EUROBANK Equities

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IDEAL HOLDINGS

Premium growth, discounted valuation, BS optionality

Diversified group, exposed in cash generative and growth sectors… – IDEAL is a holding group active in 3 distinct sectors via specialized companies, most of which are among the leaders in their respective sector. Its portfolio spans across: **1) Industrial segment**, namely crown corks manufacturing companies with a diverse client portfolio and geographic footprint; **2) IT**, offering services such as cybersecurity, trust services and system integration; and **3) Specialty Retail,** through the recently acquired Attica Department Stores (ADS). The group is thus well diversified across sectors (specialty retail 43% of EBITDAaL, IT 21%, Industry 36%), thereby mitigating risks from cyclical swings. Most importantly, all segments are quite cash generative while IT is in secular growth (digitization, RRF) and ADS offers exposure in the tourism growth theme.

… thus facing a strong profit outlook, with EBITDAaL CAGR 10% in 2023-27e – Given this unique combination of assets, IDEAL looks well positioned to enjoy strong growth. In Industry we envisage 4.5% sales CAGR over 2023-27e driven by volumes (low-single digit for brewers) and increasing geographic footprint. In IT, we model >20% growth in 2023 followed by 12-15% thereafter supported by project backlog, with further c10% growth optionality p.a. stemming from RRF. In Specialty Retail, given ADS's brand positioning and market leading status benefiting from the influx of tourists, we expect 4-5% organic growth in the coming years leaving supply-led growth (e.g. Ellinikon) as optionality. All these coalesce in revenue CAGR (proforma for ADS) of c7% over 2023-27e and EBITDAaL CAGR of c10%, with the latter mainly driven by IT (18%).

M&A optionality key for the thesis … – IDEAL has a strong track record of deal-making, with the group in its current form being the result of the contribution of assets previously held by Virtus S.E. Fund. The exit proceeds for Virtus for its assets indicated 17-22% IRR and a multiple on invested capital (IC) 1.1-1.7x, in symphony with mgt's hurdle rates. In 2022, IDEAL proceeded to the sale of 3 Cents to Coca-Cola Hellenic (CCH) for €46m, corresponding to 2.9x IC and IRR >100%. With M&A being embedded in mgt's DNA, IDEAL has also proceeded to several acquisitions in the last 2 years growing its EBITDAaL base to >€50m (pro-forma), with the greater scale facilitating the seeking of more value-enhancing deals. The balance sheet is strong (2023e net debt/EBITDAaL <1.5x pro forma), with leverage set to fall to <1x post 2024, even assuming a progressive dividend policy (payout c30-40%), thanks to the segments' cash generative characteristics. As such, there is great optionality regarding balance sheet deployment which could be manifested in the form of further value-enhancing deals or heftier returns to shareholders than incorporated in our model.

Valuation – IDEAL has returned >40% ytd but is little-changed since the transformative acquisition of ADS. At <5.5x EV/EBITDAaL, the stock trades at >25% discount vs the blended peer group, which looks palatable in our view given the 2-digit earnings growth, M&A optionality and scope for cash returns. Our valuation is based on a SOTP of the 3 segments to which we apply a 10% holding discount, coming up with an indicative baseline fair value/share near €7.9. This effectively values the group at c7.5x 2024e EV/EBITDA, broadly in line with the blended peer group. Flexing our WACC and perpetuity growth inputs by 0.5% yields a fair value range between €7.2 and €8.7/share.

Estimates – Pro forma for M&A				
€m unless otherwise stated	**2022 ***	**2023e**	**2024e**	**2025e**
Sales - proforma	171.4	394.9	422.3	452.2
EBITDAaL - proforma	27.4	55.1	61.6	68.8
Net profit - proforma	15.9	30.2	34.2	41.0
EPS - adj. (€)	0.32	0.63	0.71	0.85
DPS (€)	0.19	0.20	0.23	0.26
Valuation				
Year to end December	**2022**	**2023e**	**2024e**	**2025e**
P/E adj. - proforma	9.2x	8.2x	7.2x	6.0x
EV/EBITDAaL - proforma	6.3x	6.1x	5.3x	4.6x
Adj. EBIT/Interest expense	11.4x	11.4x	9.2x	13.6x
Dividend Yield	5.4%	3.9%	4.4%	5.1%
ROE	14.5%	21.0%	20.1%	20.3%

Source: Eurobank Equities Research
* 2022 proforma numbers do not include ADS

Market Cap (mn)	**€247.7**
Closing Price (25/09)	**€5.16**

Stock Data

Reuters RIC	IDEr.AT
Bloomberg Code	INTEK GA
52 Week High (adj.)	€5.72
52 Week Low (adj.)	€2.96
Abs. performance (1m)	-2.3%
Abs. performance (YTD)	49.1%
Number of shares	48.0mn
Avg Daily Trading Volume (qrt)	€165k
Est. 3yr EPS CAGR (pro forma)	38.5%
Free Float	49%

Ideal Holdings Share Price

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See Appendix for Analyst Certification and important disclosures.

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Investment Summary

Diversified group, exposed in cash generative and growth sectors…

IDEAL is a holding group active in 3 distinct sectors via specialized companies, most of which are among the leaders in their respective sector. Its portfolio spans across: **1) Industrial segment,** through Astir and Coleus, crown corks manufacturing companies with a very diverse client portfolio and geographic footprint; **2) IT,** through Adacom, IDEAL Electronics and BYTE, offering services such as cybersecurity, trust services (e-signatures, document digitization) and system integration; **and 3) Specialty Retail,** through the recently acquired Attica Department Stores (ADS), the leading Greek fashion retailer with partnerships with a long list of global designer brands and stores in prime locations. The group is thus well diversified across sectors (specialty retail 43% of EBITDAaL, IT 21%, Industry 36%), thereby mitigating risks from cyclical swings, while also offering meaningful exposure internationally (c20% of pro-forma revenues). Most importantly, all segments are quite cash generative (especially crown corks) while IT is in secular growth (digitization, RRF) and ADS offers exposure in the tourism growth theme.

… thus facing a strong profit outlook, with proforma EBITDAaL CAGR 10% in 2023-27e

Given this unique combination of assets, IDEAL looks well positioned to enjoy strong growth in the coming years. In Industry, following a temporary drop in 2023 due to destocking, the business is poised for mid-single digit growth in the coming years underpinned by low-single digit volume growth in the beer industry and an increasing geographic footprint. In IT, we envisage >20% growth in 2023 followed by 12-15% thereafter supported by a strong project backlog, with further c10% growth optionality per annum stemming from RRF-related projects, conservatively not included in our model. In Specialty Retail, given ADS's brand positioning, market leading status and attractive locations benefiting from the influx of tourists, we expect c5% organic growth in the coming years leaving supply-led growth (e.g. Ellinikon) as optionality. All these coalesce in revenue CAGR (proforma for ADS) of c7% over 2023-27e and EBITDAaL CAGR of c10%, with the latter mainly driven by IT (18%).

M&A optionality key for the thesis, as validated by mgt track record

IDEAL has a strong track record of deal-making, with the group in its current form being the result of the contribution of assets previously held by Virtus S.E. Fund, namely crown corks manufacturer Astir and premium mixer/tonics company 3 Cents. The exit proceeds for Virtus related to the aforementioned assets indicated 17-22% IRR and a multiple on invested capital 1.1-1.7x, in symphony with mgt's hurdle rates (IRR c20%, sustainable ROIC >15%, 30% discount to SOTP of NAV for the assets acquired). In 2022, Ideal proceeded to the sale of 3 Cents to Coca-Cola Hellenic (CCH) for €46m, which corresponded to an impressive 2.9x multiple on invested capital and an IRR in excess of 100%. With M&A being embedded in mgt's DNA, Ideal has also proceeded to acquisitions in the last 2 years in the IT (Netbull, Byte), Industry (Coleus) and Specialty Retail/Department stores (ADS) sectors. It has thus grown its EBITDAaL base to >€50m (on >€400m revenues), thus acquiring critical mass and greater scale to be able to continue seeking value-enhancing deals.

Strong balance sheet offers optionality

IDEAL enjoys a strong balance sheet (net debt c€66m in 2023e, <1.5x net debt/EBITDAaL pro forma) despite the M&A spree, as part of the acquisitions were financed by exit proceeds from 3 Cents and equity. Looking ahead, given the cash generative characteristics of all segments, we expect swift deleveraging even assuming a progressive dividend policy (with payout 30-40%), with net debt/EBITDA retreating below 1x post 2024. As such, there is great optionality regarding balance sheet deployment which could be manifested in the form of further value-enhancing deals or heftier returns to shareholders than incorporated in our model.

Compelling valuation given growth profile and cash generative characteristics of subsidiaries

IDEAL has returned >40% ytd, but the shares are little-changed since the transformative acquisition of ADS (acquired for <5x EV/EBITDAaL) was announced in June 2023. Using a blended peer group to reflect Ideal's segment exposure, the long-run blended EV/EBITDA valuation for the peer group seems to be near 7.5-8x. With Ideal trading at <5.5x EV/EBITDAaL, the stock seems to stand at >25% discount vs the blended group, which looks palatable in our view especially considering the combination of 2-digit earnings growth, value-accretive M&A optionality and ample scope for cash return potential. Our valuation is based on a sum-of-the-parts (SOTP) of the 3 segments comprising the group to which we apply a 10% holding discount, coming up with an indicative baseline fair value per share near €7.9. This effectively values the group at c7.5x 2024e EV/EBITDA, broadly in sync with the blended peer group. Flexing our WACC and LT growth inputs by 0.5% yields a fair value range between €7.2 and €8.7 per share.

Share price performance and valuation

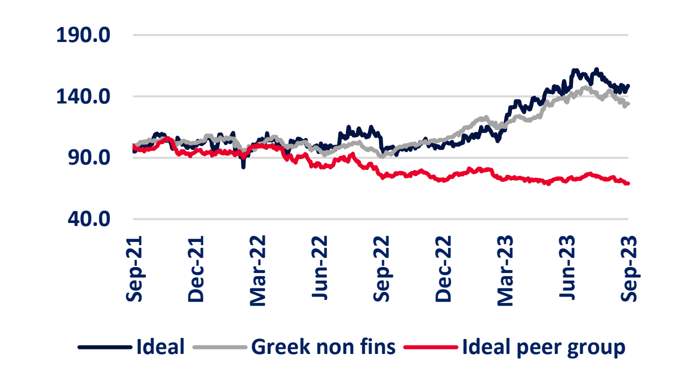
Stock has been moving in broad tandem with Greek non-financials in the last 2 years

IDEAL has posted a strong performance in the last 2 years having returned more than 40%, in broad sync with Greek non-financials. The stock went through a rather quiet period (Q4'21-Q1'23) weighed down by the rising risk premia internationally during 2022 in the face of rising yields and investors' move away from IT-exposed stocks (given their long duration characteristics). The diversified nature of its activities (industrial and IT at the time) and the solid operational execution capped the downside, with Ideal outperforming its Greek-listed IT-exposed peers. Further underpinning Ideal during the particular period were the acquisitions of Netbull and Byte, which were value-enhancing considering both businesses' future prospects and synergy opportunities.

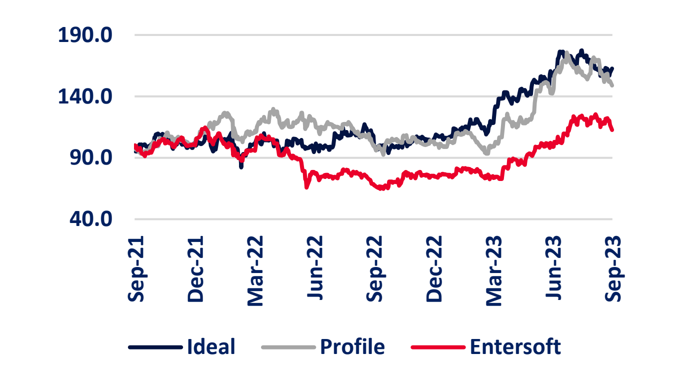
… being little-changed since the announcement for the acquisition of ADS

Since Q4'22 the stock has regained momentum propelled by the bounce in IT stocks internationally further underpinned by ongoing delivery of strong results. Of note is that post the summer correction, the stock is effectively little-changed since the transformative acquisition of Attica Department Stores (ADS) announced on 21st June 2023.

Performance (rebased) – IDEAL vs Greek non fins and EU peers



Performance (rebased) – IDEAL vs Greek IT peers



Source: Eurobank Equities Research, Bloomberg.

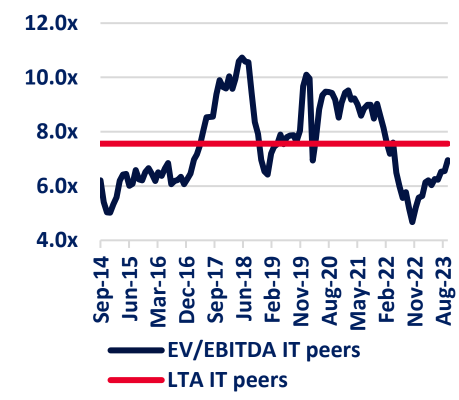
From a valuation perspective, making any reference to the group's own historic valuation is rather pointless given the limited history of estimates, and, by implication, the lack of a forward-looking track record. The picture is even more complicated by the rich M&A activity of the group, with estimates being in flux given the several new entities added to the consolidated figures over the last few years.

