

AUDAX RENOVABLES

Q4 results roughly in line

- Q4 EBITDA & net profit above estimates.** Gross margin grew by 17% reaching €33m, roughly in line with our estimates. EBITDA increased by 75% to €26m, including €10m higher opex & €16m positive gains from the acquisition of Hungary. Excluding both effects, EBITDA reached €19m, +26% YoY, in line with estimates. EBIT reached €21m, above our €14m. Net profit reported reached €18m, above our €8m estimate.
- Operating KPIs.** Supply points reached 515k in Q4 vs. 492k in Q3 (+22k), above our 500K estimate. This implies 22.7K new customers in Q4 vs. our 7.8K estimates. Electricity customers grew by 17.6K in Q4, reaching 422K, above our 410K estimate. Gas customers grew by 5.1K in Q4, up to 92.7K vs. our 90.3K. Energy supplied increased by 57% to 4.2TWh in the quarter, better than our 3.4TWh due to the contribution from the Hungarian clients.
- Production capacity & growth targets.** Audax ended 2020 with 91MW in operation (flat QoQ), in line, and has additional 60MW under construction and 65MW in "Ready to Build", that will initiate construction in the coming weeks. Renewables pipeline reached 2.3GW, of which 1.1GW being backlog (grid & land plus permits requested), 376MW in advance stages & 781MW in early stages. Audax target is to increase its production capacity reaching an annual run-rate of 750MW p.a. from 2022-23.
- Net debt.** Consolidated net debt increased slightly from €194m in Q4 to €204m, lower than our €234m estimate, on a mix of better than expected WC performance and lower capex.
- Risk to estimates.** On the back of this results, we do not see material risk to our operating estimates. On the other hand, we see upside risk to our renewable capacity estimates: we include 795MW over 2021-23 vs. 750MW target only for 2023.

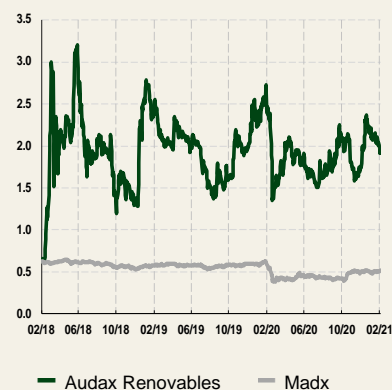
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Share Price € 1.94

ADXR.MC / ADX SM

Market Cap € 852 m
Enterprise Value € 1,076 m
Free Float € 192 m
Nº Shares 440 m
Average Daily Volume € 0.4 m

Performance	1m	3m	12m
Absolute %	-10.2	9.6	-20.6
Relative %	-15.0	6.1	-13.4



Financial Ratios	FY18	FY19	FY20E	FY21E	FY22E	FY23E
EBITDA (€m)	45	68	59	81	105	145
Net profit (€m)	9	25	16	34	49	75
EPS (€)	0.02	0.06	0.04	0.08	0.11	0.17
Adj. EPS (*) (€)	0.03	0.05	0.04	0.08	0.11	0.17
P/E (x)	63.1	37.1	52.1	24.8	17.4	11.3
P/E Adj. (x)	41.6	43.4	52.1	24.8	17.4	11.3
EV/EBITDA (x)	18.0	15.8	16.9	13.3	10.9	8.2
Debt/EBITDA (x)	6.8	2.7	4.0	3.6	3.5	2.8
P/BV (x)	3.5	7.7	6.1	4.9	3.8	2.9
ROE (%)	10.1	19.0	12.4	22.1	24.9	29.0
DPS (€)	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0

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

Analyst

Fernando Lafuente
+34 91 550 87 16
flafuente@alantraequities.com
Beatriz Bernal
+34 91 550 87 17
bbernal@alantraequities.com

AUDAX: P&L ESTIMATES								
(€ m)	4Q19	1Q20	2Q20	3Q20	4Q20	% YoY	4Q20E	Dif. Est
Gross Margin	28.1	30.0	23.0	29.0	32.9	17%	33.4	(1%)
EBITDA	15.0	12.3	10.4	17.4	26.4	75%	19.1	38%
EBIT	9.3	7.1	5.7	12.6	21.3	129%	13.6	58%
Net profit	6.9	1.4	2.7	4.4	17.9	159%	7.6	136%

KEY DATA

P&L account (€ m)	FY18	FY19	FY20E	FY21E	FY22E	FY23E
Sales	987	1,044	781	1,107	1,295	1,497
Cost of sales	(883)	(917)	(665)	(971)	(1,128)	(1,284)
Gross margin	104	127	115	137	166	213
Opex	(59)	(58)	(56)	(56)	(61)	(68)
EBITDA adjusted	45	68	59	81	105	145
Assets disposals	9	5	0	0	0	0
EBITDA reported	53	73	59	81	105	145
Depreciation & Amortization	(25)	(26)	(20)	(22)	(27)	(37)
EBIT	28	47	39	59	78	108
Financial costs	(16)	(16)	(16)	(18)	(19)	(20)
Associates	(0)	(0)	(0)	(0)	(0)	(0)
Ordinary profit	12	31	23	41	59	88
Extraordinary items	(0)	2	0	0	0	0
Pre-tax Profit	12	33	23	41	59	88
Taxes	(2)	(2)	(3)	(5)	(7)	(11)
Discontinued activities	0	0	0	0	0	0
Minorities	(1)	(6)	(4)	(1)	(2)	(1)
Net profit	9	25	16	34	49	75
Nº of shares (m)	440	440	440	440	440	440
Nº of shares adjusted (m)	290	440	440	440	440	440
Treasury stock (m)	0	0	0	0	0	0

