

## EQUITY RESEARCH

### RESEARCH FOCUS

#### Top Picks 2025

At the dawn of Donald Trump's inauguration, amidst a persistently tense geopolitical context and lingering political instability in France, selecting stocks for our 2025 Top Picks was no easy task. As always, we have chosen companies with solid fundamentals and attractive stock market potential (+40% on average).

**This year, we have focused more on Mid Caps for our Top Picks.** We are thus including **74Software**, **ID Logistics**, and **Vallourec**. Beyond the specific catalysts for each of these companies, which justify their stock market potential in 2025, we believe that Mid Caps could be the first to benefit from investors' renewed appetite for the Small&Mid asset class, given the discount compared to large caps. Additionally, all of these companies have exposure to the United States, which could enable them to outperform.

**As per our usual strategy, we have engaged in stock picking within the Small Cap segment.** We have selected two companies with exposure to the luxury sector: **The Italian Sea Group** and **Voyageurs du Monde**. Both offer attractive valuations, representing excellent opportunities for positioning.

We are also including another Italian company: **Racing Force**, for its upcoming exposure to the Defense sector and its consistently attractive core business.

Finally, we have chosen two companies in the digital services sector: **Ateme** and **Bilendi**. Ateme currently shows significantly undervalued stock, while its focus on profitability recovery could add a speculative dimension to the stock. Meanwhile, Bilendi's acquisition of Netquest strengthens its critical mass, broadens its offering, enhances its portfolio of proprietary technologies, and bolsters its growth potential.

We look forward to discussing these top picks with you and hope they bring you outperformance, just like our H2 2024 Top Picks (+4% vs. -2% for the CAC Mid&Small). The entire TPICAP Midcap Research team wishes you a wonderful 2025!

#### Stock Summary

(as of 2025-01-13)

	TP	Price
<b>74Software</b>		
BUY	35.0€	27.0€
<b>Ateme</b>		
BUY	8.0€	5.9€
<b>Bilendi</b>		
BUY	29.0€	18.4€
<b>ID Logistics</b>		
BUY	441.0€	385.0€
<b>Racing Force SpA</b>		
BUY	6.4€	3.7€
<b>The Italian Sea Group</b>		
BUY	13.0€	7.5€
<b>Vallourec SA</b>		
BUY	21.0€	18.1€
<b>Voyageurs du Monde</b>		
BUY	213.0€	148.0€

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## Summary

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<b>VALLOUREC SA</b>	<b>17</b>
<b>VOYAGEURS DU MONDE</b>	<b>19</b>
<b>DISCLAIMER</b>	

## Macro Vision 2025

Just days before Donald Trump's inauguration, predicting the outlook for 2025 is no easy task.

For now, we anticipate global growth of around **2.5% to 2.8%**, lower than in 2024, while noting that the risk of a large-scale global trade war could alter this estimate. We also forecast global inflation at approximately **3% by mid-year**, potentially slightly below 3% by year-end. These global assumptions, which will translate into widely varying outcomes depending on geography, are generally favorable for equities, although potential gains remain limited due to high valuations (particularly in the U.S.) and current risk premium levels.

### United-States

The U.S. economy remains solid, and Donald Trump's policy agenda is expected to positively impact growth through tax cuts, increased tariffs, and stricter immigration policies. This should result in annualized GDP growth of around **2.5%** and inflation at approximately **2.5% by year-end 2025**, close to the 2024 year-end level (2.6%). Monetary policy normalization is likely to be more moderate than initially anticipated, given this context of sustained growth and inflation, which also carries an upward bias due to proposed tariffs. Consequently, we expect **one or two rate cuts of 25 bps** in 2025.

### Eurozone

The Eurozone shows signs of stagnation, further exacerbated by the implementation of Trump's agenda, as household consumption and corporate investment remain weak despite lower long-term rates. We estimate GDP growth of around **0.5%** and a deceleration in wage growth, potentially bringing inflation below **2% by year-end 2025** (vs. 2.2% in Q4 2024). The ECB is therefore poised to significantly lower its key interest rates. We foresee **at least five rate cuts of 25 bps** across the nine scheduled meetings this year, signaling a massive intervention.

### France

The appointment of François Bayrou is unlikely to significantly alter the political landscape in Parliament, with a deeply polarized National Assembly. However, the President seems determined to bypass divisions through referendums to govern. Chronic political instability, the risk of another vote of no confidence, protests calling for early presidential elections, highly deteriorated public finances, and the possibility of a fiscal shock due to deferred essential expenditures from 2024 all weigh heavily on France's outlook. Additionally, the U.S. tariff threats targeting key CAC 40 sectors (luxury, beverages, and automotive) and the post-Olympics 2024 base effect further limit prospects, leaving only a risk premium as the most optimistic expectation.

### China

China remains a significant unknown, with weak domestic consumption due to the lack of a welfare system and looming threats from Donald Trump's policies, such as proposed 10% tariffs. However, announcements of potential large-scale fiscal support and unprecedented monetary easing could help growth reach nearly **5%**, depending on the actual scale of these measures. Inflation is estimated at around **0.8% by year-end 2025** (vs. 0.4% at the end of 2024).

### Potential surprises

Some surprises we could envision for 2025 include:

1. An increase in the Fed's key interest rates.
2. Stronger-than-expected easing by the ECB.
3. Further deterioration of the situation in the Middle East.
4. An end to the war in Eastern Europe.
5. Persistent deflation in China, with a Japan-like scenario if restrictive measures on Chinese exports are enacted.
6. Emmanuel Macron's resignation, followed by the election of a new president with a parliamentary majority.

## Equity Strategy

Trump's policies are favorable to U.S. companies but detrimental to those in the rest of the world due to proposed tariffs, a stronger USD, and higher interest rates limiting the Fed's flexibility. While global EPS growth is expected at **12%**, with **14% for the S&P 500**, the projected **8% growth for the SX5E** seems ambitious given the expected economic stagnation, risks of margin compression, political uncertainties in France and Germany, and tariff uncertainties. European market valuations remain neutral compared to historical averages, despite the risks.

In Europe, we recommend underweighting the CAC 40 due to economic risks and political instability. The valuation of the CAC relative to the SX5E did not decrease in 2024, suggesting its underperformance was solely driven by earnings revisions. The expected **9% EPS growth for the CAC 40 in 2025** appears unrealistic under current conditions; **3% is more plausible**.

Once again, we prioritize momentum as the primary driver for investing, focusing on unique companies with no real comparables and European service companies with U.S. exposure. We remain neutral on small caps; despite their macroeconomic exposure, they could benefit from lower interest rates and an increase in M&A activity, given their depressed valuations, often disconnected from economic and financial realities. We remain cautious on the beverage sector and highly selective in luxury at the start of the year.

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## EQUITY RESEARCH

**74SOFTWARE**  
TOP PICK

**BUY**  
**TP 35.0€**  
Up/Downside: 30%

### Towards an operational profile aligned with software industry standards

*With a clear deleveraging plan, a targeted strategy to optimize SBS synergies, and a favorable sector backdrop, 74Software combines operational resilience with sustainable growth prospects. This profile positions the company as a key player in the software space, ready to capitalize on opportunities driven by digitalization and AI. Furthermore, the current stock price suggests an attractive revaluation potential.*

#### Synergies with SBS expected by 2025

Through its acquisition of SBS, 74Software has doubled in size and expanded its offering to include Core Banking software and specialized financing solutions. While SBS's low profitability will dilute margins in the short term, a synergy plan (€15m) is being implemented, with full delivery expected by the end of 2025. This should enable a return to 20% EBIT margin by 2028, driven by four levers: (1) standardization of offerings; (2) optimization of support, R&D, and sales, leveraging significant potential for improved commercial productivity at SBS; (3) centralization of administrative functions; and (4) rationalization of systems and locations.

#### Focus on cash generation and deleveraging

A return to an FCF/revenue ratio above 15% by 2027 (vs. ~10% by 2025) would bring 74Software more in line with the major European software vendors. Deleveraging remains the group's top financial priority, with the first milestone being a financial leverage ratio below 2x by the end of 2025. Part of this deleveraging should be supported by a favorable mix effect on working capital, particularly through the growing adoption of annual subscriptions. Rapid deleveraging would also enable 74Software to pursue its acquisition strategy in the medium term.