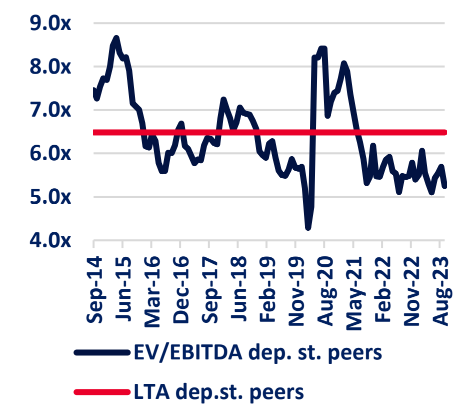
With this in mind, we have looked at the historic valuation of a broad group of EU companies operating in the IT software and services sector (as a proxy for IDEAL's IT segment), global packaging companies (as a proxy for the valuation of the Industrial business) and global department stores (to gauge comparative valuations for the recently-acquired ADS).

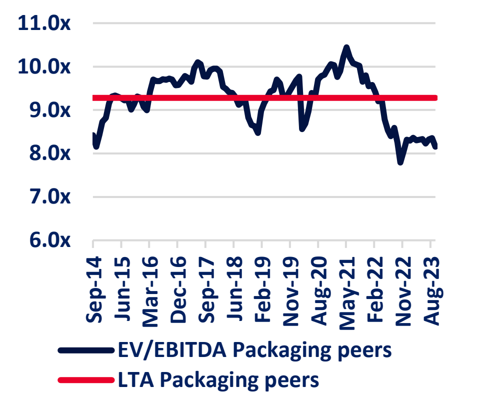
Indicatively our select group of peers includes, among others:
1) IT: Visiativ, Sopra, Canacom, along with Computacenter and Softwareone (the last two are resellers, which naturally trade at lower valuation); among Greek IT companies we have included Epsilonet, Entersoft and Profile Software.
2) Packaging: Crown, Ball, CCL;
3) Dept. Stores: Nordstrom, Kohl's, Dillard's.

As we display below packaging peers have historically traded at multiples in the high single-digits, due to the relatively stable nature of cash flows and visible income streams. IT companies have experienced greater volatility having de-rated from the 2-digit multiples of 2017-18. Department stores tend to trade at lower valuations, but this is mostly the result of structural issues facing the sector in markets with oversupply (contrary to the case in Greece) and idiosyncratic issues for several companies (especially those with high leverage).

12m fwd EV/EBITDA – IT peers	12m fwd EV/EBITDA – Dep/ment st. peers	12m fwd EV/EBITDA – Packaging peers





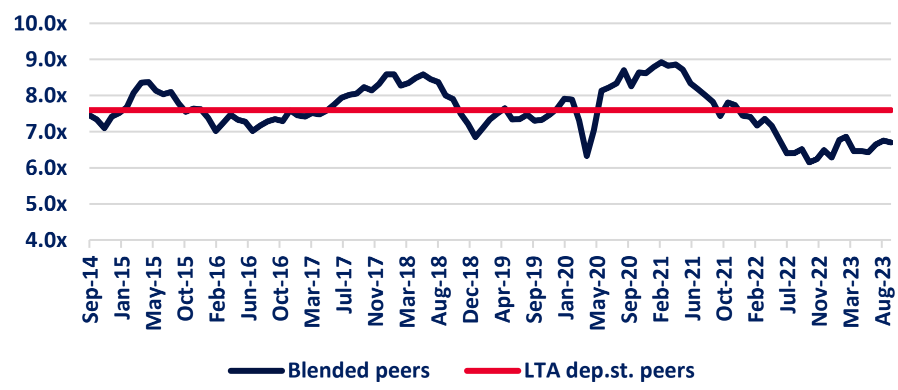


Source: Eurobank Equities Research, Bloomberg.

Blended peer group has traded near 7.5-8x in the long-run

In the graph below we have utilized IDEAL's current profit mix (post the acquisition of ADS) to construct the valuation history of a blended peer group. As can be seen, IDEAL's segment exposure indicates a long-term valuation near 7.5x-8x for the blended group, with current valuations standing at c14% discount vs the long-term history.

12m forward EV/EBITDA valuation – European software peers



Source: Eurobank Equities Research, Bloomberg.

Stock currently trading at c25-30% discount vs peers

In the table below, we contrast IDEAL's current valuation against a select group of peers in more detail. As can be seen, the stock seems to be trading at c25-30% EV/EBITDA and even greater PE discount, while enjoying a strong balance sheet and offering superior cash returns.

In our view, the company's smaller size certainly warrants a discount vs peers, but on the other hand the valuation – at <5.5x 2024e EV/EBITDA – looks palatable in our view, especially if one takes into account the combination of 2-digit earnings growth, value accretive M&A optionality and ample scope for cash return potential.

Peer group valuation

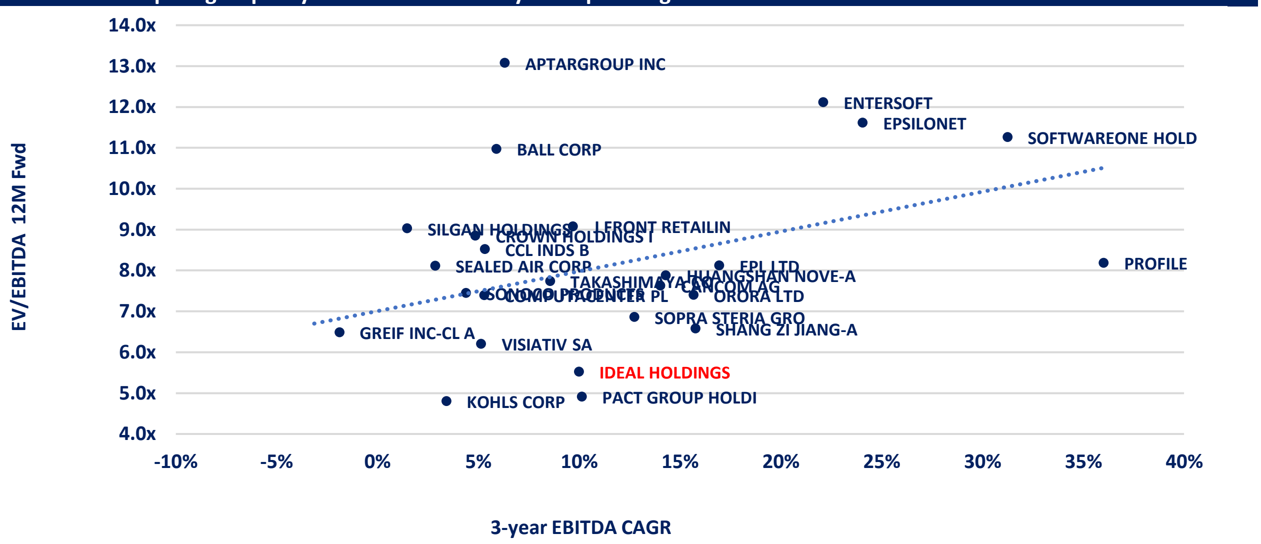
Stock	Mkt Cap	PE 23*	PE 24	EV/EBITDA 23*	EV/EBITDA 24	Dividend yield 23	Dividend yield 24	Net debt/EBITDA 1fy
CROWN HOLDINGS I	9,927	14.0x	12.1x	9.3x	8.7x	1%	1%	3.3x
SHANG ZI JIANG-A	1,055	11.7x	9.8x	7.1x	6.4x	0%	0%	0.0x
SILGAN HOLDINGS	4,504	12.5x	11.4x	9.4x	8.9x	2%	2%	2.8x
BALL CORP	14,674	16.5x	14.8x	11.4x	10.8x	2%	2%	3.8x
SEALED AIR CORP	4,439	11.3x	10.0x	8.6x	8.0x	3%	2%	4.0x
APTARGROUP INC	7,693	27.7x	25.3x	13.7x	12.8x	1%	1%	
CCL INDS B	7,026	15.1x	14.4x	8.8x	8.4x	2%	2%	1.1x
EPL LTD	685	21.7x	16.6x	9.1x	7.8x	2%	3%	0.7x
ORORA LTD	2,055	12.0x	11.1x	8.2x	7.1x	6%	7%	2.9x
HUANGSHAN NOVE-A	702	12.8x	11.4x	8.6x	7.6x	0%	0%	
GREIF INC-CL A	2,954	11.3x	11.5x	6.5x	6.5x	3%	3%	2.6x
SONOCO PRODUCTS	5,031	10.4x	9.9x	7.8x	7.3x	4%	4%	
PACT GROUP HOLDI	145	4.6x	4.2x	4.8x	4.9x	5%	11%	2.1x
Average packaging		**14.0x**	**12.5x**	**8.7x**	**8.1x**	**0.0x**	**0.0x**	**2.3x**
COMPUTACENTER PL	3,399	15.0x	14.4x	7.7x	7.3x	3%	3%	-0.7x
SOPRA STERIA GRO	3,836	11.3x	9.7x	7.4x	6.7x	3%	3%	0.7x
CANCOM AG	995	21.2x	16.3x	8.7x	7.3x	4%	4%	-1.3x
SOFTWAREONE HOLD	2,954	21.5x	17.8x	12.6x	10.8x	2%	2%	-0.8x
VISIATIV SA	135	11.5x	11.6x	6.6x	6.1x	3%	3%	2.0x
PROFILE SYSTEMS	100	25.9x	12.6x	11.5x	7.0x	1%	2%	-1.0x
ENTERSOFT SA	169	22.7x	16.4x	14.0x	11.4x	2%	2%	-0.1x
EPSILON NET SA	444	20.2x	15.7x	13.6x	10.9x	1%	1%	-0.5x
Average IT (foreign and Greek)		**18.7x**	**14.3x**	**10.3x**	**8.4x**	**2%**	**2%**	**-0.2x**
NORDSTROM INC	2,188	7.1x	7.1x	3.9x	3.8x	5%	6%	1.7x
KOHLS CORP	2,148	8.3x	6.9x	4.9x	4.7x	10%	10%	2.9x
DILLARDS INC-A	4,938	8.6x	10.2x	4.9x	5.9x	0%	2%	-0.6x
TAKASHIMAYA CO	2,500	12.8x	11.9x	8.1x	7.6x	1%	1%	2.4x
J FRONT RETAILIN	2,686	15.5x	14.3x	9.2x	9.0x	2%	2%	2.8x
Average Retail		**10.4x**	**10.1x**	**6.2x**	**6.2x**	**4%**	**4%**	**1.8x**
IDEAL HOLDINGS	**248**	**8.2x**	**7.2x**	**6.1x**	**5.3x**	**4%**	**4%**	**1.2x**
Broad Blended peers		**13.4x**	**11.7x**	**8.0x**	**7.3x**	**3%**	**3%**	**1.6x**

Source: Eurobank Equities Research, Bloomberg. * figures calculated proforma for ADS in 2023.

Compelling relative valuation on earnings growth-adjusted metrics

Given that the range of valuation multiples may also reflect differences in companies' growth profile, we have also examined the current valuation of the broad peer group in conjunction with the 3-year profit outlook. As can be seen, IDEAL's valuation looks quite compelling taking into account it also enjoys one of the strongest growth profiles among EU software companies.

IDEAL and broad peer group – 1yr fwd valuation vs 3-year expected growth



Source: Eurobank Equities Research, Bloomberg.

A. Valuation: DCF-based yields a €7.2-8.7 per share intrinsic value range

We base our valuation on IDEAL group on a sum-of-the-parts (SOTP) of the 3 segments comprising the group, namely Industrial operations, IT services and Attica Department stores.

Our SOTP is detailed in the table below. Our base case exercise yields a fair equity value near €442m. To this, we apply a 10% holding discount, coming up with an indicative 12m fwd fair value per share (ex-div) near €7.9.

Sum of the parts valuation		
EURm unless otherwise stated	2024E	x 2024E EBITDA
Industrial operations	**192.7**	**8.9x**
- Astir	138.3	9.6x
- Coleus	54.4	7.6x
IT	**161.1**	**11.6x**
- Adacom- IDEAL	71.3	12.4x
- Byte	89.8	11.1x
ADS	**171.6**	**6.3x**
Consolidation	-4.2	
Group EV	**525.4**	**8.5x**
- net debt	-66.1	
- non-controlling interests	-13.6	
Equity value	**441.6**	
Number of shares (mn)	48.0	
Fair price (€)	9.2 €	
Assumed holding discount	10%	
12m fair value - ex div	**7.9 €**	

Source: Eurobank Equities Research

Our segmental DCF assumptions are as follows:

- **For Industry:**
    - a blended 8.9% WACC reflecting the higher risk profile of Coleus (10.8% WACC) due to its emerging market exposure.
    - Sales CAGR of c4.5% over 2023-2029e, driven by a fairly balanced low single-digit volume growth (population and disposable income growth, mostly in Coleus's territories) and price/mix, mainly stemming from Coleus given the latter's geographic exposure.
    - EBIT CAGR of c6% over the same period, conservatively assuming just modest positive operating leverage following the Coleus integration. We effectively model just c190bps EBITDA margin expansion vs 2023e levels.
    - We use a LT growth rate of c0.7%, implying a blended reinvestment rate of c45% and low single digit incremental ROIC.
    - The implied FCF conversion (FCF/EBITDA) in the medium term stands near c60%, a level we consider more than feasible.

Industry DCF									
	2024e	2025e	2026e	2027e	...	2031e	2032e	...	TV
NOPAT	16.7	17.8	18.7	19.6	...	22.2	22.6	...	
Depreciation	1.5	1.5	1.6	1.6		1.6	1.6		
Working Capital	-1.7	-1.8	-1.9	-2.0		-2.8	-2.9		
Capex	-1.6	-1.6	-1.6	-1.6		-2.9	-3.0		
Unlevered free cash flow	**15.0**	**15.9**	**16.8**	**17.6**	...	**18.1**	**18.3**	...	**12**
Sum of PV	134.8								
PV of terminal value	58.9								
Enterprise Value	**193.7**								
- Net debt incl. leases / other claims (net)	-14.3								
Equity value	**179.5**								
Per share	3.7 €								

Source: Eurobank Equities Research.