YoY Growth	FY18	FY19	FY20E	FY21E	FY22E	FY23E
Sales	46.1%	5.8%	(25.2%)	41.8%	16.9%	15.7%
EBITDA adjusted	20.7%	52.4%	(13.3%)	36.7%	30.2%	37.6%
EBITDA reported	44.0%	37.2%	(19.2%)	36.7%	30.2%	37.6%
Net profit	9.1%	182.5%	(36.7%)	113.6%	42.7%	53.4%

Revenues by business	FY18	FY19	FY20E	FY21E	FY22E	FY23E
Supply	96.4%	96.9%	98.0%	97.9%	97.2%	95.9%
Generation	3.6%	3.1%	2.0%	2.1%	2.8%	4.1%

EBITDA by business	FY18	FY19	FY20E	FY21E	FY22E	FY23E
Supply	44.0%	62.4%	79.1%	77.3%	74.4%	68.2%
Generation	56.0%	37.6%	20.9%	22.7%	25.6%	31.8%

Per share data	FY18	FY19	FY20E	FY21E	FY22E	FY23E
EPS	0.02	0.06	0.04	0.08	0.11	0.17
EPS adjusted	0.03	0.05	0.04	0.08	0.11	0.17
CFPS	0.12	0.10	0.08	0.13	0.17	0.25
FCFPS	0.27	0.18	(0.01)	(0.14)	(0.17)	(0.10)
BVPS	0.37	0.28	0.31	0.39	0.50	0.67
DPS	0.00	0.00	0.00	0.00	0.00	0.00

Cash flow (€ m)	FY18	FY19	FY20E	FY21E	FY22E	FY23E
Net profit	9	25	16	34	49	75
Depreciation	25	26	20	22	27	37
Minorities	1	6	4	1	2	1
Non-cash adjustments	(1)	(12)	(4)	(1)	(3)	(2)
Total cash-flow (CF)	34	45	36	56	76	112
Capex	(0)	(2)	(14)	(126)	(145)	(155)
Working capital	43	35	(26)	10	(4)	1
Operating FCF	77	79	(4)	(60)	(73)	(42)
Financial investments	0	0	0	0	0	0
Rights issues	0	0	0	0	0	0
Disposals/(acquisitions)	0	47	(48)	0	0	0
Other	(74)	(2)	0	0	0	0
FCF before dividends	3	124	(52)	(60)	(73)	(42)
Dividends	0	0	0	0	0	0
Free-cash-flow (FCF)	3	124	(52)	(60)	(73)	(42)
Buy-backs	0	0	0	0	0	0
FCF after buy backs	3	124	(52)	(60)	(73)	(42)

Balance sheet (€ m)	FY18	FY19	FY20E	FY21E	FY22E	FY23E
Equity	106	122	138	173	222	297
Minority interests	33	33	18	18	18	18
Provisions & others	21	20	20	20	20	20
Net debt [cash]	307	182	234	295	368	410
Capital invested	467.538	358.218	411.177	505.8793	628.023	745.3517
Intangible assets	250	244	244	244	244	244
Tangible assets	167	75	102	207	325	443
Financial assets	87	109	109	109	109	109
Associates	7	7	7	7	7	7
Working capital	(43)	(78)	(52)	(61)	(58)	(59)
Capital employed	467.538	358.218	411.177	505.8793	628.023	745.3517
Working capital/sales	-4.3%	-7.4%	-6.6%	-5.5%	-4.5%	-3.9%

Financial ratios	FY18	FY19	FY20E	FY21E	FY22E	FY23E
Net debt/EBITDA	5.7X	2.5X	4.0X	3.6X	3.5X	2.8X
Gearing	219.8%	117.1%	149.7%	154.4%	153.3%	130.0%
Interest cover	174.6%	301.6%	244.6%	324.7%	404.6%	532.7%

Margins & ratios	FY18	FY19	FY20E	FY21E	FY22E	FY23E
EBITDA margin	4.5%	6.5%	7.6%	7.3%	8.1%	9.7%
EBIT margin	2.9%	4.5%	5.0%	5.3%	6.0%	7.2%
Effective tax rate	15.1%	5.1%	12.5%	12.5%	12.5%	12.5%
Pay-out	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROCE (EBIT/CE)	6.1%	13.1%	9.5%	11.7%	12.5%	14.5%
ROE	10.1%	19.0%	12.4%	22.1%	24.9%	29.0%

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