#### Favorable environment for the software industry

The software industry is expected to benefit from a supportive environment in 2025, driven by the ongoing shift of enterprises and banks to the cloud and the increasing use of generative AI, which is accelerating data digitalization. Against this backdrop, we believe 74Software is well-positioned to benefit from these positive trends due to its role at the core of organizational digitalization, the high recurrence of its business model, and the quality of its transformation strategy led by management since 2018.

#### Opportune timing to reassess the equity story

Our target price, derived from a DCF valuation, stands at €35, implying a 30% upside potential. The EV/sales, EV/EBITDA, and EV/EBIT multiples show an average discount of approximately 60% compared to other integration and banking software vendors.

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	319.0	461.3	698.8	723.1	EV/Sales	2.3	1.5	1.3
Current Op Inc (m €)	62.8	72.8	107.6	116.8	EV/EBITDA	12.3	7.9	6.8
Current op. Margin (%)	19.7	15.8	15.4	16.1	EV/EBIT	14.6	9.4	8.1
EPS (€)	1.66	1.02	1.54	1.78	PE	26.5	17.5	15.2
DPS (€)	0.00	0.00	0.90	0.90	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	3.3	3.3				
FCF (m €)	18.7	10.0	48.6	57.2				

#### Key data

Price (€)	27.0
Industry	Packaged Software
Ticker	74SW-FR
Shares Out (m)	29.746
Market Cap (m €)	803.1
Average trading volumes (k shares / day)	2.434
Next event	RA-24: 26/02/25
Source: FactSet	

#### Ownership (%)

Sopra GMT	41.7
Sopra Steria Group	11.1
Founders and managers	2.9
Free float	42.1

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	1.02	1.54	1.78
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-0.7	-1.5	-2.2
Rel CAC Mid&Small	0.1	-0.8	-1.8



Source: FactSet

Consensus FactSet - Analysts:na	12/24e	12/25e	12/26e
Sales	456.5	697.1	717.9
EBIT	48.9	70.8	87.5
Net income	29.7	42.9	56.4

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## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	285.5	314.0	319.0	461.3	698.8	723.1
Changes (%)	-3.9	10.0	1.6	44.6	51.5	3.5
Gross profit	202.2	222.6	231.8	323.4	454.2	475.1
% of Sales	70.8	70.9	72.7	70.1	65.0	65.7
<b>EBITDA</b>	<b>43.7</b>	<b>57.7</b>	<b>74.6</b>	<b>86.1</b>	<b>128.4</b>	<b>137.8</b>
% of Sales	15.3	18.4	23.4	18.7	18.4	19.1
<b>Current operating profit</b>	<b>32.9</b>	<b>46.3</b>	<b>62.8</b>	<b>72.8</b>	<b>107.6</b>	<b>116.8</b>
% of Sales	11.5	14.7	19.7	15.8	15.4	16.1
Non-recurring items	-15.6	-92.7	-15.2	-24.5	-32.5	-32.5
EBIT	17.3	-46.4	47.6	48.3	75.1	84.3
Net financial result	-1.3	-2.1	-4.6	-7.8	-14.0	-13.7
Income Tax	-6.9	7.4	-7.0	-10.1	-15.3	-17.6
Tax rate (%)	41.9	-15.6	16.2	25.0	25.0	25.0
<b>Net profit, group share</b>	<b>9.6</b>	<b>-40.0</b>	<b>35.8</b>	<b>30.3</b>	<b>45.8</b>	<b>52.9</b>
EPS	0.44	na	1.66	1.02	1.54	1.78
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	348.3	297.8	302.1	622.0	618.5	595.0
Tangible and intangible assets	29.3	21.2	14.4	13.7	12.2	11.9
Right of Use	23.5	20.1	17.8	16.8	15.8	14.8
Financial assets	2.7	2.1	2.8	2.6	2.6	2.6
Working capital	35.4	72.8	103.5	118.2	133.7	124.4
Other Assets	14.6	23.1	20.1	20.1	20.1	20.1
Assets	454.0	437.1	460.8	793.4	802.9	768.9
Shareholders equity group	372.2	327.8	346.3	512.5	566.3	600.5
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	8.0	7.9	10.8	16.6	21.0	25.5
Net debt	69.8	98.7	99.3	260.0	211.3	138.6
Other liabilities	3.9	2.7	4.4	4.4	4.4	4.4
Liabilities	454.0	437.1	460.8	793.4	802.9	768.9
Net debt excl. IFRS 16	36.5	69.5	75.6	239.4	193.9	124.4
Gearing net	0.2	0.3	0.3	0.5	0.4	0.2
Leverage	1.6	1.7	1.3	3.0	1.6	1.0
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	9.6	-40.0	35.8	30.3	45.8	52.9
ΔWCR	-41.0	-32.9	-14.7	-15.5	9.2	12.1
Operating cash flow	-31.4	-73.0	21.2	14.8	55.1	65.0
Net capex	-2.8	-2.3	-2.4	-4.8	-6.5	-7.8
FCF	-34.2	-75.3	18.7	10.0	48.6	57.2
Acquisitions/Disposals of subsidiaries	0.0	-8.9	-10.2	-330.0	0.0	0.0
Other investments	0.0	-0.1	0.0	-0.2	0.0	0.0
Change in borrowings	22.3	22.0	2.8	1.3	1.3	1.3
Dividends paid	-8.6	-8.5	-8.4	0.0	0.0	-26.8
Repayment of leasing debt	-4.4	-4.1	-5.5	-3.2	-3.2	-3.2
Equity Transaction	-7.5	-13.7	-4.8	127.9	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	-32.4	-79.7	2.8	136.0	46.7	28.6
ROA (%)	1.6%	na	6.0%	3.0%	4.3%	4.9%
ROE (%)	2.6%	na	10.3%	5.9%	8.1%	8.8%
ROCE (%)	5.8%	12.6%	12.4%	8.0%	11.6%	13.1%

## EQUITY RESEARCH

ATEME  
TOP PICKBUY  
TP 8.0€  
Up/Downside: 40%

## Make Ateme Great Again

Forget past disappointments; here are 5 good reasons to bet on Ateme.

**1/ A rock-bottom valuation.** The share price fell by half over the course of 2024 to just under €3, bringing it back to historical lows, before beginning to rebound at the end of the year. A logical step towards recovery, given that the fall in the share price was excessive and disconnected from the quality of the Group's positioning in its market and the prospects for earnings improvement expected over 2025-2026.

**2/ Proven track-record of growth.** Even if 2024 is a year of transition, Ateme's remarkable growth trajectory over the past decade (with sales rising from €25m to €100m) deserves greater market appreciation, especially as this size effect strengthens Ateme's position with Tier 1 customers to accelerate its market share gains.

**3/ ARR development is not valued.** Ateme's growth model has been evolving slowly but surely over the past 5 years to develop a recurring business model. ARR should approach €35m in 2024, with a target of €50m in 2027. A virtuous evolution (firstly, because €1 of recurring sales is more valuable than €1 of non-recurring sales; secondly, because recurring sales have a gross margin of 100%) which is not correctly valued by the market, which continues to value the Group on a multiple of less than 1x sales. Given its ARR, we consider the stock eligible for higher multiples (2x to 3x), although logically lower than the multiples of pure SaaS models (5x to 7x excluding speculative effects).

**4/ Slowdown in capital expenditure paves the way for strong operating leverage.** Ateme has disappointed the market on earnings expectations in recent years, but we believe a new deal is coming. Management now wishes to desynchronize OPEX growth from sales growth, whereas between 2015 and 2023 the gross margin increment (+€59.2m) was entirely reinvested in OPEX (+€59.3m). The outlook for improved results is supported by : 1/ the change in management mindset, with a focus on profitability which ensures a better alignment of interests between insiders and minority shareholders, 2/ the movement is largely steered by the Group (80% of OPEX derives from headcount).

**5/ Speculative logic.** The objective of improving profitability can be read as a signal to improve the company's value, as the first step in the quest for a higher exit premium in the medium term, or as protection against a predator entering the company at a level disconnected from its real value, in a market where speculative movements are multiplying (activist shareholders at Harmonic, Brightcove, etc.).