- **For IT**:
  - a blended 10.2% WACC balancing the high recurring revenue base of the business (50-60%) and the conservative long-term growth assumption we utilize (1.4%) against the sector's competitive nature and dependence on technology innovation.
  - Revenue CAGR of c13% over 2023-2029e, driven by the secular driver of digitization, which will drive 2-digit annual growth through to 2025-26e. We expect growth to fade in the low single digits in the medium and long term. We stress that RRF-related spending is left as pure optionality, as RRF projects from the group's backlog are conservatively not included in our model.
  - EBIT CAGR of c18% over the same period, thanks to positive operating leverage reflecting >200bps EBITDA margin expansion.
  - Our 1.4% LT growth rate assumption implies reinvestment rate near 32% and mid single digit incremental ROIC, justifiable in our view by the technology-dependent nature of the segment.

IT DCF									
	2024e	**2025e**	**2026e**	**2027e**	**…**	**2031e**	**2032e**	**…**	**TV**
NOPAT	9.4	11.9	14.0	16.3	…	21.6	21.9	…	
Reinvestment	-2.6	-2.6	-3.2	-3.5	…	-4.9	-5.0	…	
Unlevered free cash flow	**6.8**	**9.2**	**10.8**	**12.8**	…	**16.7**	**16.9**	…	**16**
Sum of PV	98.7								
PV of terminal value	62.0								
Enterprise Value	**160.7**								
- Net debt incl. leases / other claims (net)	5.3								
Equity value	**166.1**								
Per share	3.5 €								

Source: Eurobank Equities Research.

- **For Attica Department stores**:
  - a 9.5% WACC (effectively cost of equity);
  - Revenue CAGR of c5% over 2023-2029e, driven by organic growth underpinned by the ADS strategic locations.
  - Operational EBITDA CAGR of c8% over the same period, thanks to positive operating leverage reflecting >100bps EBITDA margin expansion in the next 5 years.
  - Our 0.5% LT growth rate assumption conservatively implies low single digit incremental ROIC in perpetuity as ADS's competitive advantage fades.

Attica Department stores DCF									
	2024e	**2025e**	**2026e**	**2027e**	**…**	**2031e**	**2032e**	**…**	**TV**
NOPAT (cash)	19.3	21.2	21.4	22.9	…	24.0	24.1	…	
Depreciation (pre IFRS 16)	4.1	4.2	4.4	4.6		5.9	6.0		
Working Capital	-4.5	-4.8	-5.0	-5.3		-9.1	-9.4		
Capex	-5.5	-3.5	-3.5	-3.5		-5.9	-6.0		
Unlevered free cash flow	**13.4**	**17.2**	**17.3**	**18.7**	…	**14.8**	**14.8**	…	**12**
Sum of PV	120.7								
PV of terminal value	50.9								
Enterprise Value	**171.6**								
- Net debt / other claims (net)	8.0								
Equity value	**179.6**								
Per share	3.7 €								

Source: Eurobank Equities Research.

Below we present a basic sensitivity of our DCF-derived sum-of-the-parts on a combination of WACC and terminal growth rates. As can be seen, flexing our WACC and perpetuity growth inputs by 0.5% yields a fair value range between c€7.2m and c€8.7 per share.

DCF Sensitivity of our calculated group fair value per share to the WACC and LT growth assumptions

		WACC (Blended)				
		10.6%	**10.1%**	**9.6%**	**9.1%**	**8.6%**
Terminal growth (Blended)	**1.8%**	7.3	7.8	8.4	9.0	9.8
	1.3%	7.1	7.6	8.1	8.7	9.4
	0.8%	7.0	7.4	**7.9**	8.4	9.1
	0.3%	6.8	7.2	7.7	8.2	8.8
	-0.2%	6.7	7.1	7.5	8.0	8.5

Source: Eurobank Equities Research.

Strategy and Business model

A. Segments and geographic overview

An investment company with a diversified portfolio

IDEAL Holdings is an investment company with a value-driven investment approach. It currently has exposure to three distinctive sectors, namely: 1) the Industry sector through its 100% holding in Astir Vitogiannis, a crown corks manufacturing company, and the latter's c75% stake in Coleus Packaging (since 2022), a South African crown corks producer (SABMiller's vertical producer), 2) the IT sector through its 100% stake in Byte, which holds 100% in Adacom, IDEAL Electronics and Metrosoft, all active in the IT services sector, and recently 3) the Specialty Retail sector though the acquisition of 100% in Attica Department Stores (ADS).

Separate business models with clear growth agenda and dedicated mgt teams

From a business standpoint, each sector (business) is led by dedicated, experienced and distinct mgt teams with a strong track record. Segments are operating through separate business models, based on their idiosyncratic characteristics (special production/consumption needs, digitization and retail trends), the geographic footprint and demand growth prospects. Overall, the outlook is supported by the positive economic prospects for Greece and the strong secular growth envisaged for the IT sector (further underpinned by RRF financing).

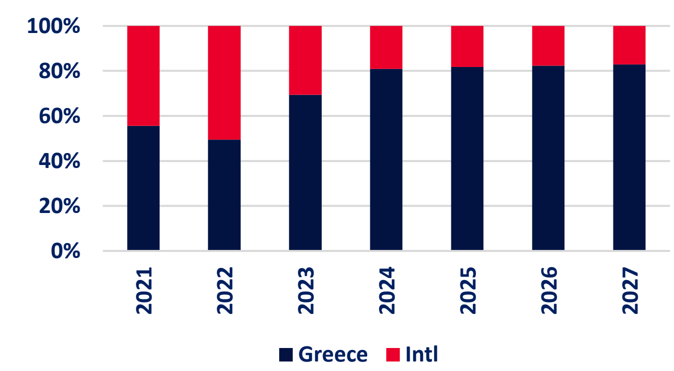
Diversified across geographies

In terms of geographic mix, the group has exposure outside Greece mainly through the industry sector, as the IT segment and the recently acquired department store/ generate revenues mostly in Greece. Based on 2022 data, revenues in the Industry business are primarily derived in Africa (c66%) following the acquisition of Coleus (sales entirely in Africa) which accounts for c45% of the industry revenues. Europe revenues account for c18% of the total industry, with Greece c3% and the remaining c13% almost equally split between Asia and Americas.

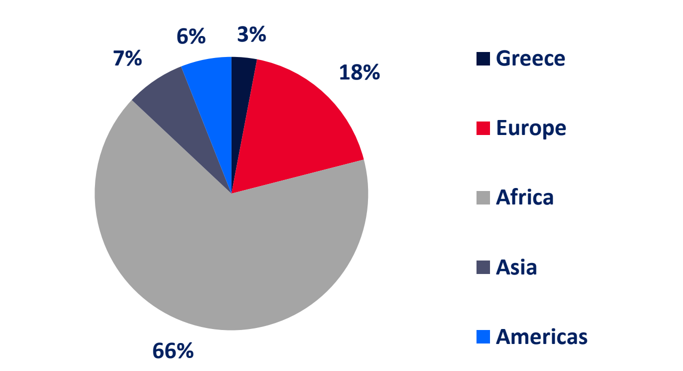
Summing up, the group's international exposure was almost 50% in 2022, but this balance is about to change following the acquisition of Attica Department stores in 2023, which is fully based in Greece and will account for >50% of total group revenues in a full year.

As such, Greece will represent c80% of group sales on our estimates, post 2023.

Group geographic sales mix evolution



Industry revenue by geography (2022)

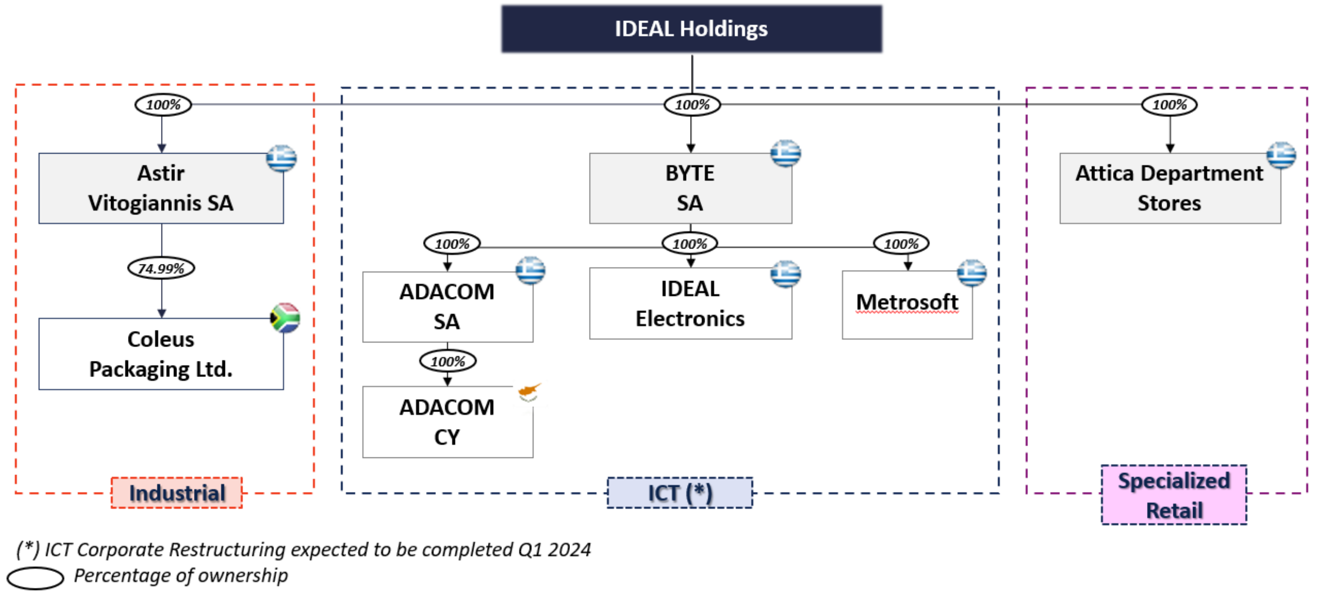


Source: Eurobank Equities Research, Company data.

IDEAL Holdings is organized across 3 segments, as already mentioned, namely Industry, IT and Retail. The parent company owns c100% of each of Astir, Byte and Attica Department stores. In turn, Astir owns 74.99% of Coleus Packaging (with the remaining 25.01% owned by the Black Empowerment partners) while Byte owns 100% of each Adacom, IDEAL Electronics and Metrosoft.

In details the group's organizational structure is as follows:

Organizational structure



Source: Eurobank Equities Research, Company data.

Industry division

IDEAL Holdings' Industry division operates in the crown corks industry through Astir Vitogiannis and Coleus Packaging, with two main production plants, one in Avlona Greece (Astir) and one in South Africa (Coleus). Total production capacity exceeds 20m crowns and is served through 17 production lines, with total utilization just above 60%. It is worth noting that the deal with Coleus Packaging (signed in 2022) includes a 7-year take-off agreement with AB InBev (involving c85% of production-75% of sales). Astir and Coleus serve some 3-4% of world production covering more than 70 countries, with the clientele base broadly diversified, though skewed towards large multinationals. Brewers account for a majority c70% of the capacity produced vs c30% for beverage companies.

Looking into the two companies in more detail:

Astir Vitogiannis: Astir's central manufacturing plant in Avlona, in Athens' Industrial Park, is a modern, advanced and vertically integrated plant dedicated to the efficient production of high-quality crown corks, while striving for the lowest environmental impact. Astir has doubled its size in the last decade, currently able to produce >10bn crowns annually, through a fully automated production process (7 production lines and 4 color lines) and is certified by international organizations for all relevant aspects of the production process. The plant is currently running at a c63% utilization rate (on c12bn capacity), while it should be noted that every 1 new production line is able to produce 1-1.5bn crown caps per year. Astir has a strong brand name, as a result of its consistency, credibility and expertise, thus enjoying sales >€40m (normalized) with an impressive c24-28% EBITDA margin over 2020-22 (almost 9-13pps above average peer levels).

Among Astir's main advantages we identify the high growth per capita markets targeted, such as S. Africa, Nigeria, M. East, Caribbean, the wide range of certified specifications, thus covering a wide range of customer needs, the high market diversification and, of course, the solid business model (good sales growth prospects and high EBITDA margin).

Astir Summary Financials						
€m unless otherwise stated	2020	2021	2022	2023e	2024e	2025e
Revenues proforma	**21.1**	**29.4**	**52.1**	**42.9**	**45.3**	**47.8**
yoy growth (%)		*39%*	*77%*	*-18%*	*6%*	*6%*
Adj. EBITDA	**5.0**	**7.4**	**14.6**	**13.5**	**14.3**	**15.2**
EBITDA margin (%)	23.7%	25.2%	28.0%	31.6%	31.7%	31.8%
yoy growth (%)		*48%*	*11%*	*13%*	*0%*	*0%*
EBT	**3.9**	**6.5**	**13.1**	**12.7**	**13.6**	**14.5**
Net debt / (cash)	**2.5**	**5.4**	**13.0**	**2.2**	**-4.5**	**-11.7**
Net Debt (cash) /EBITDA (x)	0.5x	0.7x	0.9x	0.2x	-0.3x	-0.8x

Source: Eurobank Equities Research, Company data

Coleus Packaging: IDEAL announced in March 2022 the acquisition of a majority stake in Coleus from South African Breweries Proprietary Ltd. (owned by AB InBev), with the signed contract incorporating a 5+2 years agreement with AB InBev to absorb 85% of the production (up to 2029). In 2022, the business generated sales >€40m, on a rather low EBITDA margin (c11% vs peers avg 15%), owing partly to the nature of the deal with ABI. The company currently has 6 lines under operation, and another one is targeted to operate by year-end, serving mainly South Africa (75% of revenues) and surrounding countries.

