



IDI

Holding Companies / France

Adjustment following the completion of the sale of Flex Composite Group

Private equity players buffeted by macro-economic headwinds - 26/10/2023

Change in EPS

2023 : € 9.22 vs 6.45	+42.9%
2024 : € 8.17 vs 8.13	+0.51%

Our EPS 2023 resets significantly higher due to the inclusion of the sale of Flex Composite Group (FCG) to Michelin, which has driven up the change in fair value to €89m in H1-23.

Change in DCF

€ 61.4 vs 45.2	+35.9%
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Our DCF has improved significantly following the sale of FCG to Michelin. We have estimated the total proceeds at €278.4m (against an estimated book value of €207.2m) or 12x the initial investment of €23.2m, which has significantly improved our estimates for the FY 23 cash position.



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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 : 55.4%

Target Price (6 months)	€ 93.9
Share Price	€ 60.4
Market Cap. €M	437
Price Momentum	UNFAVORABLE
Extremes 12Months	45.6 ▶ 69.8
Bloomberg	IDIP FP Equity
Reuters	IDVP.PA



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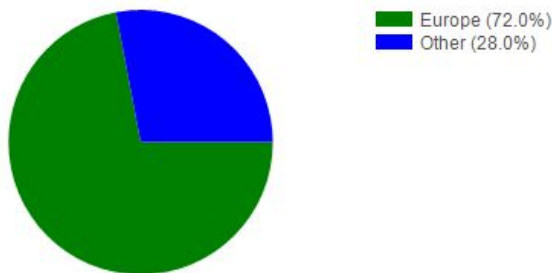


PERF	1w	1m	3m	12m
IDI	-7.08%	-10.4%	-7.08%	30.7%
Other Financials	-3.82%	-5.36%	-14.9%	-1.49%
SXXR Index	-2.17%	-3.29%	-6.61%	9.66%

Last updated: 26/10/2023	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	4.54	6.55	7.39	6.84
Dividend yield (%)	4.96	4.64	4.97	5.30
EV/EBITDA(R) (x)	47.3	-57.6	-57.1	-80.0
Adjusted EPS (€)	11.1	9.22	8.17	8.83
Growth in EPS (%)	-36.3	-16.9	-11.4	8.06
Dividend (€)	2.50	2.80	3.00	3.20
Sales (€th)	9,798	24,679	30,780	31,284
Dividend contributions marg...	73.8	30.8	25.9	26.8
Attributable net profit (€th)	80,384	66,785	59,188	63,956
ROE (after tax) (%)	12.5	9.06	7.42	8.15
Gearing (%)	-6.19	-16.9	-29.4	-26.8

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

Sales by Geography



Consolidated P&L Accounts

	12/22A	12/23E	12/24E
Sales	€th 9,798	24,679	30,780
Change in sales	% 92.2	152	24.7
Change in staff costs	% 13.8	71.0	15.7
EBITDA	€th -6,739	4,632	4,330
EBITDA(R) margin	% -68.8	18.8	14.1
Depreciation	€th -232	-2,961	-3,694
Underlying operating profit	€th -6,659	1,999	980
Operating profit (EBIT)	€th 77,960	91,499	81,368
Net financial expense	€th -1,568	-2,452	-2,452
of which related to pensions	€th	0.00	0.00
Exceptional items & other	€th		
Corporate tax	€th 3,992	-22,262	-19,729
Equity associates	€th		
Minority interests	€th	0.00	0.00
Adjusted attributable net profit	€th 80,384	66,785	59,188
NOPAT	€th 58,470	68,624	61,026

