumes over ten weeks together with a buy/sell volume ratio.

 : Strong momentum corresponding to a continuous and overall positive moving average trend confirmed by volumes

 : Relatively good momentum corresponding to a positively-oriented moving average, but offset by an overbought pattern or lack of confirmation from volumes

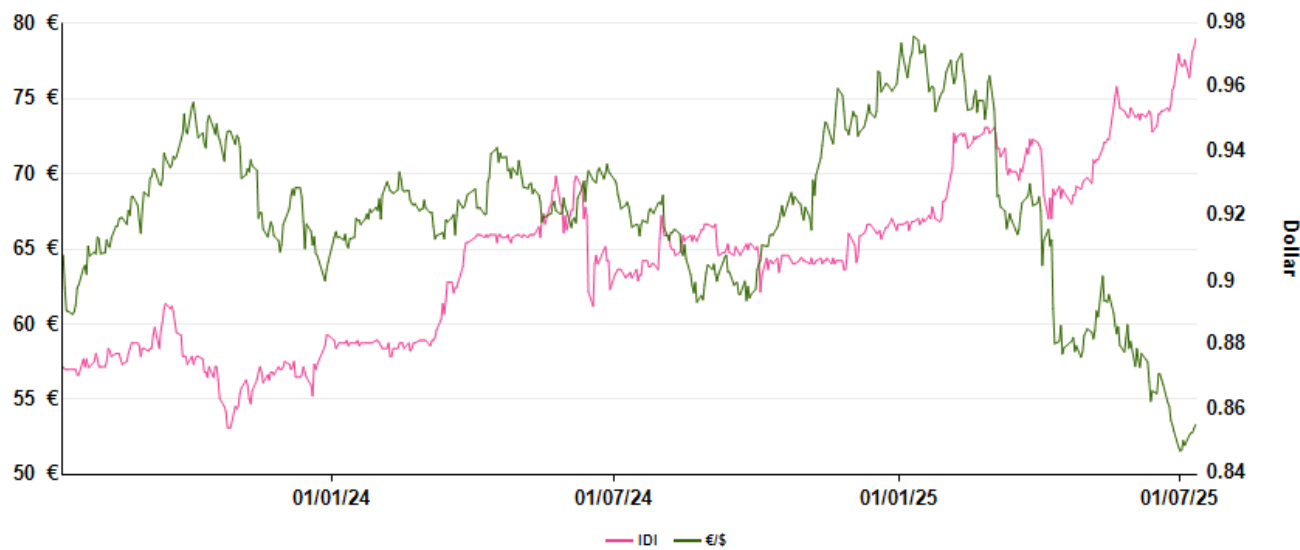
 : Relatively unfavorable momentum with a neutral or negative moving average trend, but offset by an oversold pattern or lack of confirmation from volumes

 : Strongly negative momentum corresponding to a continuous and overall negative moving average trend confirmed by volumes

