Aquila

04 Mar '25

4Q '24 Earnings Review

The Company published its 4Q '24 results on 28 Feb. A live presentation took place on 03 Mar via conference call at 11:00 a.m. (local time).

Sales up 12.1% y/y in 4Q '24

In the fourth quarter of 2024, the FMCG distributor posted revenues of RON 844m (-2.3% vs. est.), up 12.1% y/y and 8.2% above 3Q '24 figures, mainly on the back of the 12.3% y/y increase in Distribution sales to RON 804m (+8.8% q/q and 2.4% below est.), which was supported by organic growth, but also by the consolidation of Romtec and Parmafood Group, which increased the Company's footprint and diversyfing its product portfolio.

Logistic segment sales came in 17.5% higher compared to 4Q '23, at RON 28m (+12.8% q/q and 7.4% above our forecast), on the back of higher tariffs. Transport services revenues were RON 15.7m, 6.1% lower than our estimate while 4.8% lower y/y due to smaller distances travelled by Aquila's transport fleet.

COGS rose 11.4% y/y, gross margin improves by 0.7pp y/y

The cost of goods sold (COGS) increased by 11.4% y/y to RON 637m (+8.1% q/q and just 2.2% below estimate), representing 79.2% of sales. As such, the gross margin from Distribution rose by 0.7pp y/y to 20.8%.

On the other hand, operating expenses other than COGS came in line with our estimates at RON 175m, climbing 10.3% y/y mainly on the back of higher personnel expenses, which increased by 23% y/y to RON 85.6m (+3.2% vs. est.), due to a higher number of employees and some upward salary adjustments. Cost of fuel and transport services rose 5.7% y/y to RON 21.8m (+3.0% q/q and 13.1% lower than we anticipated, due tue a less intense transport activity than we expected).

Net income a.m. soars 26% y/y, slightly below estimates

EBITDA climbed 34% y/y to RON 52.2m (+11.7% q/q, and below our RON 64m estimate), implying a 6.2% margin (+1.0pp y/y, +0.2pp q/q).

Aquila's net finance expense amounted to RON 1m, compared to a RON 3.4m finance income in 4Q '23 – yet lower than our RON 2.5m net finance loss estimate due to a higher interest income than we estimated –, mainly the result of lower deposits and an increase in short-term borrowings as of 31 Dec 2024, to finance the above mentioned acquisitions.

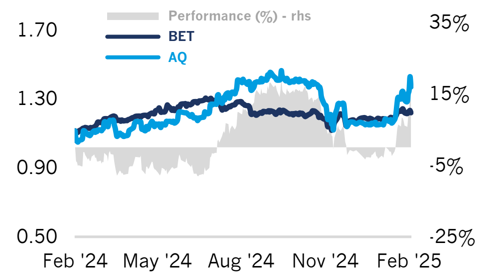
As such, Aquila's net income a.m. surged 26% y/y to RON 33.6m, up 58% on a quarterly basis, and slightly below our RON 36.2m projection, with a net profit margin of 4% (+0.45pp y/y). The FY '24 net profit dropped 7% y/y to RON 90.1m, mainly on the back of higher taxation, with income tax surging 33% y/y to RON 25.8m.

Summary data

Share price (RON)	1.360
Shares in issue (m)	1,200.0
Market cap (RONm)	1,632
Market cap (USDm)	342
Free float	33.3%
3 month average daily traded volume (EUR'k)	151
Absolute change 3 month	+16.2%
Absolute change 12 month	+27.8%
Change% 3m (vs BET)	+9.0%
Change% 12m (vs BET)	+19.5%
Target price (RON)	**U/R**
Rating	**U/R**
Upside	**n.m.**
Benchmark	BET
BET weighting (%)	1.2%
BET one-year return (%)	+8.4%
Bloomberg	AQ RO
Refinitiv RIC	ROAQ.BX

Source: BT Capital Partners, EquityRT

AQ vs. BET (rebased @ 04 Mar '24)