Cashflow Statement

	12/22A	12/23E	12/24E
EBITDA	€th -6,739	4,632	4,330
Change in WCR	€th -17,319	3,555	4,002
Actual div. received from equity holdi...	€th 0.00	0.00	0.00
Paid taxes	€th 3,992	-22,262	-19,729
Exceptional items	€th		
Other operating cash flows	€th -1,177		
Total operating cash flows	€th -21,243	-14,074	-11,397
Capital expenditure	€th 0.00	0.00	0.00
Total investment flows	€th 87,567	256,256	18,272
Net interest expense	€th -1,568	-2,452	-2,452
Dividends (parent company)	€th -19,959	-19,566	-20,278
Dividends to minorities interests	€th 0.00	0.00	0.00
New shareholders' equity	€th 0.00	0.00	
Total financial flows	€th -25,147	26,949	-26,501
Change in cash position	€th 41,177	269,132	-19,626
Free cash flow (pre div.)	€th -22,811	-16,526	-13,849

Per Share Data

	12/22A	12/23E	12/24E
No. of shares net of treas. stock (year...)	Th 7,242	7,242	7,242
Number of diluted shares (average)	Th 7,242	7,242	7,242
Benchmark EPS	€ 11.1	9.22	8.17
Restated NAV per share	€		
Net dividend per share	€ 2.50	2.80	3.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 87.7	55%	● Ackermans & van H...
Dividend Yield	€ 121	20%	● Bolloré
DCF	€ 61.4	10%	● Corporacion Financ...
P/E	€ 121	10%	● GBL
P/Book	€ 65.3	5%	● Kinnevik Investment
TARGET PRICE	€ 93.9	100%	● Wendel

NAV/SOTP Calculation

Balance Sheet

	12/22A	12/23E	12/24E
Goodwill	€th	5,881	5,881
Total intangible	€th 0.00	5,881	5,881
Tangible fixed assets	€th 612	1,822	1,913
Financial fixed assets	€th 645,956	574,631	588,997
WCR	€th -10,137	-13,692	-17,694
Other assets	€th 8,559	6,495	8,495
Total assets (net of short term liab.)	€th 659,491	589,034	601,489
Ordinary shareholders' equity	€th 672,792	801,608	794,254
Quasi Equity & Preferred	€th		
Minority interests	€th 8.00	8.00	8.00
Provisions for pensions	€th 506	0.00	0.00
Other provisions for risks and liabilities	€th 3,409	3,649	3,831
Total provisions for risks and liabilities	€th 3,915	3,649	3,831
Tax liabilities	€th 486	478	478
Other liabilities	€th 9,210	26,782	26,782
Net debt (cash)	€th -26,918	-	-
Total liab. and shareholders' equity	€th 659,493	589,034	601,489

Capital Employed

	12/22A	12/23E	12/24E
Capital employed after depreciation	€th 636,431	568,642	579,097

Profits & Risks Ratios

	12/22A	12/23E	12/24E
ROE (after tax)	% 12.5	9.06	7.42
ROCE	% 9.19	12.1	10.5
Gearing (at book value)	% -6.19	-16.9	-29.4
Adj. Net debt/EBITDA(R)	x 3.99	-52.6	-51.7
Interest cover (x)	x -4.25	0.82	0.40

Valuation Ratios

	12/22A	12/23E	12/24E
Reference P/E (benchmark)	x 4.54	6.55	7.39
Free cash flow yield	% -6.25	-3.78	-3.17
P/Book	x 0.54	0.55	0.55
Dividend yield	% 4.96	4.64	4.97

EV Calculation

	12/22A	12/23E	12/24E
Market cap	€th 365,005	437,417	437,417
+ Provisions	€th 3,915	3,649	3,831
+ Unrecognised actuarial losses/(gains)	€th 0.00	0.00	0.00
+ Net debt at year end	€th -41,419	-	-
		257,388	237,762
+ Leases debt equivalent	€th 0.00	0.00	0.00
- Financial fixed assets (fair value)	€th 645,956	450,700	450,700
+ Minority interests (fair value)	€th 0.00	8.00	8.00
= EV	€th -318,455	267,014	247,206
EV/EBITDA(R)	x 47.3	-57.6	-57.1
EV/Sales	x -32.5	-10.8	-8.03

Analyst : Saima Hussain, Changes to Forecasts : 26/10/2023.