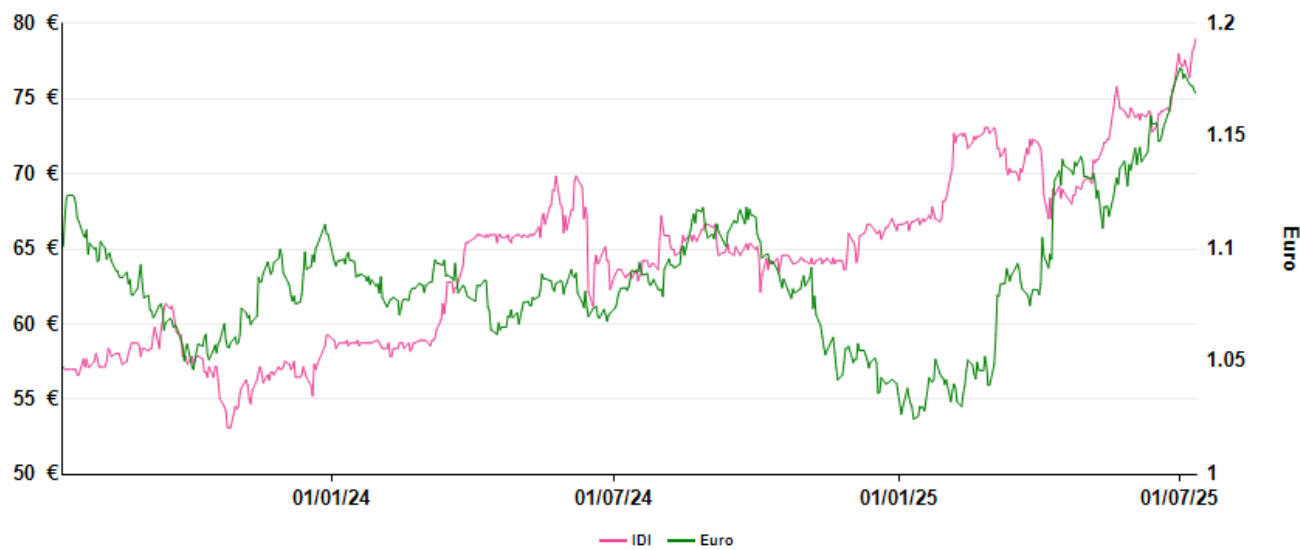
Moving Average MACD & Volume



€/\$ sensitivity



Euro sensitivity



Sector Other Financials



Detailed Financials

Valuation Key Data		12/23A	12/24E	12/25E	12/26E
Adjusted P/E	x	6.15	7.56	8.37	8.06
Reported P/E	x	6.12	7.56	8.37	8.06
EV/EBITDA(R)	x	23.6	15.0	9.34	7.00
EV/EBIT	x	27.9	16.8	10.5	8.37
EV/Sales	x	-41.5	-26.5	-16.3	-12.5
P/Book	x	0.59	0.69	0.77	0.76
Dividend yield	%	8.29	4.32	4.18	4.81
Free cash flow yield	%	-4.27	-4.35	-4.40	-4.53
Average stock price	€	60.3	69.4	79.0	79.0

Consolidated P&L

		12/23A	12/24E	12/25E	12/26E
Sales	€th	9,775	11,102	11,473	11,595
<i>Sales growth</i>	%	-0.23	13.6	3.34	1.06
<i>Sales per employee</i>	€th	257	292	302	305
Purchases and external costs (incl. IT)	€th	-16,968	-20,464	-20,975	-21,500
Staff costs	€th	-9,971	-10,220	-10,476	-10,738
Operating lease payments	€th				
Cost of sales/COGS (indicative)	€th				
EBITDA	€th	-17,164	-19,582	-19,978	-20,643
EBITDA(R)	€th	-17,164	-19,582	-19,978	-20,643
<i>EBITDA(R) margin</i>	%	-176	-176	-174	-178
<i>EBITDA(R) per employee</i>	€th	-452	-515	-526	-543
Depreciation	€th	-973	-1,332	-1,377	-1,391
<i>Depreciations/Sales</i>	%	9.95	12.0	12.0	12.0
Amortisation	€th				
Additions to provisions	€th	3,611	3,430	3,602	3,782
Reduction of provisions	€th	0.00	0.00	0.00	1,000
Underlying operating profit	€th	-14,526	-17,484	-17,753	-17,252
<i>Underlying operating margin</i>	%	-149	-157	-155	-149
Other income/expense (cash)	€th				
Other inc./ exp. (non cash; incl. assets revaluation)	€th	85,822 ⁽¹⁾	87,968	90,167	92,421
Impairment charges/goodwill amortisation	€th				
Operating profit (EBIT)	€th	71,296	70,484	72,414	75,169
Interest expenses	€th	-841	-841	-841	-841
<i>of which effectively paid cash interest expenses</i>	€th	-2,494			
Financial income	€th				
Other financial income (expense)	€th	-49.0	-49.0	-49.0	-49.0
Net financial expenses	€th	-890	-890	-890	-890
<i>of which related to pensions</i>	€th		0.00	0.00	0.00
Pre-tax profit before exceptional items	€th	70,406	69,594	71,524	74,279
Exceptional items and other (before taxes)	€th				
Current tax	€th	-543	-3,480	-3,576	-3,714
Deferred tax	€th	1,038	0.00	0.00	0.00
Corporate tax	€th	495	-3,480	-3,576	-3,714
<i>Tax rate</i>	%	-0.70	5.00	5.00	5.00
<i>Net margin</i>	%	725	596	592	609
Equity associates	€th	(2)			
<i>Actual dividends received from equity holdings</i>	€th				
Minority interests	€th	-89.0	-89.0	-89.0	-89.0
Income from discontinued operations	€th				
Attributable net profit	€th	70,812	66,025	67,859	70,476
Impairment charges/goodwill amortisation	€th	0.00	0.00	0.00	0.00
Other adjustments	€th				
Adjusted attributable net profit	€th	70,812	66,025	67,859	70,476
Fully diluted adjusted attr. net profit	€th	70,812	66,025	67,859	70,476
NOPAT	€th	53,472	52,863	54,310	56,377

1. Corresponds to realised and unrealised changes to the fair value of financial assets.

2. Our underlying assumption is that 50% of the €5.5m estimated FY 2023 result of Omnes comes from the private equity and private debt activities that IDI has acquired at 80% (fully consolidated from FY 2023) and 50% from the renewable energy, venture capital and co-investment activities in which IDI has a 45% stake (accounted for using the equity method).