## Key data

Price (€)	5.7
Industry	Packaged Software
Ticker	ATEME-FR
Shares Out (m)	11.281
Market Cap (m €)	64.3
Average trading volumes (k shares / day)	2.203
Next event	CA T4 - 30/01/2025
Source: FactSet	

## Ownership (%)

Concert Artieres	11.0
Otus Capital	10.2
Xavier Niel	5.0
Free float	62.0

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	-0.40	0.14	0.51
Change vs previous estimates (%)	na	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-1.7	6.7	4.8
Rel CAC Mid&Small	-1.7	6.5	4.3



Source: FactSet

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	100.0	98.0	107.8	118.6	EV/Sales	1.0	0.9	0.8
Current Op Inc (m €)	-2.4	-2.4	2.5	6.7	EV/EBITDA	36.4	12.0	7.3
Current op. Margin (%)	na	na	2.3	5.7	EV/EBIT	na	37.6	13.6
EPS (€)	-0.35	-0.40	0.14	0.51	PE	na	39.8	11.2
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-2.6	-1.7	1.7	4.2				

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## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	78.8	90.6	100.0	98.0	107.8	118.6
Changes (%)	11.4	14.9	10.5	-2.0	10.0	10.0
Gross profit	49.0	54.4	59.9	58.5	66.2	74.5
% of Sales	62.1	60.1	59.8	59.7	61.4	62.8
<b>EBITDA</b>	<b>6.4</b>	<b>5.0</b>	<b>2.7</b>	<b>2.6</b>	<b>7.9</b>	<b>12.5</b>
% of Sales	8.2	5.6	2.7	2.7	7.3	10.5
<b>Current operating profit</b>	<b>1.1</b>	<b>-0.2</b>	<b>-2.4</b>	<b>-2.4</b>	<b>2.5</b>	<b>6.7</b>
% of Sales	1.4	-0.2	-2.4	-2.5	2.3	5.7
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.1	-0.2	-2.4	-2.4	2.5	6.7
Net financial result	0.5	-0.2	-1.5	-1.0	-0.9	-0.9
Income Tax	0.2	0.3	-0.1	-1.2	0.0	0.0
Tax rate (%)	10.4	-88.2	2.3	-12.0	0.0	0.0
<b>Net profit, group share</b>	<b>1.1</b>	<b>-0.0</b>	<b>-4.0</b>	<b>-4.6</b>	<b>1.6</b>	<b>5.8</b>
EPS	0.10	na	na	na	0.14	0.51
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	12.9	12.9	12.9	12.9	12.9	12.9
Tangible and intangible assets	12.1	12.2	12.1	11.6	11.2	10.9
Right of Use	2.9	3.0	4.4	4.4	4.4	4.4
Financial assets	1.0	1.2	1.3	1.3	1.3	1.3
Working capital	23.8	34.6	35.6	34.9	36.9	40.6
Other Assets	1.5	1.6	2.1	2.1	2.1	2.1
Assets	54.1	65.3	68.4	67.2	68.8	72.2
Shareholders equity group	39.6	40.9	38.0	34.1	36.5	43.2
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	1.3	1.3	2.0	2.0	2.0	2.0
Net debt	13.2	23.0	28.4	31.1	30.3	27.0
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	54.1	65.3	68.4	67.2	68.8	72.2
Net debt excl. IFRS 16	10.3	20.1	23.8	26.5	25.7	22.5
Gearing net	0.3	0.6	0.7	0.9	0.8	0.6
Leverage	2.1	4.6	10.7	11.9	3.8	2.2
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	7.4	5.5	1.6	2.6	7.9	12.5
$\Delta WCR$	-8.0	-11.0	-0.9	0.7	-2.0	-3.7
Operating cash flow	-0.6	-5.4	0.6	3.3	5.9	8.8
Net capex	-3.0	-3.2	-3.2	-3.8	-4.2	-4.6
FCF	-3.7	-8.6	-2.6	-1.7	1.7	4.2
Acquisitions/Disposals of subsidiaries	-4.1	0.1	-0.1	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	1.8	0.9	5.5	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	1.4	0.0	0.7	0.0	0.0	0.0
Others	-1.2	-1.0	-0.9	-1.0	-0.9	-0.9
Change in net cash over the year	-5.7	-8.6	2.6	-2.7	0.8	3.3
ROA (%)	1.2%	na	na	na	1.5%	4.9%
ROE (%)	2.9%	na	na	na	4.5%	13.5%
ROCE (%)	1.4%	na	na	na	2.6%	6.5%

## EQUITY RESEARCH

**BILENDI**  
TOP PICK

**BUY**  
**TP 29.0€**  
Up/Downside: 62%

### Enhanced potential for value creation

Thanks to the acquisition of Netquest, the largest ever, Bilendi has significantly strengthened its critical mass, the scope of its offering, its portfolio of proprietary technologies and its growth potential. With a now-optimised financial structure (leverage of around 2.5x post Netquest closing) and high levels of EBITDA, the potential for value creation has been significantly enhanced. All these factors have led us to significantly raise our Target Price, with our DCF valuation including the Netquest transaction from early February 2025 now at €29.0.

### Market changes create fertile ground

The development of digital technologies, the widespread use of smartphones and the Internet, the development of social networks and Big Data have completely turned the working methods and the whole economy of the market research sector upside down, creating a favourable environment for panellists like Bilendi, who are located upstream in the value chain and generate very high added value data that research institutes, advertisers, consultancies, universities and research centres, media agencies, etc. are particularly fond of.

### Agility and innovation as the foundation of business model

The Group has shown itself to be particularly agile and innovative, multiplying its initiatives to seize new market opportunities and strengthen its long-term potential. Its pioneering developments in AI, the ongoing organic creation of new proprietary panels to cover the whole of Europe as well as the United States, and its recent entry into the user experience segment (acquisition of Tandemz in mid-October) all bear witness to its strong global ambitions, which have been further strengthened by the acquisition of Netquest, a major operation announced last December.

### Optimised financial structure and greater potential for value creation

As Netquest generates very respectable margins, higher than those of Bilendi, we believe that its acquisition, despite its apparently high price, should not be dilutive in the short term. Its higher gross margin than Bilendi's, structurally lower staff costs (20-25%) and relatively lower investment in innovation more than justify its price, and the financial impact, particularly on the income statement, should be easily absorbed. The leverage ratio will remain reasonable, at around 2.5x post-closing, and cash-flow generation will enable the Group to reduce its debt rapidly, with the leverage ratio returning to a very low level within 3 years (around 1.0x at the end of 2027, according to our simulations).

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	62.7	65.1	94.9	103.7	EV/Sales	1.3	1.4	1.2
Current Op Inc (m €)	4.8	7.5	12.2	13.9	EV/EBITDA	6.2	6.4	5.3
Current op. Margin (%)	7.7	11.5	12.8	13.4	EV/EBIT	11.3	11.3	9.1
EPS (€)	0.62	1.15	1.50	1.81	PE	15.5	12.0	9.9
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	3.0	4.2	7.8	10.8				

### Research partially paid by the Issuer

#### Key data

Price (€)	17.9
Industry	Advertising/Marketing Services
Ticker	ALBLD-FR
Shares Out (m)	4.722
Market Cap (m €)	84.5
Average trading volumes (k shares / day)	2.046
Next event	CA 2024 - 26/02/25

Source: FactSet

#### Ownership (%)

Mr Marc Bidou	14.0
Amplegest	8.8
Arbevel	6.9
Free float	64.1

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	1.15	1.50	1.81
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.8	33.1	-2.2
Rel CAC Mid&Small	0.8	32.8	-2.6



Source: FactSet

Consensus FactSet - Analysts:2	12/24e	12/25e	12/26e
Sales	65.1	93.4	101.2
EBIT	7.8	12.5	14.4
Net income	5.1	6.7	8.1