Coleus is dedicated to gradually growing its client base and to drive margin improvement towards mkt average, by applying Astir's business model where applicable.

Coleus Summary Financials					
€m unless otherwise stated	2021	2022	2023e	2024e	2025e
Revenues proforma	**29.8**	**40.9**	**39.3**	**40.3**	**42.2**
yoy growth (%)		*37%*	*-4%*	*3%*	*5%*
Adj. EBITDA	**3.4**	**4.5**	**6.7**	**7.2**	**7.8**
EBITDA margin (%)	11.4%	11.0%	17.1%	17.9%	18.6%
yoy growth (%)		*32%*	*49%*	*7%*	*9%*
EBT	**2.5**	**3.4**	**4.7**	**5.1**	**6.1**
Net debt / (cash)	**3.2**	**7.3**	**12.1**	**8.1**	**3.5**
Net Debt (cash) /EBITDA (x)	0.9x	1.6x	1.8x	1.1x	0.4x

Source: Eurobank Equities Research, Company data

IT division

IDEAL Holdings' IT division comprises 3 companies, namely Byte, Adacom and IDEAL Electronics. The company's IT portfolio has historically been skewed towards cybersecurity, though an increasing focus has been placed on trust services post the acquisition of Byte in 2022. The IT division accounted for >45% of IDEAL's total revenue in 2022 but post the acquisition of ADS this will fall to c26-30%, on our estimates. Byte is the main revenue driver, generating c€49m in 2022 (proforma), corresponding to c60% of IDEAL's IT revenue. In terms of profits, IT contributes c21-23% of operating EBITDA pro-forma for ADS.

Looking into the IT division's constituents in more detail:

Byte: IT systems integrator and trust service provider (TSP) with a substantial portfolio of completed projects in the Greek market. The company is well-positioned to capitalize on upcoming opportunities in Greek IT, as it ranks among the top 5 system integrators and is the leading TSP in the country. Byte's expertise in system integration (spanning cybersecurity, IT monitoring, storage & data, and virtualization) combined with its extensive knowledge of trust services and signing platforms, make its solutions highly relevant to a wide range of projects commissioned by the public sector. Notably, c50% of company revenue is derived from the latter. Additionally, Byte operates as a value-added reseller (VAR) of software and hardware through its subsidiary, Metrosoft.

Byte Summary Financials					
€m unless otherwise stated	**2021**	**2022**	**2023e**	**2024e**	**2025e**
Revenues proforma	**39.9**	**48.6**	**55.9**	**64.6**	**73.8**
yoy growth		*22%*	*15%*	*15%*	*14%*
Adj. EBITDA	**5.6**	**6.4**	**6.9**	**8.1**	**10.0**
EBITDA margin	14.0%	13.2%	12.4%	12.5%	13.6%
yoy growth		*14%*	*8%*	*16%*	*24%*
EBT	**4.3**	**4.9**	**6.4**	**7.1**	**9.2**
Net debt / (cash)	**-3.0**	**-3.2**	**-8.8**	**-5.8**	**-9.5**
Net Debt (cash) /EBITDA	-0.5x	-0.5x	-1.3x	-0.7x	-0.9x

Source: Eurobank Equities Research, Company data.

Adacom: IT security provider with a focus on cybersecurity and trust services. Adacom has established itself firmly in the cybersecurity services space, offering both traditional integration and service-based deployment via its SOC (security operations center). The company serves clients in more than 30 countries and maintains a significant presence in the finance, energy, maritime and manufacturing industries. It is also the second largest TSP in Greece (behind Byte) boasting two highly secured data centers certified by the EU and NATO. Adacom has recently ventured into document digitization software through the acquisition of i-Docs, a company with an own-developed customer communication management (CCM) platform used by c75% of Greek banks and telecom companies.

IDEAL Electronics: Value-added reseller (VAR) of IT solutions and distributor of software and hardware primarily active in network security, data protection and telecom. IDEAL Electronics' value-added activity comprises IT consulting (planning mostly) and support services (after sales, maintenance). The company is also a wholesale distributor of home appliances, being the official distributor of Brandt and Faber products in Greece and has maintained its own line of appliances (IDEAL Appliances) since 2016.

Adacom & IDEAL Electronics Summary Financials					
€m unless otherwise stated	**2021**	**2022**	**2023e**	**2024e**	**2025e**
Revenues proforma	**24.4**	**33.3**	**41.4**	**47.1**	**53.2**
yoy growth		*36%*	*24%*	*14%*	*13%*
Adj. EBITDA	**2.1**	**3.6**	**4.8**	**5.7**	**6.9**
EBITDA margin	8.4%	10.8%	11.5%	12.2%	12.9%
yoy growth		*76%*	*32%*	*21%*	*19%*
EBT	**0.1**	**1.3**	**3.2**	**4.2**	**5.4**
Net debt / (cash)	**-3.2**	**3.9**	**3.5**	**1.4**	**-1.3**
Net Debt/EBITDA	-1.6x	1.1x	0.7x	0.3x	-0.2x

Source: Eurobank Equities Research, Company data.

IT service companies typically procure solutions through either license-based or subscription-based contracts. This is also the case for IDEAL's portfolio companies. In terms of deployment per activity, license contracts are especially prevalent in system integration while subscription contracts are more common in trust services and cybersecurity. We elaborate further on these contracts below:

- **License-based contracts:** Contracts structured around the design and integration of large-scale fixed solutions. These solutions are installed on-premise and are usually hardware-heavy. They also usually require monitoring by the clients' IT department. Revenue from these contracts is frontloaded, given clients need to make large up-front payments for the products and their installation. These contracts also offer opportunities for ad-hoc consulting/support post installation and may sometimes contain separate maintenance clauses.
- **Subscription-based contracts:** These types of contracts follow the framework of a typical SaaS-delivered product (long-term payments, no large upfront fees). Revenues are mainly derived in the form of recurring client payments for product usage and consulting services,

and are topped up by one-time revenue for installation. We note that almost all subscription-based contracts are protected by penalty clauses.

IDEAL has been looking to maximize the use of software in the solutions offered by its IT companies, largely following the trend of leaner and more scalable solutions in Greek IT. The company has also embraced the deployment of SaaS-based models which allow for greater revenue visibility and client retention compared to traditional license models. We note that IDEAL's recurring revenue base stood at c35% of total sales pre the Byte acquisition and rose to c49% thereafter.

In terms of client targeting, Byte places an equal focus on the private and public sectors, whereas Adacom and IDEAL Electronics primarily target the private sector. The IT client base comprises large and medium enterprises (both within Greece and abroad) as well as large Greek public sector institutions.

IDEAL's IT companies maintain a strong network of partnerships with some of the world's leading software and hardware companies. The IT division's transition to a single entity is expected to create significant synergies in this regard, expanding the range of available solutions and increasing customization capabilities. This will, in turn, result in fully optimized end products, both in terms of quality and cost. Some indicative IT partners are IBM, SAP, Fortinet, Microsoft and Cisco.

Specialty Retail division

IDEAL's recent acquisition of Attica Department Stores, the landmark Greek fashion retailer, is expected to almost double group operating profitability (pro-forma). The acquisition presents IDEAL with a significant opportunity to diversify into the fashion retail / e-commerce space, positioning itself to capitalize on Greece's improving macro momentum and Attica's strong cash generation ability.

Attica operates 4 department stores (namely Citylink, Golden Hall, Tsimiski and Mediterranean Cosmos) in Greece under its own brand along with 7 shops (Attica selection & mono brand stores) and an online shop, accounting for a total c69k sq.m. of retail space. It is the market leader in Greek fashion retail, serving more than c5m customers annually and being the sole domestic partner for a long list of global designer brands and luxury cosmetics. The company's stores are situated in unique locations, offering the Attica brand exposure to some of the most central areas in Greece's two largest cities, Athens and Thessaloniki.

Attica's business model, under which most brands pay an agreed fee as % of sales to the department store, allows it to secure quite hefty gross margins. At the EBITDA level, the two primary operating costs are the store leases (also tied to revenue performance) and employee costs. Overall, Attica's EBITDAaL (after leases) margin have been healthy, in the low teens (with the exception of COVID-affected 2020), despite challenging conditions. We note that there is naturally some seasonality embedded in the business, with the stronger months including the January & July sales periods, late-November and December (pre-Xmas period).

We believe Attica's key advantage lies in its prominent positioning among retailers in Greece, reinforced by its solid financial position, well-established points of sale, existing partnerships with designers and strong brand equity. This has been particularly evident in recent years as the domestic market entered a phase of consolidation and better-established retailers amassed an increasingly larger share of the market. Additionally, we see significant potential in the company's e-commerce capabilities, with targeted investments to further enhance the availability of products.

Attica Summary Financials					
	2021	2022	2023e	2024e	2025e
Revenues proforma	**144.1**	**190.6**	**215.4**	**225.1**	**235.2**
yoy growth		*32%*	*13%*	*4%*	*4%*
EBITDA proforma	**28.0**	**33.2**	**39.2**	**42.3**	**44.9**
EBITDA margin	19.4%	17.4%	18.2%	18.8%	19.1%
yoy growth		*19%*	*18%*	*8%*	*6%*
EBITDAaL proforma	**14.6**	**19.3**	**24.0**	**27.0**	**29.7**
EBITDAaL margin		10.1%	11.1%	12.0%	12.6%
yoy growth		*33%*	*24%*	*13%*	*10%*
Reported EBT proforma	**5.1**	**9.8**	**13.8**	**16.6**	**19.3**
Net debt / (cash)	**4.2**	**-6.4**	**-8.0**	**-11.3**	**-16.0**
Net Debt (cash) /EBITDA	0.3x	-0.3x	-0.3x	-0.4x	-0.5x

Source: Eurobank Equities Research, Company data.

B. Strategy & Investment Choices

Value-driven investment approach

IDEAL Holdings is a listed group with a value-driven investment approach. IDEAL's investment strategy is steered to mature, healthy, mid-sized companies (seeking an IRR >20%) with visible exit paths. IDEAL evaluates the investment target's financial strength, market positioning and management team and invests via buying a majority stake. Preferably M&A focus is turned to companies that provide organic growth and synergies. IDEAL aims to strengthen the acquired company's business model and optimize its structure by providing its financial expertise, without getting involved in active management (but proceeding to its strengthening).

Track record of value crystallization

IDEAL remains dedicated to creating value for its shareholders and as such it monetizes its investments via exit, usually in a 5-7 years-time horizon. Testament of this is the Three Cents case, where IDEAL invested in the company (c€15m), expanded and streamlined operations, before selling to Coca-Cola HBC (for c€45m), namely 3x higher within 2 years' time.

Diversified sector footprint

Currently IDEAL retains a portfolio of three core business segments, namely the Industry sector, the IT sector, and recently the Retail sector, while it is exploring new investment opportunities, either vertical or horizontal, in all segments it is currently active in. In specific, IDEAL is active in the crown corks industry, as already mentioned above, through ASTIR Vitogiannis and Coleus Packaging, in the IT services segment through Adacom, Byte and IDEAL Electronics, while it recently announced the addition of Attica Department stores in its Retail arm (deal subject to completion).

Industry: Expand in high growth per capita markets and improve margins

In the **Industry division** (crown corks), IDEAL aims to expand its footprint in high growth per capita markets within reach (as was the case with the Coleus Packaging deal in South Africa), and at the same time improve divisional margins (currently weighed by Coleus) through improving cost conversion and benefitting from lower raw material pricing. Pricing is more or less fixed, given the contract with AB InBev, so a gradual improvement there should stem from broadening the client base.

IDEAL aims to grow industry volumes by c4% CAGR, in sync with brewers' volumes, with a good indication of pricing growth in the following 2-3 year period (based on closed contracts). Customers use auctions/tenders to book 2-3 year contracts, and as such pricing is fairly visible in the near term.

IT: Integrate all portfolio companies into Byte

In the IT division, IDEAL's core strategy is to integrate all its IT subsidiaries into a single entity, combining segments to create synergies and using each client base to generate cross-selling and upselling opportunities. IDEAL is essentially looking to create an all-round IT security provider, combining cybersecurity, trust services (e-signatures, document digitization) and system integration.

Some indicative synergies we spot include:

- Leveraging the existing collaboration between Byte and Adacom (partners on 10+ projects) to combine the previously top 2 TSPs in Greece and Cyprus into a single leading TSP. This new structure is expected to provide a significant competitive advantage in terms of deployment and will also allow for expansion into the EU.
- Expanding Byte's footprint in cybersecurity and thus a more margin-friendly SaaS-based model (via Adacom's SOC). Worth noting that Byte has already raised its EBITDA margin in the low teens in the past two years, while we see room for a mid-teens margin reached through further synergies. Looking into some Greek peers, Space Hellas, which operates a heavier hardware-based model, has been operating under a HSD EBITDA margin, whereas leaner providers like Performance Technologies, which operates a predominantly SaaS-based model, have margins in the low teens.
- Combining the VAR activities and client bases of IDEAL Electronics and Metrosoft (Byte subsidiary) to create economies of scale.

