

ANTARES VISION

Sector: Industrials

OUTPERFORM

Price: Eu3.14 - Target: Eu4.00

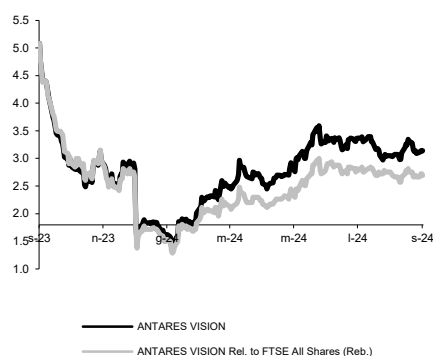
So Far, So Good on Cost Control and Cash Generation

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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2024E	2025E	2026E
Chg in Adj EPS	0.1%	0.0%	0.0%

ANTARES VISION - 12M Performance



Stock Data

Reuters code:	ANV.MI		
Bloomberg code:	AV IM		
Performance	1M	3M	12M
Absolute	3.0%	-7.9%	-38.2%
Relative	-1.5%	-5.1%	-54.6%
12M (H/L)	4.75/1.36		
3M Average Volume (th):	101.35		

Shareholder Data

No. of Ord shares (mn):	69
Total no. of shares (mn):	69
Mkt Cap Ord (Eu mn):	217
Total Mkt Cap (Eu mn):	217
Mkt Float - Ord (Eu mn):	86
Mkt Float (in %):	39.8%
Main Shareholder:	
Regolo Srl	50.7%

Balance Sheet Data

Book Value (Eu mn):	158
BVPS (Eu):	2.28
P/BV:	1.4
Net Financial Position (Eu mn):	-103
Enterprise Value (Eu mn):	328

Despite a declining revenue trend (which intensified in 2Q), the company has started to deliver on two key pillars of the New 2024-2026 Strategic Plan. We remain confident the new management team has the ability to execute the turnaround process, expected to last between 18 and 24 months. This involves controlling costs and gradually reducing debt, which could support a potential re-rating. We maintain our positive outlook on the stock and confirm our TP of €4.00.

■ **Three main positives from 1H results:** i) Cost reduction, as adj. EBITDA reached €3.4mn (3.9% margin), a significant improvement from the loss of €-5.6mn in 1H23; despite a declining top line trend, AV was able to sharply reduce structural costs, with external service and personnel costs in particular down -15% and -11% YoY respectively, thanks to a more efficient organisation and increased product standardisation; ii) Improved cash generation, OpCF turned positive at €9mn (from €-29mn in 1H23), the result of increased profitability, better WC management (+€22mn), and reduced CapEx, bringing adj. net debt to €98mn, a gradual improvement from €104mn as at YE23; iii) Order intake up +7%, consistent with the 1Q24 trend, driven by the domestic market (+45%), and Europe (+12%), despite a continued slowdown in the Americas, especially in the FMCG market.

■ **...and just one concern: falling revenues:** revenues came in at €87.6mn (-5.7% YoY), or -4.1% on a like-for-like basis (excluding activities in Russia), reflecting a more severe contraction in 2Q (-15%), that was slightly worse than our expectations. Regionally, Italy was the main growth driver (+37%), fuelled by rising demand for traceability systems in the pharmaceutical industry. In contrast, the Americas (NA + Brazil) experienced a significant decline (-22%) due to weak demand for inspection systems, especially in the rigid containers market. By business unit, Life Science remained the largest sector, representing 42% of total sales (up +3%), while FMCG declined -17%, mainly due to weaker demand in the beverage industry. Supply Chain Transparency (L4 & L5 SW solutions) was nearly stable. Recurring revenues increased by +5% YoY, now accounting for 44% of the total (up from 40% in 1H23).

■ **FY24 guidance confirmed:** the conference call conveyed a positive outlook, with the new management team confident of achieving the lower end of the revenue guidance (+4%). This suggests an acceleration in 2H (+11%), probably supported by the order backlog and improved time-to-market. On the profitability side, AV aims to reach the upper end of the guidance range (14%), achievable through a similar cost reduction as was witnessed in 1H.

■ **Estimates tweaked, OUTPERFORM and €4.0 TP confirmed:** in light of 1H results and feedback from the conference call, we are making a few minor adjustments to our estimates. We are setting our revenue estimate at the lower end of the range but keeping our adj. EBITDA estimate unchanged, while raising our margin estimate due to improved cost base management. Despite these minor changes, we are keeping our DCF-driven TP at €4.0 and confirming our OUTPERFORM rating on the stock.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	201	214	222	236	247
EBITDA Adj (Eu mn)	18	13	30	36	44
Net Profit Adj (Eu mn)	1	-8	7	11	16
EPS New Adj (Eu)	0.017	-0.117	0.097	0.156	0.230
EPS Old Adj (Eu)	0.017	-0.117	0.097	0.156	0.230
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	39.1	38.7	10.8	8.8	6.9
EV/EBIT Adj	nm	nm	21.3	14.9	10.8
P/E Adj	nm	nm	32.3	20.1	13.7
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	4.2	7.8	3.4	2.5	1.7

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

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- OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
- NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;
- UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
- SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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OUTPERFORM:	49.59 %
NEUTRAL:	25.61 %
UNDERPERFORM	00.83 %
SELL:	00.00 %

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OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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