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## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	44.1	61.5	62.7	65.1	94.9	103.7
Changes (%)	29.2	39.5	2.0	3.8	45.7	9.3
Gross profit	29.7	41.3	42.0	44.2	65.6	71.9
% of Sales	67.4	67.2	66.9	67.9	69.2	69.3
<b>EBITDA</b>	<b>9.5</b>	<b>12.8</b>	<b>11.4</b>	<b>13.6</b>	<b>21.4</b>	<b>23.8</b>
% of Sales	21.6	20.9	18.2	20.9	22.6	23.0
<b>Current operating profit</b>	<b>5.8</b>	<b>6.2</b>	<b>4.8</b>	<b>7.5</b>	<b>12.2</b>	<b>13.9</b>
% of Sales	13.3	10.1	7.7	11.5	12.8	13.4
Non-recurring items	0.1	-0.7	-0.5	-0.3	0.0	0.0
EBIT	5.9	5.5	4.3	7.1	12.2	13.9
Net financial result	-0.2	-0.4	-0.4	-0.4	-3.3	-3.1
Income Tax	-1.0	-1.0	-1.2	-1.7	-2.2	-2.6
<b>Net profit, group share</b>	<b>4.8</b>	<b>3.9</b>	<b>2.8</b>	<b>5.2</b>	<b>6.7</b>	<b>8.2</b>
EPS	1.07	0.87	0.62	1.15	1.50	1.81
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	33.3	27.9	27.6	27.6	84.6	81.3
Tangible and intangible assets	6.6	12.9	12.4	13.9	15.4	16.5
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.7	0.6	0.6	0.6	0.6	0.6
Working capital	-3.1	0.2	4.8	6.2	8.6	10.0
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>Assets</b>	<b>37.5</b>	<b>41.6</b>	<b>45.4</b>	<b>48.3</b>	<b>109.2</b>	<b>108.3</b>
Shareholders equity group	28.9	32.7	35.7	38.8	47.3	57.0
Minorities	0.2	0.3	0.2	0.2	0.2	0.2
LT & ST provisions and others	6.2	8.3	8.9	9.1	9.3	9.4
Net debt	2.1	0.2	0.7	0.3	52.5	41.7
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
<b>Liabilities</b>	<b>37.5</b>	<b>41.6</b>	<b>45.4</b>	<b>48.3</b>	<b>109.2</b>	<b>108.3</b>
Net debt excl. IFRS 16	2.1	0.2	0.7	0.3	52.5	41.7
Gearing net	0.1	0.0	0.0	0.0	1.1	0.7
Leverage	0.2	0.0	0.1	0.0	2.5	1.8
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	8.6	9.8	9.1	11.2	16.0	18.1
<b>ΔWCR</b>	<b>-1.4</b>	<b>-2.6</b>	<b>-0.6</b>	<b>-1.2</b>	<b>-2.3</b>	<b>-1.1</b>
Operating cash flow	7.2	7.2	8.5	10.0	13.7	16.9
Net capex	-3.7	-5.1	-5.5	-5.7	-5.9	-6.1
FCF	3.6	2.2	3.0	4.2	7.8	10.8
Acquisitions/Disposals of subsidiaries	-10.6	-0.2	-3.6	-3.9	-60.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	9.2	-2.2	0.6	0.0	60.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	0.8	0.1	0.0	0.0	0.0	0.0
Others	0.1	-0.2	0.1	0.0	0.0	0.0
Change in net cash over the year	3.0	-0.3	0.1	0.4	7.8	10.8
ROA (%)	3.9%	2.5%	1.6%	3.0%	2.4%	2.1%
ROE (%)	20.2%	13.9%	8.0%	14.1%	17.3%	17.2%
ROCE (%)	14.0%	12.5%	8.7%	13.6%	8.6%	10.0%

## EQUITY RESEARCH

### ID LOGISTICS TOP PICK

**BUY**  
**TP 434.0€**  
Up/Downside: 12%

### Beauty has no price

**While the valuation is demanding, the visibility, U.S. exposure, and the growing importance of large accounts justify this valuation.**

#### A valuation under debate

This is likely the only weak point of the case: a demanding valuation that could risk a penalty at the slightest disappointment. That said, on the one hand, at 27x 2025 PE according to our estimates, the stock is trading in line with its 10-year historical valuation average. On the other hand, we believe this valuation is justified due to the strong visibility of the case, supported by long-term contracts and a margin level that, while low, remains consistently stable over time.

#### The U.S. and large accounts to drive growth

While the group has posted average organic growth of around 10% over the past 10 years, this pace is not expected to slow down in the coming years. We anticipate growth exceeding 15% in 2024 and over 8% in 2025, which we consider a cautious assumption. Indeed, U.S. operations should continue to drive growth, as the group fully capitalizes on the synergies from the acquisition of Kane Logistics. Additionally, the rising contribution of large accounts in Europe, including key players in Fashion and E-commerce, will bolster this growth. It is also worth noting that the group has recently entered the UK market, where the potential could also be significant. France is not expected to lag behind, with new projects starting to fuel growth in 2025.

#### Firepower

In addition to organic growth, external growth could further strengthen performance. According to our forecasts, the group could be in a net cash-positive position by the end of 2025. This would enable the group to resume external growth initiatives following the digestion of Kane Logistics (2022) and Spedimex (2023). The recent capital increase supports this assumption.

#### Checking all the boxes

ID Logistics appears to check all the boxes to outperform in the current environment. Strong international exposure reduces reliance on France, where sluggish growth and a challenging political climate could weigh on consumption. As a mid-cap, the company could also benefit early from a renewed investor interest in the Small and Mid-cap asset class. Additionally, its growing U.S. exposure enhances its appeal.

#### Key data

Price (€)	387.0
Industry	Transport & Logistics
Ticker	IDL-FR
Shares Out (m)	6.345
Market Cap (m €)	2,455.6
Average trading volumes (k shares / day)	2.369
Next event	Q4 - 27 Jan 2025
Source: FactSet	

#### Ownership (%)

Concert	57.5
Free float	42.5

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	10.83	13.02	15.05
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-0.5	1.0	2.0
Rel CAC Mid&Small	-0.5	0.9	1.5



Source: FactSet

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	2,747.4	3,201.1	3,456.0	3,699.7	EV/Sales	1.1	1.0	0.9
Current Op Inc (m €)	125.8	149.2	163.3	179.3	EV/EBITDA	7.0	6.2	5.5
Current op. Margin (%)	4.6	4.7	4.7	4.8	EV/EBIT	22.8	20.2	17.6
EPS (€)	8.77	10.83	13.02	15.05	PE	35.7	29.7	25.7
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	327.4	331.5	374.4	407.1				

Consensus FactSet - Analysts:4	12/24e	12/25e	12/26e
Sales	3,152.2	3,446.0	3,723.0
EBIT	147.6	165.0	183.4
Net income	57.5	69.9	85.2