Cashflow Statement

		12/23A	12/24E	12/25E	12/26E
EBITDA	€th	-17,164	-19,582	-19,978	-20,643
Change in WCR	€th	5,361	4,197	1,463	1,502
<i>of which (increases)/decr. in receivables</i>	€th	-254	-3,348	426	404
<i>of which (increases)/decr. in inventories</i>	€th		0.00	0.00	0.00
<i>of which increases/(decr.) in payables</i>	€th	9,880	4,450	539	550
<i>of which increases/(decr.) in other curr. liab.</i>	€th	-4,265	3,095	498	548
Actual dividends received from equity holdings	€th	0.00	0.00	0.00	0.00
Paid taxes	€th	-876	-3,480	-3,576	-3,714
Exceptional items	€th				
Other operating cash flows	€th	-2,953			
Total operating cash flows	€th	-15,632	-18,865	-22,091	-22,854
Capital expenditure	€th	-1,980	-1,980	-1,980	-1,980
<i>Capex as a % of depreciation & amort.</i>	%	203	149	144	142
Net investments in shares	€th	291,687	15,000	10,000	10,000
Other investment flows	€th	9,932 ⁽³⁾	10,429	10,950	11,498
Total investment flows	€th	299,639	23,449	18,970	19,518
Net interest expense	€th	-890	-890	-890	-890
<i>of which cash interest expense</i>	€th	-2,494	-890	-890	-890
Dividends (parent company)	€th	-19,566	-35,943	-21,566	-23,722
Dividends to minorities interests	€th	0.00	0.00	0.00	0.00
New shareholders' equity	€th	218			
<i>of which (acquisition) release of treasury shares</i>	€th	0.00			
Change in gross debt	€th	16,000	0.00	0.00	0.00
Other financial flows	€th	-12,854	-13,497	-14,172	-14,880
Total financial flows	€th	-18,696	-50,330	-36,627	-39,493
Change in cash position	€th	265,311	-45,746	-39,748	-42,829
Change in net debt position	€th	249,311	-45,746	-39,748	-42,829
Free cash flow (pre div.)	€th	-18,502	-21,735	-24,961	-25,724
Operating cash flow (clean)	€th	-15,632	-18,865	-22,091	-22,854
<i>Reinvestment rate (capex/tangible fixed assets)</i>	%	96.7	92.1	87.7	83.5

3. Includes dividends from investee companies.

Balance Sheet

		12/23A	12/24E	12/25E	12/26E
Goodwill	€th	5,119	5,119	5,119	5,119
Other intangible assets	€th	0.50			
Total intangible	€th	5,120	5,119	5,119	5,119
Tangible fixed assets	€th	2,048	2,150	2,258	2,371
Right-of-use	€th	13,401	13,736	14,423	15,144
Financial fixed assets (part of group strategy)	€th	439,769 ⁽⁴⁾	483,746	532,120	585,333
Other financial assets (investment purpose mainly)	€th				
WCR	€th	-19,224	-23,421	-24,884	-26,386
of which trade & receivables (+)	€th	5,166	8,514	8,088	7,684
of which inventories (+)	€th				
of which payables (+)	€th	22,500	26,950	27,489	28,039
of which other current liabilities (+)	€th	1,890	4,985	5,483	6,031
Other current assets	€th	1,513	3,513	3,513	3,513
of which tax assets (+)	€th	1,078			
Total assets (net of short term liabilities)	€th	442,627	484,844	532,549	585,093
Ordinary shareholders' equity (group share)	€th	732,410	728,546	736,503	746,218
Minority interests	€th	963	963	963	963
Provisions for pensions	€th	605	0.00	0.00	0.00
Other provisions for risks and liabilities	€th	-298	635	635	635
Deferred tax liabilities	€th	454	454	454	454
Other liabilities	€th	14,659	14,659	14,659	14,659
Net debt / (cash)	€th	-306,160	-260,414	-220,665	-177,836
Total liabilities and shareholders' equity	€th	442,633	484,844	532,549	585,093
Gross Cash	€th	398,585	352,839	313,090	270,261
Average net debt / (cash)	€th	-166,539	-283,287	-240,540	-199,251
Adjusted net debt	€th	-305,853	-259,779	-220,030	-177,201

4. Adjusted by the fair value of liquid assets which we include in the calculation of the net debt/cash position, as these assets can be easily mobilised to service financial debts. We have included the estimated €50m purchase price of IdiCo.