Source: EquityRT

Key ratios / multiples

	1Q '24	2Q '24	3Q '24	4Q '24
EPS (RON) LTM	0.075	0.075	0.069	0.075
EPS (RON) QTR	0.016	0.013	0.018	0.028
P/E (x) LTM	13.8	15.3	19.7	18.2
P/S (x) LTM	0.48	0.51	0.58	0.56
EV/EBITDA (x) LTM	9.79	10.03	11.72	8.88

Source: BT Capital Partners

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Financial data (RONm)

	4Q '24	4Q '24f	act. vs. est.	4Q '23	y/y	3Q '24	q/q	FY '24	FY '23	y/y
Revenue	843.8	868.0	-2.8%	753.1	12.1%	779.9	+8.2%	2,946	2,510	+17.3%
Cost of sales	(636.6)	(651.1)	-2.2%	(571.7)	11.4%	(589.2)	+8.1%	(2,215)	(1,866)	+18.7%
Distribution gross margin	20.8%	21.0%	-0.2pp	20.1%	+0.7pp	20.2%	+0.6pp	20.5%	20.9%	-0.4pp
Opex except COGS	(175.1)	(174.9)	+0.1%	(158.8)	+10.3%	(162.0)	+8.1%	(625.5)	(547.6)	+14.2%
Operating profit	34.3	47.3	-27.5%	27.0	+26.8%	31.6	+8.4%	115.8	106.7	+8.5%
Operating profit margin	4.1%	5.4%	-1.3pp	3.6%	+0.5pp	4.1%	0.0pp	3.9%	4.3%	-0.4pp
Net profit a.m.	33.6	36.2	-7.1%	26.8	25.7%	21.2	+58.4%	90.1	96.9	-7.0%
Net profit margin	4.0%	4.2%	-0.2pp	3.6%	+0.4pp	2.7%	+1.3pp	3.1%	3.9%	-0.8pp

Source: BT Capital Partners, Company data

Analyst coverage universe

Company	Ticker	Rating	Target price (RON)	Current price (RON)	Analyst
Aquila Part Prod Com	AQ	UNDER REVIEW	UNDER REVIEW	1.360	Adrian Hornea
AROBS Transilvania Software	AROBS	OUTPERFORM	0.975	0.636	Vlad Podea
BRD Societe Generale	BRD	UNDER REVIEW	UNDER REVIEW	17.920	Vlad Podea
Digi Communications	DIGI	UNDER REVIEW	UNDER REVIEW	67.60	Vlad Podea
Electrica	EL	UNDER REVIEW	UNDER REVIEW	14.280	Octavian Duma
Hidroelectrica	H2O	NEUTRAL	125	119.00	Vlad Podea
MedLife	M	UNDER REVIEW	UNDER REVIEW	5.820	Adrian Hornea
One United Properties	ONE	UNDER REVIEW	UNDER REVIEW	20.25	Vlad Podea
Premier Energy	PE	OUTPERFORM	26.4	18.850	Octavian Duma
Sphera Franchise Group	SFG	UNDER REVIEW	UNDER REVIEW	39.60	Adrian Hornea
Romgaz	SNG	UNDER REVIEW	UNDER REVIEW	5.920	Nicolae Vasile
Nuclearelectrica	SNN	UNDER REVIEW	UNDER REVIEW	41.45	Eduard Florea
OMV Petrom	SNP	UNDER REVIEW	UNDER REVIEW	0.752	Nicolae Vasile
Transgaz	TGN	UNDER REVIEW	UNDER REVIEW	27.85	Eduard Florea
Purcari Wineries	WINE	UNDER REVIEW	UNDER REVIEW	14.320	Adrian Hornea
Lion Capital; Evergent Investments; Transilvania Investments Alliance; Longshield Investment Group; Infinity Capital Investments	SIFs	RESTRICTED	RESTRICTED	-	Vlad Podea

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	19 Jun '23	0.710	U/R	U/R

Type	Date	Price	TP	Rating

Source: BT Capital Partners

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Rating	General Equities
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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.

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Neutral	1	4%
Underperform	0	0%
Under Review	12	46%
Restricted	6	23%
Not rated	5	19%
Coverage in transition	0	0%
Total	**26**	**100%**

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