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## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	1,910.9	2,481.3	2,747.4	3,201.1	3,456.0	3,699.7
Changes (%)	16.3	29.9	10.7	16.5	8.0	7.1
<b>EBITDA</b>	<b>272.7</b>	<b>372.1</b>	<b>437.2</b>	<b>484.7</b>	<b>527.9</b>	<b>572.3</b>
% of Sales	14.3	15.0	15.9	15.1	15.3	15.5
<b>Current operating profit</b>	<b>75.5</b>	<b>108.2</b>	<b>125.8</b>	<b>149.2</b>	<b>163.3</b>	<b>179.3</b>
% of Sales	4.0	4.4	4.6	4.7	4.7	4.8
Non-recurring items	-11.2	-9.9	1.1	-6.0	-6.0	-6.0
EBIT	64.3	98.3	126.8	143.2	157.3	173.4
Net financial result	-14.0	-30.9	-54.8	-54.8	-51.6	-51.6
Income Tax	-15.4	-20.1	-18.9	-23.0	-27.2	-31.2
Tax rate (%)	30.2	29.2	26.0	25.8	25.6	25.5
<b>Net profit, group share</b>	<b>33.0</b>	<b>45.2</b>	<b>52.1</b>	<b>64.4</b>	<b>77.4</b>	<b>89.5</b>
EPS	5.83	6.74	8.77	10.83	13.02	15.05
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	227.6	471.5	532.9	532.9	532.9	532.9
Tangible and intangible assets	203.3	250.0	270.7	273.9	255.5	216.2
Right of Use	595.2	720.8	837.9	837.9	837.9	837.9
Financial assets	18.0	19.8	21.1	21.9	22.6	23.3
Working capital	-77.2	-105.4	-104.0	-104.0	-112.4	-120.5
Other Assets	45.6	72.6	50.2	58.0	58.0	58.0
<b>Assets</b>	<b>1,012.5</b>	<b>1,429.4</b>	<b>1,608.8</b>	<b>1,620.5</b>	<b>1,594.4</b>	<b>1,547.8</b>
Shareholders equity group	254.0	307.9	411.9	611.4	688.8	778.3
Minorities	13.3	16.8	1.6	3.4	5.1	6.8
LT & ST provisions and others	32.9	49.6	53.3	53.3	53.3	53.3
Net debt	710.3	1,041.9	1,137.7	940.4	835.2	697.3
Other liabilities	2.1	13.2	4.3	12.5	12.5	12.5
<b>Liabilities</b>	<b>1,012.5</b>	<b>1,429.4</b>	<b>1,608.8</b>	<b>1,620.9</b>	<b>1,594.8</b>	<b>1,549.2</b>
Net debt excl. IFRS 16	105.1	309.8	282.0	84.6	-20.6	-158.4
Gearing net	2.7	3.2	2.8	1.5	1.2	0.9
Leverage	2.6	2.8	2.6	1.9	1.6	1.2
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	239.3	324.2	366.6	408.0	451.1	492.4
<b>ΔWCR</b>	<b>22.3</b>	<b>-9.3</b>	<b>14.8</b>	<b>0.0</b>	<b>8.4</b>	<b>8.0</b>
Operating cash flow	261.6	314.9	381.4	408.0	459.5	500.5
Net capex	-82.4	-60.0	-72.9	-96.0	-103.7	-111.0
FCF	182.8	260.6	327.4	331.5	374.4	407.1
Free Cash Flow excl IFRS 16	16.4	24.4	46.6	58.2	62.3	105.2
Acquisitions/Disposals of subsidiaries	-67.7	-249.8	-26.4	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	57.2	228.3	29.3	0.0	0.0	0.0
Dividends paid	-2.0	-0.9	-0.7	0.0	0.0	0.0
Repayment of leasing debt	-158.4	-214.1	-269.2	-269.2	-269.2	-269.2
Equity Transaction	0.0	0.0	0.0	135.0	0.0	0.0
Others	-0.2	-4.9	-4.3	0.0	0.0	0.0
Change in net cash over the year	16.0	23.5	49.2	56.7	102.6	138.3
ROA (%)	13.0%	12.4%	12.7%	10.5%	11.2%	11.5%
ROE (%)	1.9%	1.7%	2.0%	2.2%	2.5%	2.8%
ROCE (%)	5.0%	5.2%	5.7%	6.8%	7.6%	8.7%

## EQUITY RESEARCH

### RACING FORCE SPA TOP PICK

**BUY**  
**TP 6.4€**  
Up/Downside: 70%

### Green lights

The world leader in motorsport safety is currently trading at its historical lows. A recovery in its core business and the much-anticipated launch of diversification projects lead us to believe this could be the year of rebound for the stock.

#### Core business poised to benefit from new regulatory standards

Following two less dynamic fiscal years, impacted notably by inventory destocking among U.S. distributors, 2025 should exhibit a more robust growth pace, supported by a well-oriented order book at the end of 2024. The recovery initiated in Q2 2024 for the AMER region is expected to continue, bolstered by a partnership strategy (notably with Team Penske) that is beginning to deliver results. However, the primary growth driver for the year will be the implementation of new FIA regulatory standards for helmets, which have historically led to a surge in sales.

#### Diversification projects: the year of launch

Cornerstone of the group's strategy and in the pipeline for several years, various products related to diversification projects (notably helmets designed for defense) will be launched in 2025. The Gladiator Helmet and the Police Riot helmet showcased at the Shot Show in Las Vegas and Enforce Tac in Germany in the first two months of the year, before their commercialization. Regarding the U.S. Air Force, the first delivery of the NGFW Helmet is currently underway, with production ramp-up expected in 2025. Lastly, the Driver's Eye, now well-established in motorsport, could expand into new markets this year, with tests already conducted in skiing and ongoing negotiations in other sports.

#### Attractive valuation, even without diversification projects

While the return of a stronger dynamic in the core business and the launch of diversification projects are important catalysts, our primary argument remains the group's valuation, at approximately €100M and its lowest point since its IPO. This level is also below the June 2024 transaction that saw Bahrain's sovereign wealth fund acquire a stake at €4.43 per share, already representing a 15% premium. With EV/EBITDA multiples at 8x for 2025e and 7.4x for 2026e, the valuation appears attractive even without contributions from diversification projects, which are currently not factored into our estimates. **We reiterate our Buy recommendation with a Target Price maintained at €6.4.**

#### Key data

Price (€)	3.8
Industry	Protective Equipment
Ticker	ALRFG-FR
Shares Out (m)	27.389
Market Cap (m €)	103.0
Next event	FY24 Sales - 2/4/2025

Source: FactSet

#### Ownership (%)

SAYE S.p.A	49.5
GMP Investments Holdings Limited	4.7
Free float	45.8

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	0.14	0.20	1.00
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.0	4.4	0.0
Rel FTSE Italy	0.0	2.8	-2.6



Source: FactSet

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	62.7	64.6	69.5	73.8	EV/Sales	1.6	1.5	1.4
Current Op Inc (m €)	6.2	5.8	8.0	8.1	EV/EBITDA	10.4	8.1	7.4
Current op. Margin (%)	9.9	9.0	11.5	11.0	EV/EBIT	18.2	13.2	13.0
EPS (€)	0.18	0.14	0.20	1.00	PE	27.0	19.1	3.8
DPS (€)	0.09	0.06	0.08	0.08	Source: TPICAP Midcap			
Yield (%)	2.4	1.5	2.1	2.1				
FCF (m €)	-5.1	0.6	2.9	2.8				

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## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	46.7	58.8	62.7	64.6	69.5	73.8
Changes (%)	38.4	25.9	6.6	3.1	7.5	6.2
Gross profit	27.2	36.8	38.7	39.8	43.5	46.3
% of Sales	58.3	62.6	61.7	61.6	62.7	62.8
<b>EBITDA</b>	<b>7.9</b>	<b>11.7</b>	<b>9.6</b>	<b>10.2</b>	<b>13.1</b>	<b>14.2</b>
% of Sales	16.9	19.8	15.4	15.7	18.8	19.3
<b>Current operating profit</b>	<b>5.5</b>	<b>8.8</b>	<b>6.2</b>	<b>5.8</b>	<b>8.0</b>	<b>8.1</b>
% of Sales	11.8	15.0	9.9	9.0	11.5	11.0
EBIT	5.5	8.8	6.2	5.8	8.0	8.1
Net financial result	-0.3	-0.1	-0.5	-0.5	-0.5	-0.5
Income Tax	-1.1	-1.2	-1.0	-1.5	-2.1	-2.1
Tax rate (%)	20.4	13.4	27.9	27.9	27.9	27.9
<b>Net profit, group share</b>	<b>4.2</b>	<b>7.5</b>	<b>4.7</b>	<b>3.8</b>	<b>5.4</b>	<b>5.5</b>
EPS	0.18	0.32	0.18	0.14	0.20	1.00
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	5.7	6.2	6.2	6.2	6.2	6.2
Tangible and intangible assets	13.1	15.5	19.4	24.3	27.1	30.9
Right of Use	2.4	3.1	3.7	3.7	3.7	3.7
Financial assets	0.4	0.3	0.8	0.8	0.8	0.8
Working capital	12.5	19.8	26.9	25.9	26.3	27.0
Other Assets	0.7	0.6	0.6	0.6	0.6	0.6
Assets	34.7	45.6	57.6	61.6	64.7	69.2
Shareholders equity group	29.9	36.5	48.5	57.2	61.1	64.5
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	1.2	1.3	1.5	1.5	1.5	1.5
Net debt	3.5	7.8	7.6	2.8	2.1	2.2
Other liabilities	0.1	0.0	0.0	0.0	0.0	1.0
Liabilities	34.7	45.6	57.6	61.6	64.7	69.2
Net debt excl. IFRS 16	1.0	4.5	3.7	-1.0	-1.7	-1.7
Gearing net	0.1	0.2	0.2	0.0	0.0	0.0
Leverage	0.4	0.7	0.8	0.3	0.2	0.2
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	6.7	11.1	8.1	8.2	10.5	11.6
$\Delta WCR$	-2.2	-8.0	-7.0	1.0	-0.4	-0.6
Operating cash flow	4.5	3.2	1.1	9.2	10.0	11.0
Net capex	-5.3	-4.5	-6.2	-8.6	-7.1	-8.1
FCF	-0.8	-1.4	-5.1	0.6	2.9	2.8
Free Cash Flow excl IFRS 16	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	-2.5	-4.4	-4.5	0.0	0.0	0.0
Dividends paid	-1.3	-1.7	-2.3	-2.5	-1.5	-2.2
Repayment of leasing debt	-0.3	-0.7	-0.7	-0.7	-0.7	-0.7
Equity Transaction	18.8	0.0	9.7	7.3	0.0	0.0
Others	-0.4	0.1	-0.2	0.0	0.0	0.0
Change in net cash over the year	13.5	-8.1	-3.1	4.7	0.7	-0.0
ROA (%)	6.4%	10.7%	6.0%	4.4%	5.8%	5.6%
ROE (%)	13.9%	20.7%	9.7%	6.7%	8.8%	8.5%
ROCE (%)	12.8%	16.8%	9.1%	7.0%	9.1%	8.6%