EV Calculations

		12/23A	12/24E	12/25E	12/26E
EV/EBITDA(R)	x	23.6	15.0	9.34	7.00
EV/EBIT	x	27.9	16.8	10.5	8.37
EV/Sales	x	-41.5	-26.5	-16.3	-12.5
EV/Invested capital	x	-0.95	-0.63	-0.36	-0.26
Market cap	€th	433,629	499,083	567,902	567,902
+ Provisions (including pensions)	€th	307	635	635	635
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00	0.00
+ Net debt at year end (ex Right-of-use from 2019)	€th	-319,561	-274,150	-235,088	-192,980
+ Right-of-use (from 2019)/Leases debt equivalent	€th	0.00	0.00	0.00	0.00
- Financial fixed assets (fair value) & Others	€th	520,035	520,035	520,035	520,035
+ Minority interests (fair value)	€th	0.00	0.00	0.00	0.00
= Enterprise Value	€th	-405,660	-294,466	-186,586	-144,478

Per Share Data

		12/23A	12/24E	12/25E	12/26E
Adjusted EPS (bfr goodwill amort. & dil.)	€	9.81	9.18	9.44	9.80
<i>Growth in EPS</i>	%	-11.6	-6.41	2.78	3.86
Reported EPS	€	9.85	9.18	9.44	9.80
Net dividend per share	€	5.00	3.00	3.30	3.80
Of which exceptional pay out	€	2.25			
Free cash flow per share	€	-2.56	-3.02	-3.47	-3.58
Operating cash flow per share	€	-2.17	-2.62	-3.07	-3.18
Book value per share	€	102	101	102	104
Number of ordinary shares	Th	7,189	7,189	7,189	7,189
Number of equivalent ordinary shares (year end)	Th	7,189	7,189	7,189	7,189
Number of shares market cap.	Th	7,189	7,189	7,189	7,189
Treasury stock (year end)	Th				
Number of shares net of treasury stock (year end)	Th	7,189	7,189	7,189	7,189
Number of common shares (average)	Th	7,215	7,189	7,189	7,189
Conversion of debt instruments into equity	Th				
Settlement of cashable stock options	Th				
Probable settlement of non mature stock options	Th				
Other commitments to issue new shares	Th				
Increase in shares outstanding (average)	Th	0.00	0.00	0.00	0.00
Number of diluted shares (average)	Th	7,215	7,189	7,189	7,189
Goodwill per share (diluted)	€	0.00	0.00	0.00	0.00
EPS after goodwill amortisation (diluted)	€	9.81	9.18	9.44	9.80
EPS before goodwill amortisation (non-diluted)	€	9.81	9.18	9.44	9.80
Payout ratio	%	50.8	32.7	35.0	38.8
Capital payout ratio (div +share buy back/net income)	%	50.8	32.7	35.0	

Funding - Liquidity

		12/23A	12/24E	12/25E	12/26E
EBITDA	€th	-17,164	-19,582	-19,978	-20,643
Funds from operations (FFO)	€th	-23,487	-23,952	-24,444	-25,246
Ordinary shareholders' equity	€th	732,410	728,546	736,503	746,218
Gross debt	€th	92,425	92,425	92,425	92,425
o/w Less than 1 year - Gross debt	€th	30,615	30,615	30,615	30,615
o/w 1 to 5 year - Gross debt	€th	61,810	61,810	61,810	61,810
+ Gross Cash	€th	398,585	352,839	313,090	270,261
= Net debt / (cash)	€th	-306,160	-260,414	-220,665	-177,836
Bank borrowings	€th	92,425	92,425	92,425	92,425
Other financing	€th	0.00	0.00	0.00	0.00
Gearing (at book value)	%	-22.7	-38.9	-32.7	-26.7
Equity/Total asset (%)	%	165	150	138	128
Adj. Net debt/EBITDA(R)	x	17.8	13.3	11.0	8.58
Adjusted Gross Debt/EBITDA(R)	x	-5.40	-4.75	-4.66	-4.51
Adj. gross debt/(Adj. gross debt+Equity)	%	11.2	11.3	11.2	11.1
Ebit cover	x	-16.3	-19.6	-19.9	-19.4
FFO/Gross Debt	%	-25.3	-25.7	-26.3	-27.1
FFO/Net debt	%	7.67	9.20	11.1	14.2
FCF/Adj. gross debt (%)	%	-20.0	-23.4	-26.8	-27.6
(Gross cash+ "cash" FCF+undrawn)/ST debt	x	12.4	10.8	9.41	7.99
"Cash" FCF/ST debt	x	-0.66	-0.71	-0.82	-0.84