Department Stores: consolidate market position through new brand partnerships and infrastructure upgrades

The recently announced deal for Attica Department Stores (ADS) aims to enhance the group's portfolio with a stable business generating high cash conversion rates. The key strategic pillars for ADS include: 1) expanding existing locations (addition of 2Ksq.m. on the 2nd floor of the Citylink location by October 2023), exploring new venues for monobrand stores (as with the recent collaboration for Hugo Boss' new location in Golden Hall) & refurbishment of existing stores, 2) developing the company's selective brand portfolio with the addition of new brands/partnerships, 3) enhancing services and e-commerce capabilities. In the meantime, Attica is working on the agreement for new Attica stores in the two Ellinikon malls under development, namely Riviera Galleria (c500sq.m) and Vouliagmeni Mall (c7,700sq.m.).

Market Landscape

A. Crown Corks

Crown Corks industry overview

Crown corks are disposable caps used for sealing glass bottles, with application in carbonated soft drinks, energy drinks and alcoholic beverages (mainly beers), and most recently also non-alcoholic beverages (as consumers' preferences shift to premium, flavoured non-alcoholic beverages). Metal caps' main materials are aluminum, steel and tin plate. These metal closure products' safety features (tamperproof, airtight, threaded) and user-friendly properties (open ability, dispensing-friendly) are key market drivers. According to data intelligence data, the Global Metal Caps and Closures Market is expected to record significant growth by reaching a CAGR of c4.0% during forecast period 2023-2030. The market is moderately fragmented and increasingly competitive due to the presence of international vendors. Some of the key players of this market are PELLICONI & C. SPA, Astir Vitogiannis Bros SA (IDEAL), Finn-Korkki Oy and Crown Holdings Inc., amongst others.

Crown caps market growth potential

Source: Mordor Intelligence.

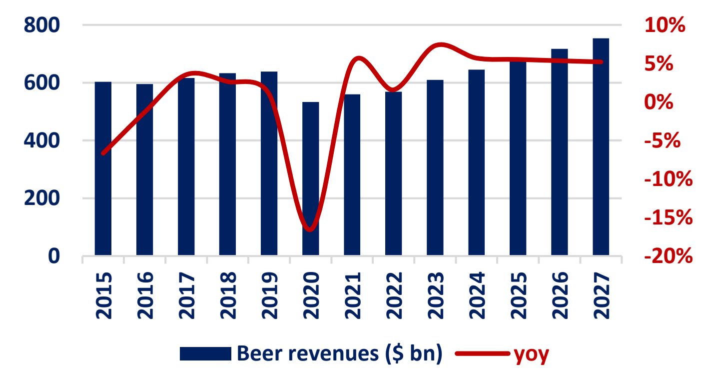
Glass bottling key to crown corks' demand…

Global demand for glass bottles has a direct impact on the growth of crown corks. With the main question behind market dynamics being "Why glass bottles and not aluminium cans?", beverage vendors argue that glass: 1) is virtually inert and impermeable, making it the most stable of all packaging materials, 2) gives a premium and aesthetic feeling, 3) is fully sustainable and recyclable, 4) has a longer life cycle and, most importantly, 5) is less expensive for small beverage companies with low production capabilities, despite its more costly shipping. Trying to explain the latter, packaging in aluminium cans is susceptible to high pricing for low quantities (limited supply and high extraction costs) and as such requires critical mass, usually demanded only by large players. In the meantime, as plastic is criticized for environmental impacts and increasing gvt regulation, major beverage manufacturers make a shift back to glass bottles. The global glass container market amounts to >$60bn, with F&B accounting for >65% of the value share, while it is anticipated to expand at a c3.5% CAGR driven by increasing consumption of alcoholic beverages globally (China, US, Brazil, Germany, and Russia are the world's leading consumers of alcoholic beverages). Glass gives a premium and hygienic look to the packaging, while consumer preference for alcoholic beverages that are aesthetically appealing and provide novel taste sensations are key driving factors for glass bottles.

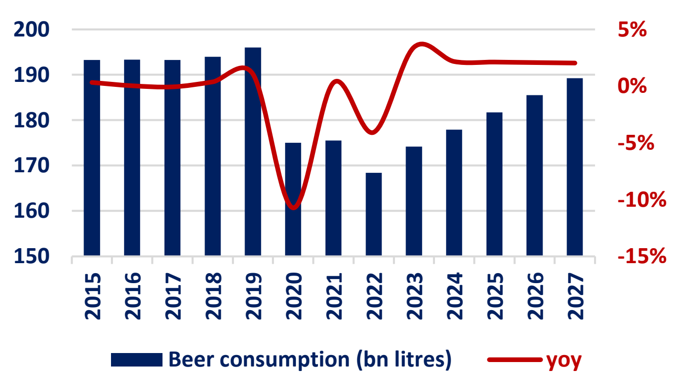
…with consumption driven by beer

The beer business accounts for more than half global demand for glass containers. According to Statista data, the global beer market size was near $600bn in 2022 and is expected to expand at 5% CAGR up to 2027 (2% volume driven). With consumption patterns having changed in the aftermath of the pandemic, new generations are significantly more flexible and open to experimenting in flavours and ingredients. That said, the bottles segment has dominated the market, with rising on-trade consumption post re-opening and increasing penetration of premium products propelling glass bottles consumption.

Global Beer revenue growth (in USD bn)



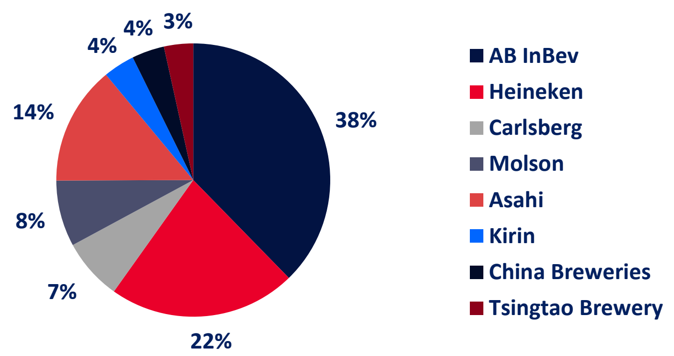
Global Beer volume growth (in bn liters consumed)



Source: Eurobank Equities Research, Statista

Of note is that four brewer businesses control more than half of the global market, namely AB InBev, Heineken, China Resources and Carlsberg, while significant beer market consolidation is witnessed as large players acquire independent regional brewers.

Top Beer players worldwide (2022) – beer industry



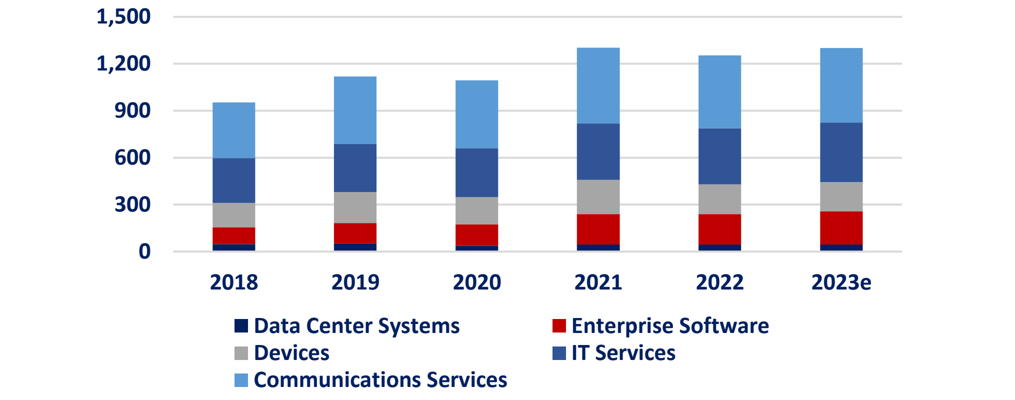
Source: Eurobank Equities Research, Bloomberg.

B. IT Services

According to Gartner, the EMEA IT market was worth some $1.25 trillion in 2022 and comprises 5 main subcategories: data center systems, software, devices, IT services and communications services. After a difficult 2020, which created liquidity concerns for enterprises and led to wariness regarding "non-essential" spending, EMEA IT rebounded significantly in 2021 as postponed projects from 2020 resumed. This event somewhat inflated the market by the end of the year and, along with persistent inflationary pressures, resulted in a mild contraction in 2022. The market is set to bounce back in 2023 though, advancing by c4% as demand for operational efficiency and scalable IT infrastructure returns to full force.

We present a brief historical overview of the EMEA IT market below:

EMEA IT Spending (in $bn) and yoy change



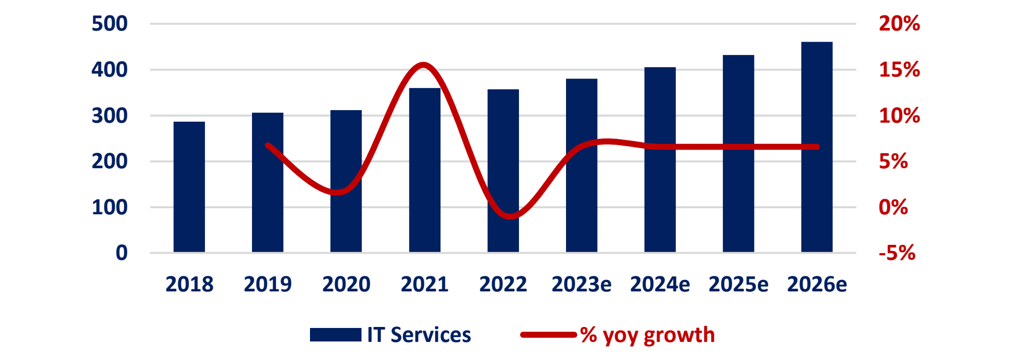
Source: Eurobank Equities Research, Gartner.

The EMEA IT services market was estimated at c€357bn in 2022, corresponding to c28% of EMEA IT spending, ranking second among IT subcategories. The IT services market is composed of 3 core subsegments, namely consulting/support services, infrastructure-as-a-service (IaaS) and outsourcing.

The market demonstrated impressive resilience in the pandemic-stricken 2020, growing c2% on increased demand for IaaS projects and outsourcing. IT services grew a further c16% in 2021, primarily driven by the returning expenditure for consulting/support services, which had suffered from the most postponements among subsegments in 2020. Spending was c1% lower in 2022, on difficult IT industry macro and tougher base comps vs. 2021, but looks poised for c7% growth in 2023.

Statista forecasts the EMEA IT services market to develop at a CAGR of c7% through to 2026e, based on the structural tailwinds propelling consulting/support services (mainly demand for IT integration projects and their accompanying services) and the increased adoption of leaner IT operations, which will be driving significant growth in IaaS and outsourcing.

EMEA IT Services Spending (in $bn) and yoy change

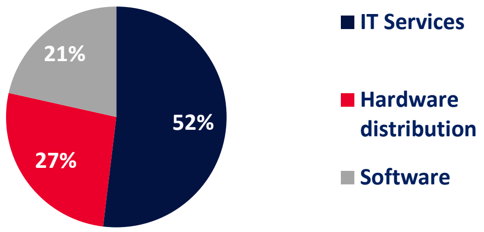


Source: Eurobank Equities Research, Gartner, Statista.

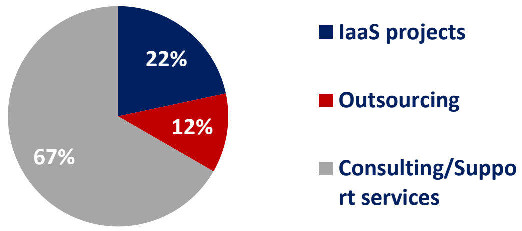
Greek IT spending focused on IT services

Moving on to the domestic market, Greek IT spending stood at c€2.2bn in 2021, amounting to c34% of total ICT spending in the country. Of these c€2.2bn, the most significant expenditure was on IT services (e.g. consulting/support, IaaS, outsourcing) representing c52% of the total, while c27% was contributed by hardware distribution (e.g. servers, data centers, PCs). Software distribution (e.g. ERP, CRM, big data) accounted for the remaining c21%.

Greek IT market breakdown – 2021



Greek IT Services market breakdown – 2021



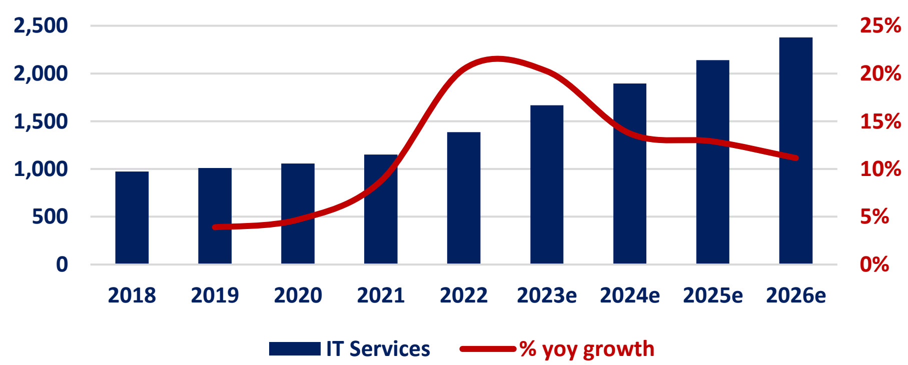
Source: Eurobank Equities Research, SEPE, Deloitte.

