

# Aquila

## 3Q '24 Earnings Call Wrap-Up

The Company published its 3Q '24 results on Wed, 13 Nov. The results were presented through a live web conference on 14 Nov at 11:00 a.m. (local time).

### Conference call takeaways

In 9M '24, Aquila posted revenues of RON 2.1bn, up 20% on a yearly basis. In the results presentation, the split by distribution channels was disclosed: HoReCa, the channel with the best margin, saw sales go up 34% y/y; organised retail increased 35% y/y, gas stations and travel retail rose 27% y/y, and organised retail went up 6% y/y in 9M '24. Moreover, the Company's Moldovan subsidiary's revenues increased 16% y/y.

Own-label products sales rose 37% y/y in 9M '24 to RON 88m driven by growth in both prices and volumes across all private label brands, also supported by the consolidation of Romtec Europa (represented by JetXpert and Expert Wipes brands), which accounted for 11.6% of private label product revenues.

In terms of the 3Q '24 breakdown, sales of ready meals brand La Masa came in 11% higher y/y to RON 18m, while Gradena (frozen products) amounted to RON 12.6m, soaring 70% y/y, given the launch of new products and price increases.

Asked about the decline in gross margin to 20.2% in 3Q '24 from 20.8% in 3Q '23, management noted that this came on the back of a higher exposure to the organised retail channel, with sales 46% higher y/y on this channel. However, management pointed out that in 4Q '24 we can expect a slight improvement in the Distribution segment's gross margin.

As regards the two acquisitions completed in 1Q and 2Q, management says that we can expect a bigger impact from these starting 1Q '25. Romtec is said to have reached breakeven in 9M '24, with more visible effects expected in 4Q.

15 Nov '24

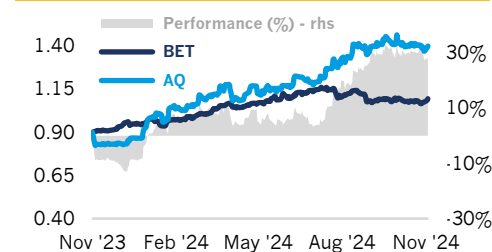
### Summary data

Share price (RON)	1.395
Shares in issue (m)	1,200.0
Market cap (RON'm)	1,662
Market cap (USD'm)	355
Free float	33.3%
3 month average daily traded volume (EUR'k)	55
Absolute change 3 month	+4.9%
Absolute change 12 month	+66.8%
Change% 3m (vs BET)	+6.8%
Change% 12m (vs BET)	+46.2%

<b>Target price (RON)</b>	<b>U/R</b>
<b>Rating</b>	<b>U/R</b>
<b>Upside</b>	<b>n.m.</b>
Benchmark	BET
BET weighting (%)	1.2%
BET one-year return (%)	+20.6%
Bloomberg	AQ RO
Refinitiv RIC	ROAQ.BX

Source: BT Capital Partners, EquityRT

### AQ vs. BET (rebased @ 13 Nov '23)



Source: EquityRT

### Key ratios / multiples

	FY '23	3M '24	6M '24	9M '24
EPS (RON) LTM	0.081	0.075	0.075	0.069
EPS (RON) QTLY	0.022	0.016	0.013	0.018
P/E (x) LTM	10.6	13.8	15.3	20.2
P/S (x) LTM	0.41	0.48	0.51	0.59
EV/EBITDA (x) LTM	7.05	9.79	10.03	11.72

Source: BT Capital Partners

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## Analyst coverage universe

Company	Ticker	Rating	Target price (RON)	Current price (RON)	Analyst
Aquila Part Prod Com	AQ	UNDER REVIEW	UNDER REVIEW	1.395	Adrian Hornea
BRD Societe Generale	BRD	UNDER REVIEW	UNDER REVIEW	19.20	Vlad Podea
Digi Communications	DIGI	UNDER REVIEW	UNDER REVIEW	66.8	Vlad Podea
Electrica	EL	UNDER REVIEW	UNDER REVIEW	13.20	Octavian Duma
Hidroelectrica	H2O	NEUTRAL	125	121.2	Vlad Podea
MedLife	M	UNDER REVIEW	UNDER REVIEW	6.15	Adrian Hornea
One United Properties	ONE	UNDER REVIEW	UNDER REVIEW	0.529	Vlad Podea
Premier Energy	PE	OUTPERFORM	26.4	19.72	Octavian Duma
Sphera Franchise Group	SFG	UNDER REVIEW	UNDER REVIEW	40.80	Adrian Hornea
Romgaz	SNG	UNDER REVIEW	UNDER REVIEW	5.55	Octavian Duma
Nuclearelectrica	SNN	UNDER REVIEW	UNDER REVIEW	44.00	Adrian Hornea
OMV Petrom	SNP	UNDER REVIEW	UNDER REVIEW	0.7450	Vlad Podea
Transgaz	TGN	UNDER REVIEW	UNDER REVIEW	24.0	Octavian Duma
Purcari Wineries	WINE	UNDER REVIEW	UNDER REVIEW	14.90	Adrian Hornea
Lion Capital; Evergent Investments; Transilvania Investments Alliance; Longshield Investment Group; Infinity Capital Investments	SIFs	RESTRICTED	RESTRICTED		- Adrian Hornea

Source: EquityRT, BT Capital Partners

## Rating history | Aquila

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

Type	Date	Price	TP	Rating

Updated: 15 Nov '24

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Rating	General Equities
<b>OUTPERFORM</b>	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).
<b>NEUTRAL</b>	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).
<b>UNDERPERFORM</b>	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).
<b>UNDER REVIEW</b>	The rating of the stock is currently under review for update by BTCP Equity Research.
<b>RESTRICTED</b>	The rating of the stock is restricted from disclosure owing to compliance or other regulatory/legal reasons.
<b>NOT-RATED</b>	The stock is not currently rated by BTCP Equity Research.
<b>COVERAGE IN TRANSITION</b>	The rating of the stock is temporarily suspended due to changes in the research team.

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As at 15 Nov '24 Recommendation	Total BT Capital Partners	
	Count	% of Total
Outperform	1	4%
Neutral	1	4%
Underperform	0	0%
Under Review	12	48%
Restricted	6	24%
Not rated	5	20%
Coverage in transition	0	0%
<b>Total</b>	<b>25</b>	<b>100%</b>

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