ROE Analysis (Dupont's Breakdown)

		12/23A	12/24E	12/25E	12/26E
Tax burden (Net income/pretax pre excp income)	x	1.01	0.95	0.95	0.95
EBIT margin (EBIT/sales)	%	729	635	631	648
Assets rotation (Sales/Avg assets)	%	1.77	2.39	2.26	2.07
Financial leverage (Avg assets /Avg equity)	x	0.78	0.63	0.69	0.75
ROE	%	10.1	9.04	9.26	9.51
ROA	%	-591	-436	-414	-398

Shareholder's Equity Review (Group Share)

		12/23A	12/24E	12/25E	12/26E
Y-1 shareholders' equity	€th	672,792	732,410	728,546	736,503
+ Net profit of year	€th	70,812	66,025	67,859	70,476
- Dividends (parent cy)	€th	-19,566	-35,943	-21,566	-23,722
+ Additions to equity	€th	218	0.00	0.00	0.00
<i>o/w reduction (addition) to treasury shares</i>	<i>€th</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
- Unrecognised actuarial gains/(losses)	€th	0.00	0.00	0.00	0.00
+ Comprehensive income recognition	€th	8,154	-33,946	-38,336	-37,039
= Year end shareholders' equity	€th	732,410	728,546	736,503	746,218

Staffing Analytics

		12/23A	12/24E	12/25E	12/26E
Sales per staff	€th	257	292	302	305
Staff costs per employee	€th	-262	-269	-276	-283
<i>Change in staff costs</i>	<i>%</i>	<i>154</i>	<i>2.50</i>	<i>2.50</i>	<i>2.50</i>
<i>Change in unit cost of staff</i>	<i>%</i>	<i>-19.6</i>	<i>2.50</i>	<i>2.50</i>	<i>2.50</i>
<i>Staff costs/(EBITDA+Staff costs)</i>	<i>%</i>	<i>-139</i>	<i>-109</i>	<i>-110</i>	<i>-108</i>

Average workforce	unit	38.0	38.0	38.0	38.0
Europe	unit	38.0	38.0	38.0	38.0
North America	unit	0.00	0.00	0.00	0.00
South Americas	unit	0.00	0.00	0.00	0.00
Asia	unit	0.00	0.00	0.00	0.00
Other key countries	unit	0.00	0.00	0.00	0.00
Total staff costs	€th	-9,971	-10,220	-10,476	-10,738
Wages and salaries	€th	-9,971	-10,220	-10,476	-10,738
Pension related costs	€th		0.00	0.00	0.00

Divisional Breakdown Of Revenues

		12/23A	12/24E	12/25E	12/26E
Total sales	€th	9,775	11,102	11,473	11,595
PE Europe	€th	3,360	3,528	3,704	3,890
PE Emergents	€th	140	147	154	162
Actifs Liquides	€th	163	171	180	189
Other	€th	6,112	7,256	7,435	7,354

Divisional Breakdown Of Earnings

		12/23A	12/24E	12/25E	12/26E
Dividend contributions Analysis					
PE Emergents	€th	92.0	96.6	101	96.7
Actifs Liquides	€th	128	134	141	135
PE Europe	€th	640	672	706	673
Other/cancellations	€th	0.00	0.00	0.00	0.00
Total	€th	860	903	948	904
Dividend contributions margin	%	8.80	8.13	8.26	7.79