## EQUITY RESEARCH

THE ITALIAN SEA GROUP  
TOP PICKBUY  
TP 13.0€  
Up/Downside: 70%

## Setting Sail in 2025

Through ambitious projects, TISG is targeting the wealthiest segment of UHNWIs. After achieving double-digit growth in 2024, TISG aims to improve its margins, driven notably by an optimised product mix.

## World's Second-Largest Megayacht Builder

The Italian Sea Group (TISG) has cemented its upward trajectory since 2023, positioning itself among the global leaders in yachting. According to Boat International, a key reference in the global yachting industry, TISG ranks as the second-largest megayacht builder worldwide in 2025, measured by total length of yachts over 50 metres, and fourth for those exceeding 24 metres (up from eighth in 2023). Notably, TISG holds the third place reaching 62 metres per projects in 2025 (compared to 54.7 metres in 2024), underscoring its evolution towards larger-scale projects.

## UHNWIs: Cornerstones of Growth and Resilience

TISG is raising the bar with record-scale projects, focusing on margin improvement and capturing the wealthiest segment of UHNWIs. According to UBS, the global UHNWI population is expected to reach 327,000 by 2027 (+35% vs. 2023), including 123,000 in Asia (+100% vs. 2023), a key market for TISG that accounts for a third of its Backlog. Despite a slowdown in the market in 2024 (-2.4% fewer yachts built), TISG continued to perform well, posting +11.4% Y/Y revenue growth and an EBITDA margin of 17.2% (vs. 16.5% in 9M 2023). The group's resilience is evident from its stable order book (+10% vs. 2023) and a Net Backlog in 9M 2024, providing strong visibility (1.3x our 2024e revenue estimates, with 76% from Admiral models).

## Strong Order Book Momentum

With long-term visibility and the completion of major projects, management has reaffirmed its 2024 guidance: €410 million in revenue and a 17.3% EBITDA margin, aligning with our current estimates. Beyond the delivery of *Tecnomar for Lamborghini* 63 models, TISG delivered three megayachts in H1 2024. By 2027, the Gross Backlog includes the delivery of 23 megayachts and nine Tecnomar models. For 2025, these numbers reflect growing demand for ultra-large yachts, with global gross tonnage under construction increasing by +5.3%, despite a -2.4% decline in the number of yachts built. These factors support the group's 2025 forecasts: €430-450 million in revenue and an EBITDA margin of 18.0-18.5%.

## An Attractive Valuation

Despite a -10% decline in share price in 2024, we believe the valuation remains attractive. The stock trades at 9.7x its 2024e EPS, representing an approximate -18% discount compared to Sanlorenzo. Furthermore, TISG benefits from a €1.3 billion order book, a portfolio of premium brands, and a growing and resilient client base. We reiterate our Buy recommendation with a target price of €13.

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	359.6	412.9	438.3	457.0	EV/Sales	0.9	0.7	0.6
Current Op Inc (m €)	0.0	0.0	0.0	0.0	EV/EBITDA	4.9	4.0	3.2
Current op. Margin (%)	0.0	0.0	0.0	0.0	PE	9.7	8.5	7.7
EPS (€)	0.69	0.79	0.90	0.99	Source: TPICAP Midcap			
DPS (€)	0.27	0.31	0.38	0.44				
Yield (%)	3.6	4.1	4.9	5.7				
FCF (m €)	32.2	68.1	67.4	71.7				

## Key data

Price (€)	7.6
Industry	Shipbuilding
Ticker	TISG-IT
Shares Out (m)	53.000
Market Cap (m €)	404.4
Average trading volumes (k shares / day)	103.328
Next event	FY 2024 - tbc
Source: FactSet	

## Ownership (%)

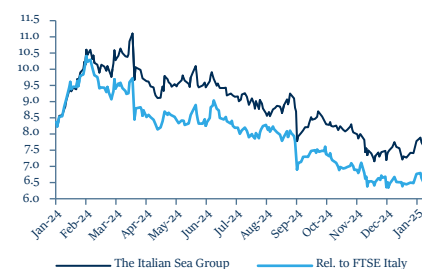
GC Holding S.p.A.	53.6
Alychlo NV	11.4
Free float	35.0

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	0.79	0.90	0.99
Change vs previous estimates (%)	2.28	-0.43	-9.20

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-1.2	0.4	3.0
Rel FTSE Italy	-1.2	-1.1	0.3



Source: FactSet

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## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	186.1	291.5	359.6	412.9	438.3	457.0
Changes (%)	64.7	56.7	23.3	14.8	6.2	4.3
Gross profit	138.9	227.0	282.5	320.4	342.3	358.3
% of Sales	74.6	77.9	78.6	77.6	78.1	78.4
<b>EBITDA</b>	<b>28.0</b>	<b>43.7</b>	<b>62.2</b>	<b>72.3</b>	<b>79.6</b>	<b>85.5</b>
% of Sales	15.0	15.0	17.3	17.5	18.1	18.7
<b>Current operating profit</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
% of Sales	0.0	0.0	0.0	0.0	0.0	0.0
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	21.7	33.4	49.2	58.2	65.5	71.7
Net financial result	-3.6	-3.8	-5.7	-6.2	-6.1	-5.9
Income Tax	-1.8	-5.4	-6.8	-10.4	-11.9	-13.2
Tax rate (%)	-10.1	-18.1	-15.5	-20.0	-20.0	-20.0
<b>Net profit, group share</b>	<b>16.3</b>	<b>24.2</b>	<b>36.7</b>	<b>41.6</b>	<b>47.5</b>	<b>52.6</b>
EPS	0.31	0.46	0.69	0.79	0.90	0.99
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	70.8	124.9	128.6	124.7	115.3	107.4
Right of Use	8.9	46.1	32.5	26.9	27.1	26.3
Financial assets	0.0	0.5	0.7	0.7	0.7	0.7
Working capital	-28.3	-52.9	-33.2	-44.1	-48.6	-53.1
Other Assets	4.2	6.6	5.9	5.9	5.9	5.9
Assets	55.6	125.1	134.5	114.1	100.4	87.2
Shareholders equity group	92.9	109.2	130.7	155.6	183.2	212.7
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	3.8	4.7	5.2	5.2	5.2	5.2
Net debt	-42.8	10.3	-1.5	-46.9	-88.2	-130.8
Other liabilities	1.7	0.9	0.1	0.1	0.1	0.1
Liabilities	55.6	125.1	134.5	114.1	100.3	87.2
Net debt excl. IFRS 16	-51.0	-0.6	-12.4	-57.8	-99.1	-141.7
Gearing net	-0.5	0.1	-0.0	-0.3	-0.5	-0.6
Leverage	-1.5	0.2	-0.0	-0.6	-1.1	-1.5
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	20.6	35.0	48.1	55.7	61.5	66.4
ΔWCR	16.2	29.9	-21.8	10.8	4.5	4.5
Operating cash flow	36.8	64.9	26.4	66.5	66.1	70.8
Net capex	-23.8	-19.8	-1.5	-4.5	-4.8	-5.0
FCF	18.5	48.4	32.2	68.1	67.4	71.7
Acquisitions/Disposals of subsidiaries	0.0	-80.0	0.0	0.0	0.0	0.0
Other investments	-2.5	-4.0	1.5	0.0	0.0	0.0
Change in borrowings	18.8	45.9	-14.2	0.0	0.0	0.0
Dividends paid	-6.2	-9.7	-14.4	-16.6	-20.0	-23.2
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	44.6	0.0	0.0	0.0	0.0	0.0
Others	0.0	-1.7	-2.7	0.0	0.0	0.0
Change in net cash over the year	67.7	-4.5	-5.1	45.3	41.3	42.6
ROA (%)	6.9%	7.1%	9.7%	10.1%	10.7%	11.0%
ROE (%)	17.6%	22.2%	28.1%	26.7%	25.9%	24.8%
ROCE (%)	55.5%	23.2%	39.4%	54.7%	73.5%	98.6%