In terms of historical performance, the Greek IT services market displayed solid growth rates over 2018-2019 (c3%-4%) according to the Federation of Hellenic ICT Enterprises (SEPE), on increased demand for consulting/support services as the country emerged from a multi-year recession. We estimate that these levels of growth (c5%) were sustained in 2020, despite it being a seemingly off year for consulting/support services, as both IaaS projects and outsourcing benefitted from macro-induced demand for IT flexibility. Our estimates also point to a c9% jump for Greek IT services spending in 2021, reaching c€1.2bn by the end of the year, on solid performances across all 3 major subcategories.

Demand spurred on by digitization & transition to cloud...

The Greek IT services market is set to grow at a CAGR of c14% through to 2026e, driven by the following factors: 1) the continued push for digital transformation and the increased funding for projects in both the private and public sectors, 2) the expected uptick in spending on IT consulting/support service as liquidity concerns ease, 3) the need for infrastructure improvements to accommodate increased digital workloads, 4) the rising adoption rates of cloud-based models as companies seek to enhance IT scalability.

Greek IT services market size (in €m) and yoy change



Source: Eurobank Equities Research, SEPE, Deloitte.

... which needs to be safeguarded adequately

Given IDEAL's wide range of IT services, we believe there is scope in providing some insight into the subsegments where the group is most active. We also see it as beneficial to offer further information on these segments in the context of the Greek IT market.

- **Cybersecurity:** Refers to solutions designed to protect an entity's IT operations from malicious digital attacks. These solutions typically cover both attack prevention and threat suppression (in the case of a breach). They are either deployed on-premises or procured via cloud by cybersecurity providers through SOCs (security operations centers). We flag that the latter form of deployment tends to generate more revenues throughout the lifetime of the solution given its recurring payment structure. It is also more conducive to client retention.

The emerging trend of cloud-based deployment in IT operations among Greek enterprises and the expanding digital footprint of the public sector means increasingly more IT infrastructure needs to be safeguarded to ensure critical systems and sensitive information are protected. Cyberattacks have been drawing greater attention from EU authorities, and discussions regarding imminent cyberthreats have generated rising demand for cybersecurity infrastructure/services among enterprises and public institutions. Of note is that many cybersecurity projects in the EU have been commissioned using RRF funding.

- **Trust services:** Comprising e-signatures, digital certificates and data preservation, trust services are one of the key technologies driving the digital transition. They enable the seamless execution of digital transactions, eliminating the time and costs associated with paper-based formats and ensuring that each process is conducted with integrity and compliance to regulations. Trust services are primarily procured on a SaaS basis and are essential to the digitization of the public sector.

  Trust services have been among the main beneficiaries from the increased funding of the post pandemic era, particularly in regard to public sector projects. Their adoption in Greece (and the EU) has been further facilitated by changes to the EU regulatory framework (e.g. eIDAS).

Infrastructure upgrades in line for the majority of large enterprises & public sector institutions

- **System integration:** Refers to solutions that connect the applications, data and devices across an entity's IT system to optimize efficiency and productivity. System integrators effectively operate in a similar manner to VARs, in that they design and implement complex solutions which integrate an IT system, with the fundamental difference being that integrators primarily focus on larger clients (i.e. medium/large enterprises and large public institutions).

  The ongoing transition to leaner and more efficient IT infrastructure has been exacerbated by challenging macro conditions. Medium-sized Greek enterprises have primarily sought after solutions that heavily incorporate the cloud to maximize scalability. On the other hand, large Greek corporations and public sector institutions have prioritized efficiency over scalability, utilizing a combination of hardware and software solutions to either adjust their existing IT infrastructure or replace it entirely.

We also believe it is important to note some general phenomena that are prevalent in the Greek business landscape and that we anticipate will be conducive to IT services. In greater detail, we observe the following:

- There is a country-wide digitization push taking place in both the public (state agencies, public institutions) and the private sector, driven by RRF (c€2bn) and general EU funding (namely ESPA, c€913m). We note that most of this funding is aimed at public sector projects.
- Cloud adoption is low (c21% of Greek enterprises vs. the EU average of c41% in 2021) making the opportunities for IT service providers quite sizeable.
- Hardware is still relevant, given most existing systems have become outdated due to years of missed investments from enterprises and public institutions which prioritized spending on other categories over IT.

Greek business landscape could pose a threat to project execution...

We should, however, note that the country's business landscape also carries some inherent risks which could come in the way of IT projects. More specifically, we point out that: 1) competition for projects is very tight – especially for those involving the public sector, 2) tender processes can sometimes be delayed due to objections/challenges from eliminated parties and disputes over technical specifications, 3) there is a relative shortage of IT specialists and IT-savvy govt workers to carry out the transition.

...though this should not cause trepidation, considering the abundance of catalysts

Despite the extent to which these risks may be relevant to IT projects, we believe they are sufficiently mitigated by the positive catalysts listed above (scale of necessary investments, persistent appetite for IT upgrades, plethora of available funding schemes). We are thus positive that there is a piece of the pie for everyone, and especially for companies such as Byte and Adacom who have a proven track record of executing projects (particularly for the public sector).

From a competitive standpoint, the IT division's international peers include IT services/consulting companies (e.g. Atos, Sopra Steria, TietoEVRY, Keyrus) as well as IT VARs offering presales and aftersales services (e.g. Exclusive Networks, Softcat). We find that IDEAL's IT portfolio fits somewhere in between these two categories, combining IT services and VAR activities.

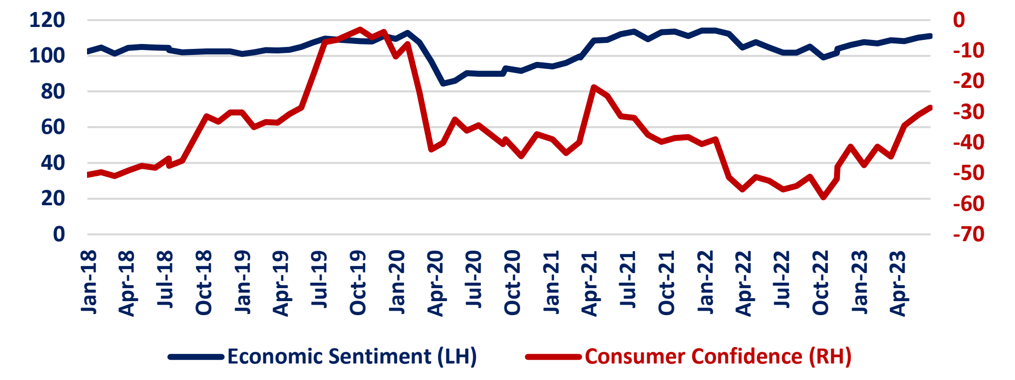
As for Greece, the IT division's main competitors include domestic IT service providers and VARs, as well as plain software distributors. Some of the segment's peers are listed on the ASE (e.g. Space Hellas, Performance Technologies, Real Consulting) while others are private (e.g. Intrasoft, Unisystems which is part of Quest Holdings, Cosmos Business Systems). We should point out that the Greek IT market also includes an assortment of micro VAR companies (of 0-5 employees) that are specialized in planning and implementing very specific tech projects. The market is also penetrated by multinational OEMs (e.g. Microsoft, HPE), though they tend to defer most service and distribution activities to local resellers.

C. Specialty Retail

Greek economic indicators stabilizing near pre-pandemic levels

In Greece, forward-looking economic indicators are stabilizing near pre-pandemic levels, supporting our expectations for sustained consumer spending impetus in the coming years. The domestic labor market has seen significant improvements, with unemployment reaching 10.8% in July 2023, notably the lowest rate since December 2009 (seasonally adjusted). Economic sentiment is gradually steadying near mid-2019 levels and consumer confidence has been trending upwards, indicating an acceleration in macroeconomic momentum.

Greek Economic Sentiment & Consumer Confidence



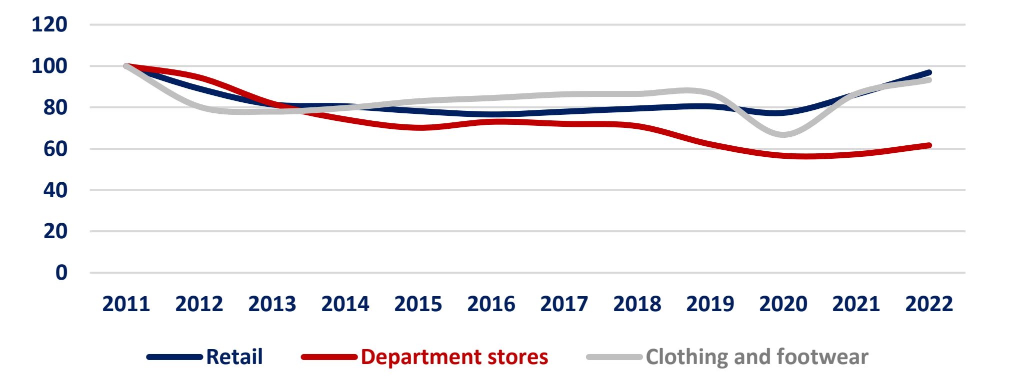
Source: Eurobank Equities Research, IOBE.

Retail turnover almost fully retraced pre-pandemic figures in 2022, contrary to the case for Department stores

Contrary to the overall retail segment, which has almost fully recouped its COVID-induced losses, Greek department store turnover has not managed to return to pre-pandemic levels following a c9% contraction in 2020. This is primarily a result of a relatively weak recovery in 2021, with turnover increasing just 1.2% yoy, and the subsequent pressure on disposable income due to the energy crisis in 2022, resulting in a growth of 7.5% yoy (relatively mild given the sharp decline in 2020). As a result, department stores remain the specialty retail category with the largest cumulative turnover loss between 2011-2022 (-38%).

Apparel retail in Greece was also heavily hit by the pandemic, with clothing and footwear turnover experiencing a decline of c23% in 2020. The sector managed a sound recovery in 2021, growing by c30% on persistent revenge spending by locals (and given base effect considerations). It grew a further c8% in 2022, fully retracing pre-pandemic levels, as retail spending normalized following the lifting of preventive measures in May. This post-pandemic inflection and the return to 2019 levels meant that the cumulative losses of Greek apparel retail over 2011-2022 were limited to just -6.7%.

Greek Retail Turnover indices, annual change



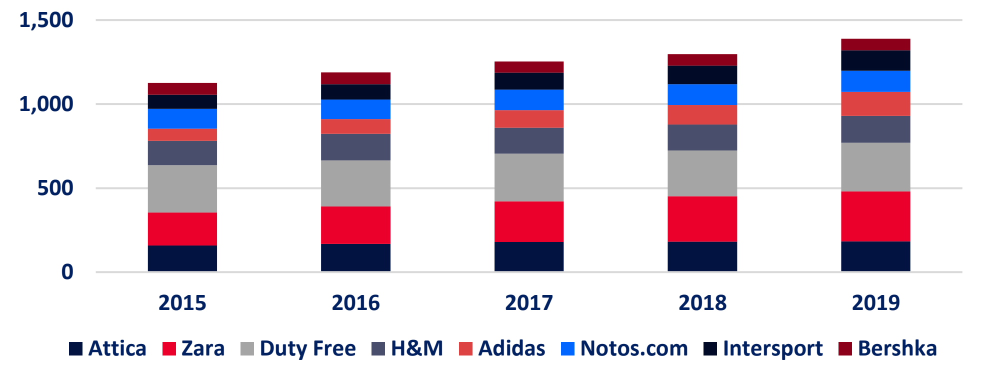
Source: Eurobank Equities Research, ELSTAT.

We expect some mild pressure on dept stores and apparel retail to continue in 2023-24, given the resurgence in inflation that will continue to affect Greek consumers' disposable income. Against this backdrop we anticipate consolidation to be persistent in each respective industry, with large players (i.e. Attica) primed to strengthen their position.

Domestic apparel retail market dominated by 8 key players

The domestic apparel retail market is dominated by 8 players, which collectively represent c55% of the market. These players can be divided into three categories: fast fashion brands (Zara, H&M, Bershka), department stores (Attica, Notos.com), and sporting goods retailers (Adidas, Intersport). In the last year pre-pandemic year (i.e. 2019), Zara was the market leader with a market share of c12%. Duty Free Shops ranked second with a share of c11%, while Attica held c8% of the market, leading among department stores.

Top 8 apparel retailers in Greece (in EUR m)



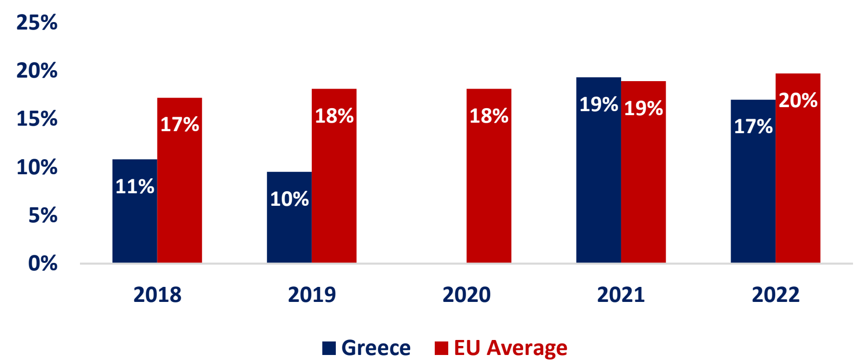
Source: Eurobank Equities Research, KPMG.

Greek apparel retail saw a wave of consolidation post pandemic as curbed consumer spending and liquidity concerns put a squeeze on smaller retailers. It is worth noting that the majority of Greek consumers tend to favor more affordable options when it comes to apparel, as evidenced by the significant portion of revenue derived from fast fashion and sporting goods. This preference may be subject to change, however, as economic sentiment and consumer confidence improve.