Revenue Breakdown By Country

		12/23A	12/24E	12/25E	12/26E
Europe	%	73.1	73.1		
Other	%	26.9	26.9		

ROCE

		12/23A	12/24E	12/25E	12/26E
ROCE (NOPAT+lease exp.*(1-tax))/(net) cap employed adjusted	%	12.5	11.3	10.6	9.95
CFROIC	%	-4.33	-4.65	-4.85	-4.54
Goodwill	€th	5,119	5,119	5,119	5,119
Accumulated goodwill amortisation	€th	0.00	0.00	0.00	0.00
All intangible assets	€th	0.50	0.00	0.00	0.00
Accumulated intangible amortisation	€th	0.00	0.00	0.00	0.00
Financial hedges (LT derivatives)	€th	0.00	0.00	0.00	0.00
Capitalised R&D	€th	0.00	0.00	0.00	0.00
Rights of use/ Capitalised leases	€th	0.00	0.00	0.00	0.00
Other fixed assets	€th	2,048	2,150	2,258	2,371
Accumulated depreciation	€th	0.00	0.00	0.00	0.00
WCR	€th	-19,224	-23,421	-24,884	-26,386
Other assets	€th	439,769	483,746	532,120	585,333
Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00	0.00
Capital employed after deprec. (Invested capital)	€th	427,713	467,595	514,614	566,436
Capital employed before depreciation	€th	427,713	467,595	514,614	566,436

Divisional Breakdown Of Capital Employed

		12/23A	12/24E	12/25E	12/26E
PE Emergents	€th				
Actifs Liquides	€th				
PE Europe	€th				
Other	€th	427,713	467,595	514,614	566,436
Total capital employed	€th	427,713	467,595	514,614	566,436

Fundamental Opinion

It is implicit that recommendations are made in good faith but should not be regarded as the sole source of advice.

Recommendations are geared to a “**value**” approach.

Valuations are computed from the point of view of a **secondary market minority holder** looking at a medium term (say 6 months) performance.

Valuation tools are built around the concepts of **transparency**, all underlying figures are accessible, and **consistency**, same methodology whichever the stock, allowing for differences in nature between financial and non financial stocks. A stock with a target price below its current price should not and will not be regarded as an Add or a Buy.

Recommendations are based on target prices with no allowance for dividend returns. The thresholds for the four recommendation levels may change from time to time depending on market conditions. Thresholds are defined as follows, ASSUMING long risk free rates remain in the 2-5% region.

Recommendation	Low Volatility 10 < VIX index < 30	Normal Volatility 15 < VIX index < 35	High Volatility 35 < VIX index
Buy ●	More than 15% upside	More than 20% upside	More than 30% upside
Add ●	From 5% to 15%	From 5% to 20%	From 10% to 30%
Reduce ●	From -10% to 5%	From -10% to 5%	From -10% to 10%
Sell ●	Below -10%	Below -10%	Below -10%

There is deliberately no “neutral” recommendation. The principle is that there is no point investing in equities if the return is not at least the risk free rate (and the dividend yield which again is not allowed for).

Although recommendations are automated (a function of the target price whenever a new equity research report is released), the management of AlphaValue intends to maintain global consistency within its universe coverage and may, from time to time, decide to change global parameters which may affect the level of recommendation definitions and /or the distribution of recommendations within the four levels above. For instance, lowering the risk premium in a gloomy context may increase the proportion of positive recommendations.

Valuation

Valuation processes have been organized around transparency and consistency as primary objectives.

Stocks belong to different categories that recognise their main operating features : Banks, Insurers and Non Financials.

Within those three universes, the valuation techniques are the same and in relation to the financial data available.

The weighting given to individual valuation techniques is managed centrally and may be changed from time to time. As a rule, all stocks of a similar profile are valued using equivalent weighting of the various valuation techniques. This is for obvious consistency reasons.

Within the very large universe of Non Financials, there are in effect 4 sub-categories of weightings to cater for subsets: 1) 'Mainstream' stocks; 2) 'Holding companies' where the stress is on NAV measures; 3) 'Growth' companies where the stress is on peer based valuations; 4) 'Loss making sectors' where peers review is essentially pointing nowhere (ex: Bio techs). The bulk of the valuation is then built on DCF and NAV, in effect pushing back the time horizon.

Valuation Issue	Normal industrials	Growth industrials	Holding company	Loss runners	Bank	Insurers
DCF	35%	35%	10%	40%	0%	0%
NAV	20%	20%	55%	40%	50%	15%
PE	10%	10%	10%	5%	10%	20%
EV/EBITDA	20%	20%	0%	5%	0%	0%
Yield	10%	10%	20%	5%	10%	15%
Book	5%	5%	5%	5%	10%	10%
Banks' intrinsic method	0%	0%	0%	0%	10%	0%
Embedded Value	0%	0%	0%	0%	0%	40%
Mkt Cap/Gross Operating Profit	0%	0%	0%	0%	10%	0%