

EIDF

Raising estimates after strong 2021 results

- 2021 results: strong & above estimates.** EIDF reported €42m revenues in 2021, in line with our estimates. Gross margin grew by c.2X and EBITDA by c.4X vs. 2020, reaching €14m and €9m respectively, in both cases above our €10m & €5m estimates. The difference was roughly equally explained by the self-consumption and EPC divisions. Net profit reached €7m, above our €2m estimate. Net debt increased from €2m in 2020 to €6m in 2021, above our €4m estimate, but with c.€10m higher capex during the year (€28m vs. our €18m).
- Strong operating outlook.** We are raising our EBITDA estimates sharply by 60-70% p.a. in 2022-23 to reflect the strong outlook for the self-consumption & EPC businesses. This is driven by: a) the strong growth expected for renewables, especially after the recent geopolitical conflicts; and b) the strong growth expected for self-consumption capacity in Spain, underpinned by the increase in electricity prices. We now expect EBITDA of €45m in 2024, implying 5X vs. €9m in 2021. Of these, we expect self-consumption & EPC to grow from €9m (2021) to €33m (2024), €6m from generation (despite most of EIDF assets will be equity-accounted) and €7m from supply (vs. zero in 2021 in both cases). Net profit should reach €28m vs. €7m (21).
- Strong renewable pipeline.** EIDF's PV pipeline has increased from 737MW to 2.2GW over the L6M on a mix of M&A and organic development. Of these, 131MW (6%) are at RTB, 317MW (14%) at pre-RTB, and 199MW (9%) in advanced development. The new pipeline increases the visibility of EIDF's target of reaching 750MW in operation by 2025. All these MWs will be developed through JVs in which EIDF will keep stakes >50%.
- The financing of growth.** We expect capex to accelerate in line with the expected increase in generation capacity. We estimate EIDF will need to invest €505m over 2022-25, which will increase corporate net debt (with recourse) from €6m (2021) to €212m (2025), implying 4.2X EBITDA. In our view, this is high, and we would not rule out a capital increase to finance this growth.
- A different play to renewables.** 2021 has been the first set of result presented by EIDF since its IPO in July 2021. Performance has been strong and we expect prospects to remain so over the coming years. This backs our view that EIDF is a different, and very attractive way to play renewables, given its strong positioning in the self-consumption sector and its integrated position in the renewable PV value chain.

Financial Ratios	FY19	FY20	FY21	FY22E	FY23E	FY24E
EBITDA (€m)	1.8	2.1	9.0	32.0	39.9	45.3
Net profit (€m)	1.0	1.0	7.5	21.7	25.7	28.2
EPS (€)	0.95	0.93	0.6	1.5	1.8	1.9
Adj. EPS (*) (€)	0.95	0.93	0.6	1.5	1.8	1.9
P/E (x)	0.0	0.0	27.4	31.8	26.9	24.5
P/E Adj. (x)	0.0	0.0	25.9	30.8	26.9	24.5
EV/EBITDA (x)	0.0	0.0	22.8	23.4	19.9	18.6
Debt/EBITDA (x)	(0.8)	1.0	0.6	2.0	3.0	3.9
P/BV (x)	0.0	0.0	8.4	10.7	7.7	5.8
ROE (%)	20.6	17.6	0.3	0.3	0.3	0.2
DPS (€)	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	n.a.	n.a.	0.0	0.0	0.0	0.0

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

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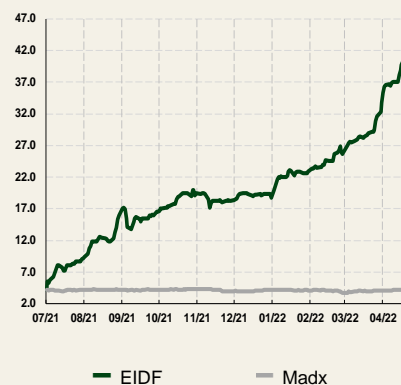
Share Price € 47.60

* Share price at 12:05 AM 29 April 2022

EIDF.MC/ EIDF SM

Market Cap	€ 690 m
Enterprise Value	€ 747 m
Free Float	€ 96 m
Nº Shares	14 m
Average Daily Volume	€ 1 k

Performance	1m	3m	12m
Absolute %	62.8	107.0	758.2
Relative %	63.3	108.1	757.8



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