## EQUITY RESEARCH

### VALLOUREC SA TOP PICK

**BUY**  
**TP 21.0€**  
Up/Downside: 16%

### The hit of the year

In our view, Vallourec ticks all the boxes to perform well in 2025: a 'healthy cyclical value' with significant exposure to the USA and a number of strong catalysts (US protectionism, return of cash, M&A optionality).

#### A net cash 'cyclical value' company resuming cash payouts to shareholders

Thanks to its financial restructuring, an exceptionally profitable US market between 2022 and 2023 and the disposal of industrial assets (such as the recently announced sale of the Düsseldorf brownfields), Vallourec ended 2024 net cash, a year ahead of plan. In addition, the Group has already announced that it will resume returning cash to shareholders, and all forms of allocation are being considered (dividends, share buybacks and/or buybacks of warrants). Management is aiming for a payout rate of 80-100% of the cash generated in H2'24.

#### Heavy exposure to US momentum

The seamless tubes market is a supply driven market: competition is consolidated by a handful of rational global players (Vallourec, Tenaris, Nippon Steel). The USA accounts for more than half of Vallourec's business and as such the group is a net beneficiary of Trump's election. Vallourec is one of the main US domestic producers and is benefiting both from the strengthening of US protectionism and from the continued rationalisation of US capacity (paradoxically, the blocking of Nippon Steel's takeover of USSteel should contribute to this, in our view). All these factors explain the recent stabilisation in US OCTG spot prices, which bodes well for 2025.

#### A potential M&A target

ArcelorMittal became Vallourec's largest shareholder when it bought the 27.5% stake from the Apollo fund in March 2024. Forced to maintain a status quo for 6 months, we would not be surprised if the steelmaker launched a takeover bid: 1/ArcelorMittal can largely afford to do so following the stellar results posted in 2021 and 2022; 2/we see a strong industrial logic with obvious synergies in Brazil, this acquisition would enable ArcelorMittal to reposition its mix on high added value products and strengthen its exposure to the USA. We note that in the Middle East, ArcelorMittal supplies Vallourec's finishing sites. The stock is still trading at a slight discount to its Tenaris peer, despite a relatively more attractive positioning focused on high-end tubes and the USA. We have a BUY rating on the stock with a TP of €21.

#### Key data

Price (€)	18.1
Industry	Miscellaneous Oil, Gas & Coal
Ticker	VK-FR
Shares Out (m)	250.204
Market Cap (m €)	4,526.2
Average trading volumes (k shares / day)	494.390
Next event	2/27/2025

Source: FactSet

#### Ownership (%)

ArcelorMittal SA	27.5
Employees	3.3
Treasury Shares	0.4
Free float	68.8

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	1.07	1.22	1.71
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-0.8	6.6	10.2
Rel CAC Mid&Small	-0.8	6.4	9.7



Source: FactSet

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	5,114.4	4,363.0	4,599.4	4,819.7	EV/Sales	1.0	0.9	0.7
Current Op Inc (m €)	993.6	624.7	683.8	800.1	EV/EBITDA	5.5	4.6	3.5
Current op. Margin (%)	19.4	14.3	14.9	16.6	EV/EBIT	7.3	6.0	4.5
EPS (€)	2.01	1.07	1.22	1.71	PE	16.9	14.8	10.6
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	494.1	380.6	494.3	536.4				

Consensus FactSet - Analysts:10	12/24e	12/25e	12/26e
Sales	4,400.4	4,552.7	4,831.4
EBIT	605.2	767.5	875.5
Net income	376.4	518.7	631.5

**Analyst**  
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## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	3,442.0	4,883.0	5,114.4	4,363.0	4,599.4	4,819.7
Changes (%)	6.2	41.9	4.7	-14.7	5.4	4.8
Gross profit	836.8	1,075.9	1,594.7	1,253.2	1,330.8	1,466.1
% of Sales	24.3	22.0	31.2	28.7	28.9	30.4
<b>EBITDA</b>	<b>492.7</b>	<b>715.4</b>	<b>1,197.0</b>	<b>831.9</b>	<b>898.9</b>	<b>1,018.8</b>
% of Sales	14.3	14.7	23.4	19.1	19.5	21.1
<b>Current operating profit</b>	<b>291.1</b>	<b>488.3</b>	<b>993.6</b>	<b>624.7</b>	<b>683.8</b>	<b>800.1</b>
% of Sales	8.5	10.0	19.4	14.3	14.9	16.6
Non-recurring items	83.5	-609.7	-134.6	-266.0	-165.0	-165.0
EBIT	374.6	-121.4	859.0	358.7	518.8	635.1
Net financial result	-236.4	-111.5	-66.1	-3.2	-112.6	-55.9
Income Tax	-101.1	-112.9	-269.0	-73.6	-84.7	-127.4
Tax rate (%)	-76.1	45.1	-33.9	-20.6	-20.8	-22.0
<b>Net profit, group share</b>	<b>39.8</b>	<b>-366.1</b>	<b>496.0</b>	<b>268.0</b>	<b>304.9</b>	<b>428.2</b>
EPS	0.31	na	2.01	1.07	1.22	1.71
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	37.5	39.6	39.8	6.7	6.7	6.7
Tangible and intangible assets	1,713.0	1,876.7	2,046.8	1,852.5	1,852.6	1,858.8
Right of Use	35.2	51.4	45.4	45.4	45.4	45.4
Financial assets	106.1	98.4	89.9	71.0	51.4	31.9
Working capital	824.3	1,273.6	1,105.5	928.0	881.7	890.1
Other Assets	714.7	393.5	353.7	352.7	352.7	352.7
<b>Assets</b>	<b>3,430.9</b>	<b>3,733.2</b>	<b>3,681.1</b>	<b>3,256.2</b>	<b>3,190.4</b>	<b>3,185.5</b>
Shareholders equity group	1,763.0	1,643.3	2,156.6	2,388.8	2,723.7	3,183.0
Minorities	44.7	42.4	67.0	79.6	93.9	114.1
LT & ST provisions and others	135.8	705.6	552.3	552.3	552.3	552.3
Net debt	1,006.4	1,200.1	626.8	47.4	-422.5	-934.6
Other liabilities	480.9	141.9	278.4	188.2	243.0	270.8
<b>Liabilities</b>	<b>3,430.9</b>	<b>3,733.2</b>	<b>3,681.1</b>	<b>3,256.2</b>	<b>3,190.4</b>	<b>3,185.5</b>
Net debt excl. IFRS 16	957.6	1,129.7	570.4	-9.1	-479.0	-991.0
Gearing net	0.6	0.7	0.3	0.0	-0.1	-0.3
Leverage	2.0	1.7	0.5	0.1	-0.5	-0.9
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	25.4	328.2	561.5	400.3	642.5	749.1
$\Delta$ WCR	-172.0	-355.4	144.7	177.5	46.3	-8.4
Operating cash flow	-146.6	-27.2	706.2	577.8	688.8	740.7
Net capex	-44.6	-152.9	-131.7	7.9	-194.5	-204.3
FCF	-283.1	-216.8	494.1	380.6	494.3	536.4
Free Cash Flow excl IFRS 16	-311.6	-246.3	470.8	359.9	473.6	515.7
Acquisitions/Disposals of subsidiaries	14.3	-2.7	-0.4	17.1	0.0	0.0
Other investments	0.7	-6.6	1.9	0.0	0.0	0.0
Change in borrowings	-705.0	100.4	-206.3	-120.8	-100.0	-100.0
Dividends paid	-9.2	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	-28.5	-29.5	-23.3	-20.7	-20.7	-20.7
Equity Transaction	163.1	0.7	4.3	0.0	0.0	0.0
Others	-14.4	47.7	0.3	-2.6	-3.7	-3.7
Change in net cash over the year	-770.2	-70.1	351.0	458.6	369.9	412.1
ROA (%)	na	0.7%	na	9.2%	5.1%	5.4%
ROE (%)	645.0%	2.3%	na	23.0%	11.2%	11.2%
ROCE (%)	na	8.5%	13.7%	24.2%	15.0%	15.3%

