

## AUDAX RENOVABLES

### Q2 results above estimates

- Q2 results above estimates.** Gross margin grew by 91% to €56m in Q2, above our €42m estimate. The difference came mainly from the international supply business that showed a much stronger performance than expected. Reported EBITDA grew by 2.8X to c.€25m, above our €21m estimate. By business: Supply EBITDA reached €21m, well above our €15m due to a higher-than-expected contribution from the international business. Generation EBITDA reached €4.0m, slightly below on lower-than-expected output. Net profit reached €6m, below our €7m, given higher than expected taxes.
- Operating KPIs.** Client portfolio grew by 5.8K in Q2, from 376K to 382K, with the bulk of the increase focused on Iberia. This is roughly in line with our estimates. It is the first time that the client base increases QoQ since 2021, showing the benefits of the market access agreement reached with Shell. Renewable capacity in operation was flat QoQ at 179MW.
- Net debt** decreased from €367m to €337m, roughly in line with our estimate. This implies 4.7XEBITDA (ND/EBITDA23E).
- Risk to estimates.** On the back of this set of results, we see some upside risk to our estimates.

#### AUDAX: P&L ESTIMATES

(€ m)	2Q22	1Q23	2Q23	YoY (%)	QoQ (%)	2Q23E	Dif. Est
Gross Margin	29.0	50.9	55.5	91%	9%	41.9	32%
EBITDA	8.9	23.1	25.1	183%	9%	20.6	22%
o/w Supply	3.2	18.6	21.4	577%	15%	15.3	40%
o/w Generation	5.7	4.4	3.7	(34%)	(16%)	5.4	(30%)
EBIT	3.7	17.6	19.9	443%	13%	14.8	34%
Net profit attributable	(0.8)	2.0	6.3	-	213%	7.2	(12%)

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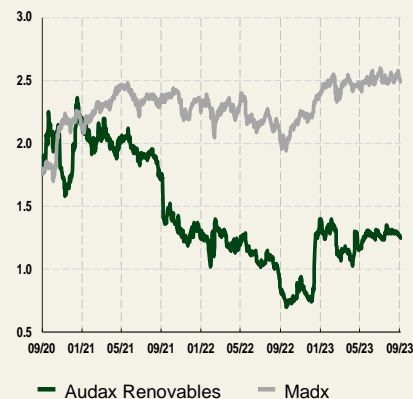
Share Price (\*) € 1.25

\*Share price at the close of 27 September 2023

#### ADX.R.MC / ADX SM

Market Cap	€ 550 m
Enterprise Value	€ 842 m
Free Float	€ 99 m
Nº Shares	440 m
Average Daily Volume	€ 100 k

Performance	1m	3m	12m
Absolute %	-3.7	-3.4	54.4
Relative %	-1.5	-3.3	23.6



Financial Ratios	FY20	FY21	FY22	FY23E	FY24E	FY25E
EBITDA (€m)	66	47	54	72	89	107
Net profit (€m)	26	(2)	4	21	30	35
EPS (€)	0.06	(0.00)	0.01	0.05	0.07	0.08
Adj. EPS (*) (€)	0.03	(0.00)	0.00	0.05	0.07	0.08
P/E (x)	27.2	n.m.	n.m.	26.0	18.3	15.7
P/E Adj. (x)	50.8	n.m.	n.m.	25.9	18.2	15.6
EV/EBITDA (x)	13.7	25.9	14.9	11.7	10.3	9.4
Debt/EBITDA (x)	3.6	9.6	6.9	4.6	4.6	4.7
P/BV (x)	5.0	6.1	3.9	3.8	3.2	2.6
ROE (%)	10.6	(1.2)	1.3	16.0	19.0	18.4
DPS (€)	0.02	0.00	0.00	0.00	0.00	0.00
Dividend yield (%)	1.4	0.0	0.0	0.0	0.0	0.0

(\*) Historical multiples based on average share price of the year

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## KEY DATA

P&L account (€ m)	FY20	FY21	FY22	FY23E	FY24E	FY25E
Sales	969	1,684	2,633	2,252	2,324	2,460
Cost of sales	(854)	(1,561)	(2,489)	(2,086)	(2,135)	(2,245)
<b>Gross margin</b>	<b>115</b>	<b>123</b>	<b>144</b>	<b>166</b>	<b>189</b>	<b>215</b>
Opex	(65)	(76)	(92)	(94)	(100)	(107)
<b>EBITDA adjusted</b>	<b>50</b>	<b>47</b>	<b>52</b>	<b>72</b>	<b>89</b>	<b>107</b>
Assets disposals	16	(0)	2	(0)	(0)	(0)
<b>EBITDA reported</b>	<b>66</b>	<b>47</b>	<b>54</b>	<b>72</b>	<b>89</b>	<b>107</b>
Depreciation & Amortization	(20)	(22)	(22)	(23)	(27)	(34)
<b>EBIT</b>	<b>47</b>	<b>25</b>	<b>32</b>	<b>48</b>	<b>62</b>	<b>73</b>
Financial costs	(13)	(28)	(22)	(23)	(26)	(31)
Associates	(0)	(0)	3	5	5	5
<b>Ordinary profit</b>	<b>34</b>	<b>(3)</b>	<b>13</b>	<b>31</b>	<b>41</b>	<b>47</b>
Extraordinary items	0	2	(0)	0	0	0
<b>Pre-tax Profit</b>	<b>34</b>	<b>(2)</b>	<b>13</b>	<b>31</b>	<b>41</b>	<b>47</b>
Taxes	(4)	(2)	(5)	(3)	(5)	(6)
Discontinued activities	0	0	0	0	0	0
Minorities	(4)	2	(4)	(6)	(6)	(6)
<b>Net profit</b>	<b>26</b>	<b>(2)</b>	<b>4</b>	<b>21</b>	<b>30</b>	<b>35</b>
Nº of shares (m)	440	440	440	440	440	440
Nº of shares adjusted (m)	440	440	440	440	440	440
Treasury stock (m)	0	0	0	0	0	0