Technological shift presents a solid opportunity for better-established players

The Greek retail market has undergone a significant technology shift in recent years. The adoption of e-commerce by both international corporations and local champions has been rapid, boosted by the pandemic's impact on consumer preferences for convenience and pricing. Technology is also being increasingly incorporated in physical stores, where retailers are deploying the IoT technologies through interactive displays and personalized services to enhance the shopping environment and improve the overall customer experience. Additionally, the increased presence of tourists in city centers has contributed supplementary foot traffic in retail areas.

% of enterprises completing sales via e-commerce



Source: Eurobank Equities Research, Eurostat.

Naturally, it is the retailers with better-established supply chains, larger department stores and stronger financial positions that benefit most from these trends. Their ability to invest in e-commerce and IoT technologies positions them well to solidify their presence in the market and retain their competitive advantages.

Top line overview

Diversified top line growing

IDEAL has grown its top line by more than 2x in the past three years, both organically and through acquisitions. In fact, during the period IDEAL has added Coleus Packaging (Industry), Byte (IT) and Netbull (IT) to its portfolio and sold Three Cents, while it recently finalized the acquisition of Attica Department Stores (Retail). As such, it is worth comparing pro forma figures to get a better picture of the growth trends.

A per segment analysis of the top line is as follows:

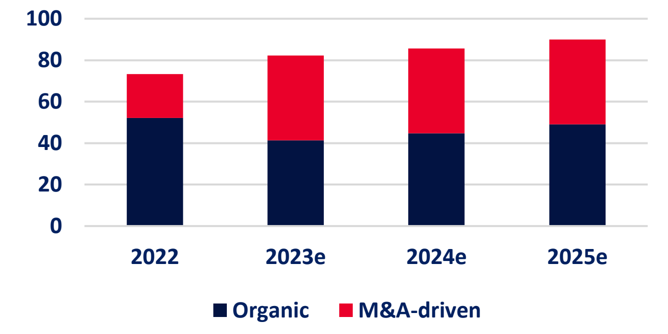
Crown Corks

Industry division c4-5% organic top line growth outlook post 2024e

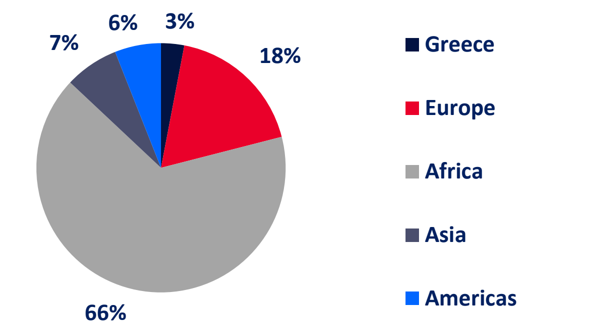
The group's industry segment effectively doubled in size with the acquisition of Coleus in July 2022 as a result of 1) the significant additional capacity (c10bn) in crown corks production lines, 2) the expansion of activities in the South Africa market, and 3) the enlargement of its client base (adding ABI with a closed 7-yr contract). Currently the combined production lines can deliver c22bn crown corks annually (40m caps per working day), having expanded into high growth per capita markets, such as S. Africa and Nigeria. On a pro-forma basis, Africa represented c66% of industry segment revenues in 2022 (vs just 31% in 2021 ex Coleus), with Europe (including Greece) contributing 21% of total revenues, Asia 7% and Americas 6% of total. Looking into industry segment reported figures, net revenues increased to €73min 2022 (vs €16m in 2021), driven by significant organic growth and also inorganic revenues (c€21m from Coleus since July 2022).

It is worth highlighting that part of 2022 revenue growth came as a result of the increased orders (volume driven) from beer/bvg producers during the year, in the face of the challenging supply chain backdrop. Astir was able to take advantage of the situation at hand and deliver with no supply chain issues at attractive prices (strong price mix) leveraging its wide range of certified specifications. Indicatively, Astir group sold 14.2m crowns on a consolidated basis at an average price of €6.2/case in 2022. This picture effectively created a strong base-effect which partly reversed in the current year (through a decline in volumes), thus explaining the organic revenue decline depicted in the chart below.

Industry revenue evolution (€m)



Industry revenues per geography (2022)



Source: Eurobank Equities Research, Company data.

In more detail, the 2023 top line is weighed by: 1) negative volume growth, owing to the high base and the stockpiles formed during 2022, as mentioned above, and 2) negative translational FX mainly in South Africa. Nonetheless, we believe pricing will grow positively as Astir has locked several price contracts (5-6 years ahead) and the environment remains inflationary, with the reported top line also aided by Coleus' extra contribution for 6 months (added Jul'22). As such, we expect 2023 industry revenues to settle at €82m, -10% yoy on a proforma basis.

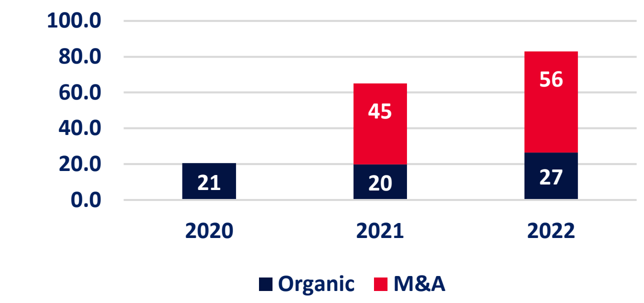
Looking further out, we assume 2-3% volume growth, similar to the beverage market CAGR rate ahead, with pricing to the tune of c2% organic, thus estimating 4-5% revenue growth.

IT division in secular growth, primed for 2-digit growth

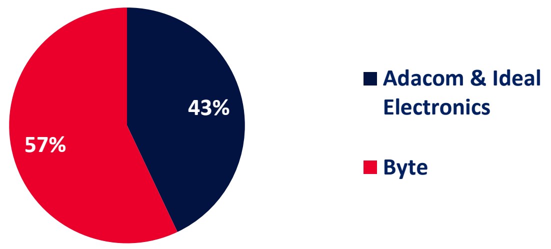
IT Services

The group's IT services revenue has increased by more than 4x over 2020-22 through organic growth in its existing operations and the acquisitions of Byte and Netbull (both completed in 2022). In 2024e, IT services is set to account for c26% of total revenue and c22% of EBITDA on our estimates. As mentioned in the business overview, the main activities in IT services involve system integration, cybersecurity and trust services, all of which are highly relevant to the current trends in the Greek business ecosystem (i.e. digital transformation of the public sector, substantial increase in digital workloads). Overall, looking ahead we envisage c12% revenue CAGR through to 2027e.

Evolution of IT revenues in €m



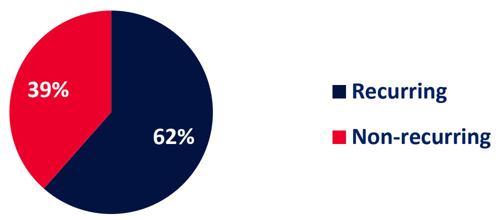
IT revenue per company (2022)



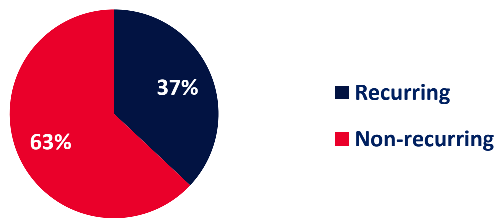
Source: Eurobank Equities Research, Company data.

We estimate that c50% of revenues from the IT portfolio in 2022 are recurring. Naturally, IDEAL's recurring IT revenue base has fluctuated as new companies have been added to the portfolio, ranging from c40% to c70% between 2020 and 2022, on our estimates. On a per company basis, Adacom and IDEAL Electronics' recurring revenues have historically accounted for 60-70% of their total sales, while Byte's recurring revenues have ranged near 35-40%.

Adacom & IDEAL Electronics recurring base (2022)



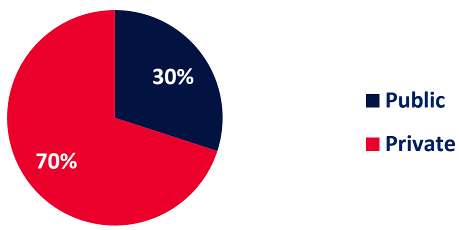
Byte recurring base (2022)



Source: Eurobank Equities Research, Company data.

In terms of project targeting, IDEAL is looking to expand its offering towards the public sector to take advantage of the c€2.1bn in RRF funding to be invested on IT projects in the country by 2026. Of note is that through the merger of Byte and Adacom, IDEAL will also be able to compete for projects in other EU countries, which would translate to a rather sizeable boost to the top line. We highlight that the private sector accounted for c70% of IT revenue in 2022 (pro-forma) while the public sector made up the remaining c30%.

Public vs. private sector IT revenue (2022)



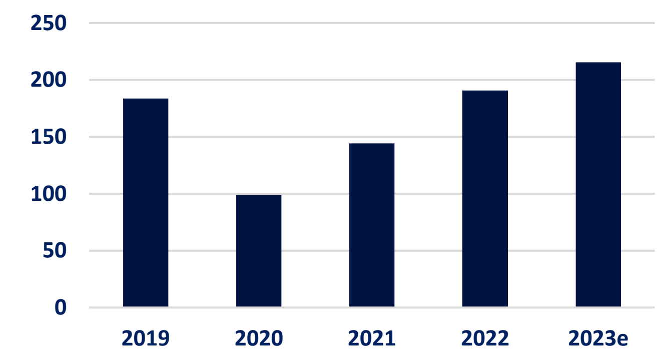
Source: Eurobank Equities Research, Company data.

ADS addition to double group turnover

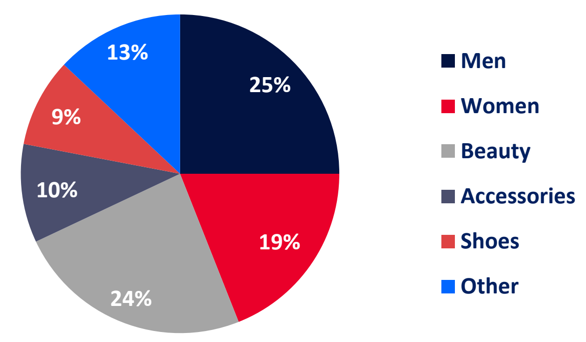
Specialty Retail

Following the completion of the Attica acquisition, IDEAL has ventured into a new business segment, namely Specialty retail/department stores. This move is expected to double group revenues in a full year of operation (>€200m revenues). The retailer presents a strong play on the improving Greek macro story, offering landmark physical store locations in the short term along with IoT/e-commerce capabilities in the long run.

Attica top line evolution (pro forma for 2023e)



Attica revenue by product category (H1'23)



Source: Eurobank Equities Research, Company data.

Attica Department Stores serves c5m customers in a year through its network (69K sq.m. operating via 4 department stores, 7 shops and an e-commerce platform). Apparel is the primary revenue source among product categories, representing the vast c80% of Attica revenues in 2022, with the remaining sales coming from cosmetics/beauty products. Of note is that cosmetics products are especially popular among e-commerce customers. Main product categories include Men (c25% of total) and Women (c19% of total) apparel and beauty products (24% of total), followed by accessories (c10%), shoes (c9%) and other (c13%) products, based on recent released data. Regarding customer profile, Greek customers accounted for c88% of total Attica customers in 2022 (vs. c89% in the non-pandemic-affected 2019) while international customers made up the remaining c12% (vs. c11% in 2019).

In 2023 the group will consolidate Attica for 4 months and, as such, figures are not comparable to those of 2022. It is worth noting that November and December mark two of the busiest months from a seasonality perspective (seasonally strong months also include January and July). Our estimates assume a +13% yoy rise in Attica revenues for the full year 2023 (€215m pro forma), supported by an exceptional top line performance in H1'23 (+16% yoy).

Looking ahead, we pencil a c4-5% yoy revenue growth for 2024-26e (namely c€3.3K-3.6K/sq.m.), supported by growth mgt initiatives, namely the upgraded brand mix and customer services, as well as refurbishment plans for existing stores. We do not assume any new store additions in the period, although we note that Attica mgt is in negotiations for: 1) new stores in the two new malls Lamda is developing and 2) some mono-brand and Attica selection stores, which could add further to our top line in the medium-term.

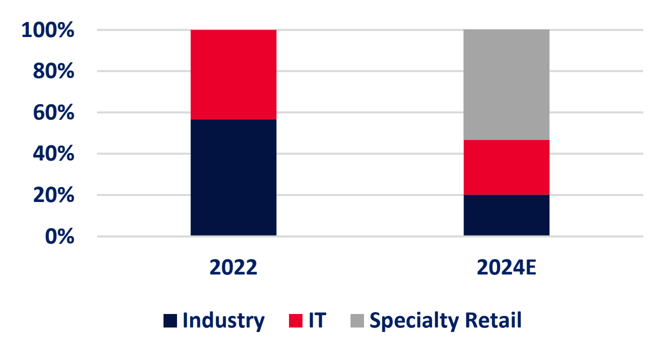
Group revenue CAGR c7% through to 2027e

Group

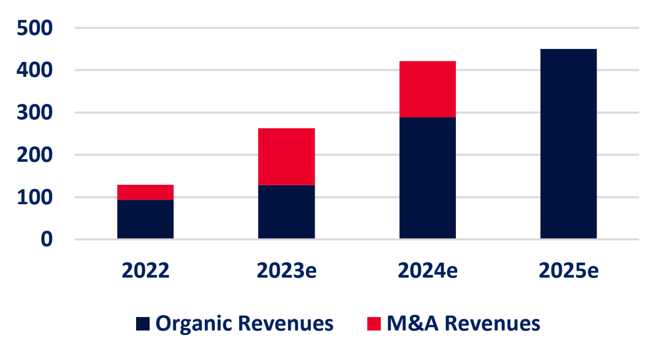
Group revenues amalgamate the aforementioned three segments, namely Industry, IT and, as of recently, Retail. Naturally, the M&A driven top line growth is noteworthy, following the acquisitions of Coleus (Jul'22), Netbull (May'22), Byte (Nov'23) and ADS (Sep'23). We showcase below the M&A driven revenues, which include the above four entities, highlighting the significant turnover contribution of Attica in its first full year of operation under IDEAL (2024e), which we calculate will account for more than half group revenues.

