

Aquila

2Q '24 Earnings Call Wrap-Up

The Company published its 2Q '24 results on Tue, 13 Aug. The results were presented through a live web conference on 14 Aug at 11:00 a.m. (local time).

Conference call takeaways

In 1H '24, the FMCG distributor posted revenues of RON 1.32bn, 18% higher on a yearly basis. In the results presentation, the split by distribution channels was disclosed: HoReCa (+35% y/y), organised retail (+29% y/y), gas station and travel retail (+26% y/y), traditional retail (+2% y/y). Moreover, the Company's subsidiary in Moldova increased its revenues by 22% y/y in 1H '24.

Own label product revenues rose 16% y/y in 1H '24 to RON 46m. Sales of ready meals brand La Masa came in 23% higher compared to 1H '23, at RON 29.6m, while Gradena (frozen products) revenues were flat y/y. Management noted that in 3Q '24 we can expect growth in both price and volumes for the Gradena brand, given the launch of new products.

Management pointed out that the two new acquisitions (Romtec Europa and Parmafood Group) posted revenues of RON 48m in 1H '24. Management is optimistic that the two acquisitions will have a positive effect on gross margins in 2H '24.

Meanwhile, the additional tax – applicable since 01 Jan 2024 –, which aims to bring the total tax expense to 1% of revenue, amounted to RON 3.4m in 2Q '24. As a result, the net profit attributable to shareholders increased by 3.1% y/y to RON 15.7m.

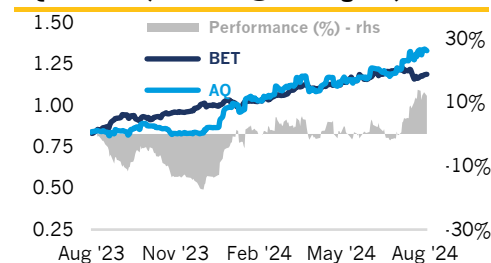
21 Aug '24

Summary data

Share price (RON)	1.345
Shares in issue (m)	1,200.0
Market cap (RON'm)	1,614
Market cap (USD'm)	359
Free float	33.3%
3 month average daily traded volume (EUR'k)	171
Absolute change 3 month	+15.5%
Absolute change 12 month	+59.4%
Change% 3m (vs BET)	+10.5%
Change% 12m (vs BET)	+17.4%
Target price (RON)	U/R
Rating	U/R
Upside	n.m.
Benchmark	BET
BET weighting (%)	1.1%
BET one-year return (%)	+42.0%
Bloomberg	AQ RO
Refinitiv RIC	ROAQ.BX

Source: BT Capital Partners, EquityRT

AQ vs. BET (rebased @ 21 Aug '23)



Source: EquityRT

Key ratios / multiples

	9M '23	FY '23	3M '24	6M '24
EPS (RON) LTM	0.076	0.081	0.075	0.075
EPS (RON) QTLY	0.024	0.022	0.016	0.013
P/E (x) LTM	10.6	10.6	13.8	17.3
P/S (x) LTM	0.40	0.41	0.48	0.58
EV/EBITDA (x) LTM	7.17	7.05	9.79	10.03

Source: BT Capital Partners

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Analyst coverage universe

Analyst	Ticker	Company	Recommendation	Current price (RON)	Target price (RON)
Andrei Ciobotaru	SNP	OMV Petrom	UNDER REVIEW	0.7600	UNDER REVIEW
Andrei Ciobotaru	SNG	Romgaz	UNDER REVIEW	5.91	UNDER REVIEW
Octavian Duma	TGN	Transgaz	UNDER REVIEW	24.0	UNDER REVIEW
Vlad Podea	BRD	BRD Societe Generale	UNDER REVIEW	21.10	UNDER REVIEW
Vlad Podea	DIGI	Digi Communications	UNDER REVIEW	62.0	UNDER REVIEW
Vlad Podea	H2O	Hidroelectrica	NEUTRAL	124.6	125
Octavian Duma	EL	Electrica	UNDERPERFORM	15.90	7.38
Andrei Ciobotaru	SNN	Nuclearelectrica	UNDER REVIEW	46.00	UNDER REVIEW
Vlad Podea	SIFs	Lion Capital; Evergent Investments; Transilvania Investments Alliance; Longshield Investment Group; Infinity Capital Investments	RESTRICTED	-	RESTRICTED
Adrian Hornea	WINE	Purcari Wineries	UNDER REVIEW	15.56	UNDER REVIEW
Adrian Hornea	SFG	Sphera Franchise Group	UNDER REVIEW	39.80	UNDER REVIEW
Adrian Hornea	M	MedLife	UNDER REVIEW	5.90	UNDER REVIEW
Vlad Podea	ONE	One United Properties	NEUTRAL	0.647	0.759
Adrian Hornea	AQ	Aquila Part Prod Com	UNDER REVIEW	1.345	UNDER REVIEW

Source: EquityRT, BT Capital Partners

Rating history | Aquila

Type	Date	Price	TP	Rating	Type	Date	Price	TP	Rating
Coverage Initiation	31 Oct '22	0.676	0.607	Neutral					
Company Report	26 Jun '23	0.710	U/R	U/R					

Source: BT Capital Partners

Updated: 21 Aug '24

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Rating	General Equities
OUTPERFORM	The stock is expected to yield absolute returns in excess of 15% over a 12-month investment horizon in terms of price and we recommend increased exposure relative to its blue-chip benchmark peers (BET index).
NEUTRAL	The stock is expected to yield absolute returns ranging from -15% to 15% over a 12-month investment horizon in terms of price and we recommend maintaining current exposure relative to its blue-chip benchmark peers (BET index).
UNDERPERFORM	The stock is expected to yield negative absolute returns of more than -15% over a 12-month investment horizon in terms of price and we recommend reduced exposure relative to its blue-chip benchmark peers (BET index).
UNDER REVIEW	The rating of the stock is currently under review for update by BTCP Equity Research.
RESTRICTED	The rating of the stock is restricted from disclosure owing to compliance or other regulatory/legal reasons.
NOT-RATED	The stock is not currently rated by BTCP Equity Research.
COVERAGE IN TRANSITION	The rating of the stock is temporarily suspended due to changes in the research team.

Rating distribution for Romanian listed equities rating

As at 21 Aug '24 Recommendation	Total BT Capital Partners	
	Count	% of Total
Outperform	0	0%
Neutral	2	8%
Underperform	1	4%
Under Review	10	40%
Restricted	6	24%
Not rated	6	24%
Coverage in transition	0	0%
Total	25	100%

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