YoY Growth	FY20	FY21	FY22	FY23E	FY24E	FY25E
Sales	(7.1%)	73.7%	56.4%	(14.5%)	3.2%	5.8%
EBITDA adjusted	(26.7%)	(6.2%)	9.9%	39.1%	23.9%	20.4%
EBITDA reported	(9.3%)	(29.5%)	15.5%	32.6%	24.0%	20.4%
Net profit	3.8%	(106.5%)	(305.8%)	498.4%	42.1%	16.7%

Revenues by business	FY20	FY21	FY22	FY23E	FY24E	FY25E
Supply	98.3%	99.0%	99.0%	98.7%	98.5%	98.1%
Generation	1.7%	1.0%	1.0%	1.3%	1.5%	1.9%

EBITDA by business	FY20	FY21	FY22	FY23E	FY24E	FY25E
Supply	76.6%	72.7%	61.7%	69.2%	71.3%	66.9%
Generation	23.4%	27.3%	38.3%	30.8%	28.7%	33.1%

Per share data	FY20	FY21	FY22	FY23E	FY24E	FY25E
EPS	0.06	(0.00)	0.01	0.05	0.07	0.08
EPS adjusted	0.03	(0.00)	0.00	0.05	0.07	0.08
CFPS	0.08	0.05	0.07	0.11	0.14	0.17
FCFPS	(0.08)	(0.40)	0.15	0.10	(0.16)	(0.22)
BVPS	0.33	0.30	0.28	0.33	0.39	0.47
DPS	0.02	0.00	0.00	0.00	0.00	0.00

Cash flow (€ m)	FY20	FY21	FY22	FY23E	FY24E	FY25E
Net profit	26	(2)	4	21	30	35
Depreciation	20	22	22	23	27	34
Minorities	4	(2)	4	6	6	6
Non-cash adjustments	(16)	4	0	(1)	(1)	(1)
<b>Total cash-flow (CF)</b>	<b>33</b>	<b>22</b>	<b>30</b>	<b>49</b>	<b>62</b>	<b>74</b>
Capex	(19)	(81)	(47)	(84)	(129)	(168)
Working capital	(49)	(118)	85	78	(5)	(4)
<b>Operating FCF</b>	<b>(34)</b>	<b>(177)</b>	<b>68</b>	<b>43</b>	<b>(72)</b>	<b>(98)</b>
Financial investments	0	0	0	0	0	0
Rights issues	0	0	0	0	0	0
Disposals/(acquisitions)	(135)	(50)	9	0	0	0
Other	81	24	(3)	0	0	0
<b>FCF before dividends</b>	<b>(88)</b>	<b>(204)</b>	<b>74</b>	<b>43</b>	<b>(72)</b>	<b>(98)</b>
Dividends	(5)	(10)	0	0	0	0
<b>Free-cash-flow (FCF)</b>	<b>(92)</b>	<b>(214)</b>	<b>74</b>	<b>43</b>	<b>(72)</b>	<b>(98)</b>
Buy-backs	0	0	0	0	0	0
<b>FCF after buy backs</b>	<b>(92)</b>	<b>(214)</b>	<b>74</b>	<b>43</b>	<b>(72)</b>	<b>(98)</b>

Balance sheet (€ m)	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity	143	132	122	144	174	209
Minority interests	8	12	13	13	13	13
Provisions & others	18	20	21	21	21	21
Net debt [cash]	236	450	376	333	405	503
<b>Capital invested</b>	<b>405</b>	<b>614</b>	<b>533</b>	<b>512</b>	<b>613</b>	<b>746</b>
Intangible assets	297	338	340	340	340	340
Tangible assets	87	117	140	201	303	438
Financial assets	16	33	10	10	10	10
Associates	7	10	13	8	3	(2)
Working capital	(2)	116	31	(47)	(43)	(39)
<b>Capital employed</b>	<b>405</b>	<b>614</b>	<b>533</b>	<b>512</b>	<b>613</b>	<b>746</b>
Working capital/sales	-0.2%	6.9%	1.2%	-2.1%	-1.8%	-1.6%

Financial ratios	FY20	FY21	FY22	FY23E	FY24E	FY25E
Net debt/EBITDA	3.6X	9.6X	6.9X	4.6X	4.6X	4.7X
Net debt/EBITDA (*)	4.4X	9.7X	6.8X	4.0X	3.4X	3.1X
Gearing	156.5%	311.8%	277.1%	212.3%	216.3%	226.0%
Interest cover	3.6X	0.9X	1.4X	2.1X	2.4X	2.4X

(\*) Corporate net debt ÷ net debt

Margins & ratios	FY20	FY21	FY22	FY23E	FY24E	FY25E
EBITDA margin	5.2%	2.8%	2.0%	3.2%	3.8%	4.4%
EBIT margin	4.8%	1.5%	1.2%	2.1%	2.7%	3.0%
Effective tax rate	11.4%	(104.4%)	38.2%	11.3%	13.0%	12.9%
Pay-out	37.9%	0.0%	0.0%	0.0%	0.0%	0.0%
ROCE (EBIT/CE)	11.5%	4.1%	6.1%	9.4%	10.1%	9.8%
ROE	10.6%	(1.2%)	1.3%	16.0%	19.0%	18.4%

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