## EQUITY RESEARCH

### VOYAGEURS DU MONDE TOP PICK

**BUY**  
**TP 213.0€**  
Up/Downside: 44%

### Again and always

Already part of our 2024 Top Picks, we reaffirm our choice for 2025. This stock has all the qualities to once again outperform this year.

### A transitional year in 2024

While we had hoped for a stronger performance in 2024, its 14% rise still allowed it to significantly outperform the CAC Mid&Small index (-6%), following a 48% increase in 2023. The year 2024 is expected to be a transitional year after the post-Covid "travel revenge" trend. Nevertheless, the group should still be capable of delivering approximately 5% growth and stable recurring operating income (ROC), a strong performance at historically high levels.

### 2025 could hold pleasant surprises

For 2025, we forecast growth of around 3%, a level consistent with what the group achieved pre-Covid. However, this estimate might be conservative, as management has mentioned in the press that early-year bookings have shown much stronger momentum. It is still too early for us to validate this optimistic scenario, as summer bookings typically take place between February and April. Regarding margins, the group should be able to maintain 2024 levels, as hiring is expected to slow down.

### Still a very attractive valuation

At 7.3x 2025 EBIT, the valuation seems more than attractive. If the market fails to better value the group, we believe Certares might eventually acquire it, adding a speculative appeal that reinforces our Buy recommendation. While the group has been cautious with external growth so far, we do not rule out potential acquisitions this year, which could serve as a catalyst for the stock.

### A long-term no-brainer

While there are plenty of short-term arguments in favour of this stock, we believe Voyageurs du Monde has the fundamentals to perform over the medium to long term. Travel is becoming an essential need for households. Additionally, the group is perfectly positioned to capture emerging travel trends: bespoke itineraries, personalized experiences off the beaten path, and nature-focused adventures.

### Research partially paid by the Issuer

#### Key data

Price (€)	147.6
Industry	Tourism
Ticker	ALVDM-FR
Shares Out (m)	3.434
Market Cap (m €)	506.9
Average trading volumes (k shares / day)	1.206
Next event	FY - April 2025
Source: FactSet	

#### Ownership (%)

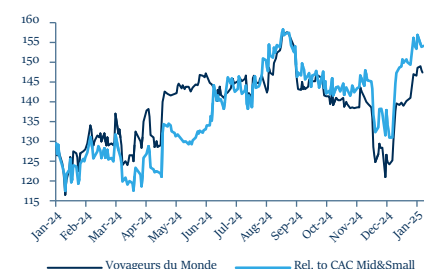
Avantage	69.4
Salariés	1.2
Autodétention	0.0
Free float	29.4

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	10.74	11.56	10.99
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.1	17.9	0.4
Rel CAC Mid&Small	0.1	17.7	-0.1



Source: FactSet

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	693.6	726.7	740.7	767.6	EV/Sales	0.5	0.4	0.4
Current Op Inc (m €)	57.7	58.1	58.3	62.1	EV/EBITDA	5.5	4.9	4.0
Current op. Margin (%)	8.3	8.0	7.9	8.1	EV/EBIT	6.2	5.6	4.6
EPS (€)	10.87	10.74	11.56	10.99	PE	13.7	12.8	13.4
DPS (€)	0.00	3.00	3.00	3.00	Source: TPICAP Midcap			
Yield (%)	0.0	2.0	2.0	2.0				
FCF (m €)	63.7	52.2	47.8	53.8				

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## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	151.7	497.3	693.6	726.7	740.7	767.6
Changes (%)	29.4	227.8	39.5	4.8	1.9	3.6
Gross profit	47.1	158.7	219.5	231.9	238.4	247.1
% of Sales	31.1	31.9	31.6	31.9	32.2	32.2
<b>EBITDA</b>	<b>7.8</b>	<b>51.4</b>	<b>64.7</b>	<b>65.9</b>	<b>66.8</b>	<b>71.3</b>
% of Sales	5.2	10.3	9.3	9.1	9.0	9.3
<b>Current operating profit</b>	<b>4.1</b>	<b>47.0</b>	<b>57.7</b>	<b>58.1</b>	<b>58.3</b>	<b>62.1</b>
% of Sales	2.7	9.4	8.3	8.0	7.9	8.1
Non-recurring items	2.1	0.2	-0.7	-1.0	0.0	0.0
EBIT	6.2	47.1	57.0	57.1	58.3	62.1
Net financial result	-3.0	-3.0	5.3	5.4	2.0	2.7
Income Tax	-0.6	-9.7	-15.4	-15.6	-15.1	-16.2
Tax rate (%)	18.3	22.1	24.6	25.0	25.0	25.0
<b>Net profit, group share</b>	<b>2.6</b>	<b>30.9</b>	<b>44.1</b>	<b>41.6</b>	<b>39.6</b>	<b>42.7</b>
EPS	na	7.95	10.87	10.74	11.56	10.99
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	34.9	60.3	50.8	50.8	50.8	50.8
Tangible and intangible assets	28.8	34.6	62.1	72.6	72.5	71.9
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	2.0	3.6	2.7	2.7	2.7	2.7
Working capital	-58.6	-99.2	-119.1	-124.9	-127.3	-132.0
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	7.0	-0.7	-3.4	1.3	-1.3	-6.5
Shareholders equity group	100.8	134.0	206.4	118.0	146.0	178.4
Minorities	1.6	7.1	21.1	26.4	31.9	37.8
LT & ST provisions and others	1.3	1.1	1.6	1.6	1.6	1.6
Net debt	-96.7	-142.9	-232.5	-144.7	-180.8	-224.4
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	7.0	-0.7	-3.4	1.3	-1.3	-6.5
Net debt excl. IFRS 16	-96.7	-142.9	-232.5	-144.7	-180.8	-224.4
Gearing net	-0.9	-1.0	-1.0	-1.0	-1.0	-1.0
Leverage	-12.4	-2.8	-3.6	-2.2	-2.7	-3.1
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	5.1	44.2	55.1	54.7	53.7	57.8
ΔWCR	-24.2	10.0	18.3	5.8	2.4	4.7
Operating cash flow	-19.1	54.2	73.4	60.4	56.2	62.5
Net capex	-0.8	-4.5	-9.7	-8.3	-8.4	-8.7
FCF	-19.9	49.7	63.7	52.2	47.8	53.8
Acquisitions/Disposals of subsidiaries	-0.2	3.7	-0.6	-10.0	0.0	0.0
Other investments	0.1	-0.4	0.0	0.0	0.0	0.0
Change in borrowings	81.0	-5.9	-3.3	0.0	0.0	0.0
Dividends paid	0.0	-0.0	-13.1	0.0	-11.6	-10.3
Equity Transaction	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.6	-0.4	-4.5	-130.0	0.0	0.0
Change in net cash over the year	61.6	46.7	42.4	-87.8	36.1	43.5
ROA (%)	na	5.5%	6.8%	7.2%	6.4%	6.4%
ROE (%)	na	22.3%	21.4%	35.2%	27.2%	23.9%
ROCE (%)	na	40.8%	19.1%	30.2%	24.6%	21.5%

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