While we anticipate c7% revenue CAGR over 2023-27e (using the proforma 2023 as a basis), our estimates for the future are hardly overambitious. Note that in 2023e, we expect >100% growth on a group reported revenue basis, factoring in 1) the addition of ADS in September, 2) a c10% decline in Industry, as pandemic-driven overstocking by breweries cools off and 3) c22% growth in IT, as Byte and Adacom execute on their project backlog. For 2024e, we expect c61% reported revenue growth stemming from c10% LFL growth and the effect from the 8-months extra contribution from the recently acquired ADS. We see organic growth in the c7% level in the outer years. We argue that there is a substantial upside risk to our projections for IT as RRF-funded projects are excluded from our calculations. Indicatively, the IT division's current RRF-funded backlog stands at c€50m, on our understanding, representing c50% of total IT backlog.

Revenue breakdown by segment 2022 vs 2024e



Group reported revenues evolution Organic/M&A driven



Source: Eurobank Equities Research, Company data.

Costs and margins

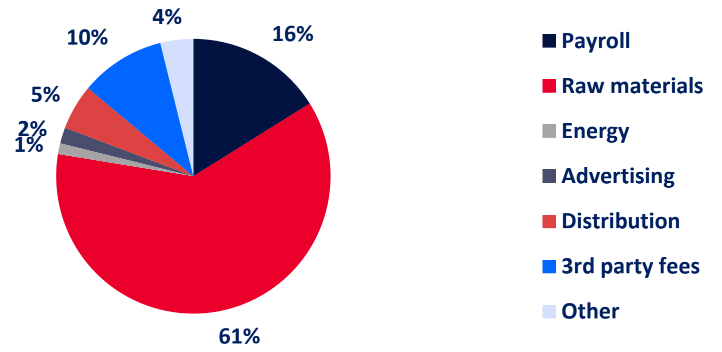
Different cost structure per division

Given the diverse nature of its activities, as one would anticipate, IDEAL's cost base is quite different per division. Indicatively, whereas Industry largely hinges on raw material input costs (60% of which is stainless steel), production and distribution fees, IT costs are driven by employee-related expenses. ADS costs, on the other hand, hinge on merchandise agreements (fees), personnel expenses and lease costs.

As per 2022 reported data, total costs stood at c€115m but the additional cost base resulting from recent acquisitions (primarily ADS) will bring the total expense amount to c€345m by 2024e, though this will naturally be accompanied by a similar jump in revenues. As far as EBITDAaL (after leases) margins are concerned, the larger scale means the group's EBITDAaL margin will settle at c15% in the next 5 years compared to c11% in 2022. For better comparability we look at pro forma figures (adjusting for all acquisitions), estimating that the EBITDA margin of 12.9% in 2022 will expand to 14.6% in 2024e (i.e. after ADS' first full year) and 15.2% by 2025e.

In terms of cost categories, in 2022 most costs were related to raw material costs (c61% of total), which are primarily industry related expenses, with payroll costs (c16% of total) following (IT weighed). Third party fees and distribution are the next largest components at c10% and c5% of the cost base, respectively. Of the remaining costs, we also highlight advertising (c2%) and energy costs (c1%), which account for a very small percent of total costs.

IDEAL Holdings cost breakdown (2022 reported)

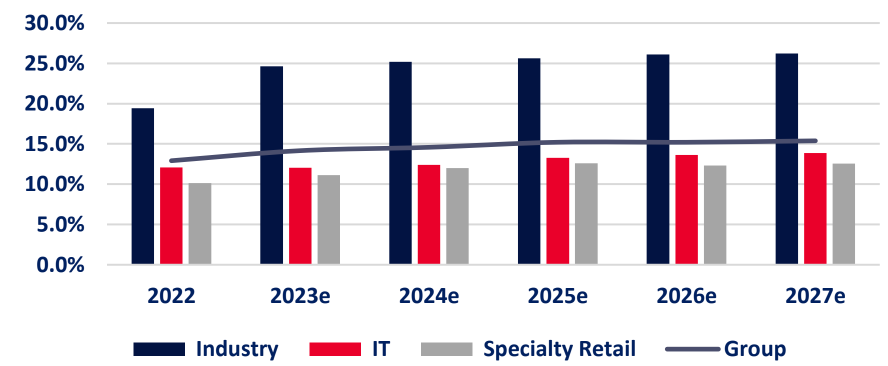


Source: Eurobank Equities Research, Company data.

Top in class margins testament to the solid business model

In terms of EBITDA margin mix, the industrial segment boasted an EBITDA margin of c19.4% in 2022, mostly on account of Astir's top-in-class margins, while IT followed with a margin of c12%, also at the high end of International IT companies' range (9%-11%). In the meantime, ADS' EBITDA margin in 2022 stood near the 10% mark, while it is worth mentioning that the department store typically carries lower margins vs the other two segments the group is active in (c10-11% in 2022-23e).

Operational EBITDA margin evolution



Source: Eurobank Equities Research, Company data.

… with group EBITDA margin set to increase to c15% in the medium term

Looking ahead, although the addition of ADS will have a negative mix effect in terms of margins, we still envisage EBITDA margin expansion at group level from 13.9% proforma in 2023e to c15.2% in 2025e driven by accretion across all segments. Following the first full year of ADS in 2024e, we effectively assume margins will stabilize near c15% in 2025-26e given our calculations for relatively balanced growth across all divisions, as the industry and IT divisions mature after a period of restructuring / growth investments, and the retail arm maintains its steady growth momentum in sync with Greek macro.

We present an overview of each division’s margins in more detail below:

Industry: Sustainable EBITDA margin near 25-26%

Industry: The segment’s main source of cost is raw materials and production costs, with transport and energy costs accounting for just 3-4% each, and employee costs being of small significance. Astir’s lean cost model, along with its strategy to stock raw materials and book good prices through the 2-3 year contracts it enters into, underpin its margin superiority vs its peers (c15% average margin). In the last few years Astir has sustained EBITDA margins near c24-28%, making use of its cost management capabilities and wide sales reach to establish substantial operating leverage. The mgt is aiming to apply its efficient model to Coleus’ business, though the latter has booked sale prices with ABI for the next 7 years. Coleus’ EBITDA margin was c11% pre-acquisition, with Astir mgt aiming to raise this in the high-teens in the coming years. We note that Astir’s operations have essentially served as the archetype upon which improvements to Coleus’ margins have been based, following the acquisition of the latter.

IT: EBITDA margin near 12-14%

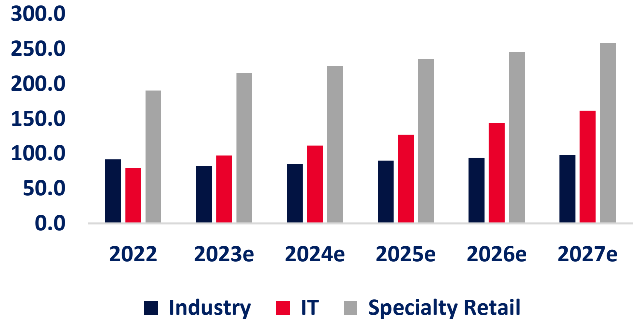
IT: IDEAL’s historical portfolio constituents (i.e. Adacom and IDEAL Electronics) had EBITDA margins in the range of c8%-11% during 2020-22. Byte, on the other hand, maintained an EBITDA margin of c13-14% over the same period. We assume this difference can primarily be attributed to Byte’s system integration activity and to its larger scale. The IT sector main cost is related to employees, namely the people that develop software, implement integration projects and service customers, with hardware equipment and other goods sold not as significant as the human capital. To that end, the expansionary path in IT/digitization projects ahead will require additional specialized personnel and R&D costs, which will be counterbalanced by the solid operational leverage, in our view. We thus envisage IT margins trending towards 14% in the coming years from c12% in 2022-23e.

Specialty Retail: EBITDAaL margin at c10-12%

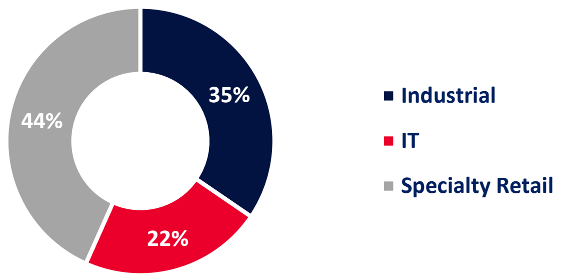
Specialty Retail: Attica department stores’ business model provides a ‘fairly safe’ gross margin as a big part of its agreements with brand suppliers is based on a certain fee as % of sales. Against this background the gross margin mainly reflects this fee, with the main associated risk, the delivery of sales. Regarding operating costs, almost half relates to employee costs and another significant part to lease costs on the department stores. We adjust EBITDA for lease costs and see ADS EBITDAaL (namely after leases, a better cash profit metric) margins have hovered near c10% in normal years (such as 2019 pre-covid and 2022), with room to reach 12% looking ahead thanks to the company’s brand mix elevation strategy. Attica’s profitability is predicated on its flexible inventory management model and its strong brand equity in high fashion and luxury cosmetics. We note that most of ADS’s lease agreements are revenue-based, allowing the company to maintain superior profitability even in an economic downturn.

We stress that the recently acquired ADS is set to contribute 44% of group EBITDAaL by 2024e thanks to its larger scale. This can be viewed in the charts below where we showcase the revenues per division and the EBITDA breakdown for 2024e, the first year of ADS full inclusion.

Revenues per segment (€m)



2024e group EBITDAaL breakdown



Source: Eurobank Equities Research, Company data.

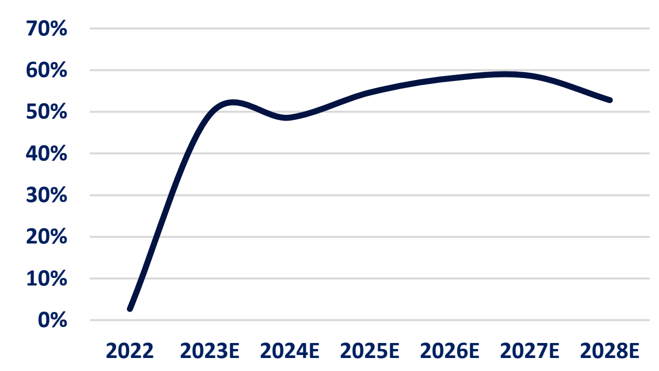
Cash flow generation and returns

Solid cash conversion

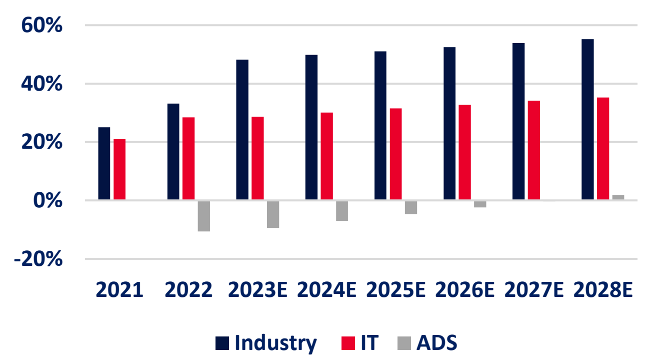
The group's portfolio constituents are quite cash generative, offering scope for rising future returns. Cash conversion (OCF/EBITDA) was somewhat diluted in 2022 as a result of working capital swings but we envisage a normalized number in the 50-55% area in the coming years, given the segmental dynamics.

In terms of working capital (WC), we note that trade WC as % of sales is near c30% for both the industry and IT divisions, quite natural given the nature of the segment and the investment in growth. On the other hand, ADS has been running on negative working capital, taking advantage of its strong inventory management capabilities and brand equity. We model these trends to continue going forward, given the expected growth investments in industry and IT, while cautiously assuming working capital investment for ADS to fund further growth.

Cash conversion (OCF/EBITDA)



Operating WC as a % of sales - per division



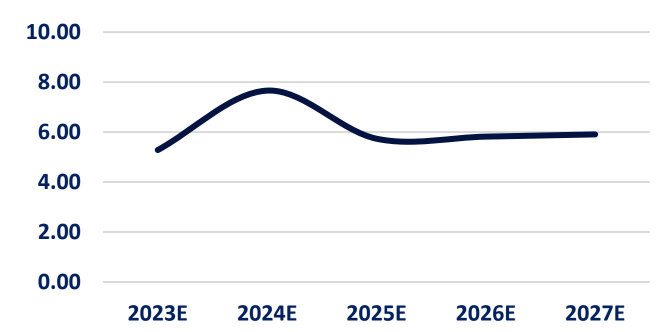
Source: Eurobank Equities Research, Company data.

On the investment front, it is worth noting that excluding the M&A activity, IDEAL has imprinted limited organic capex in the last 2 years. In fact, inorganic investments have been partly funded by the exit proceeds related to the sale of Three Cents in 2022.

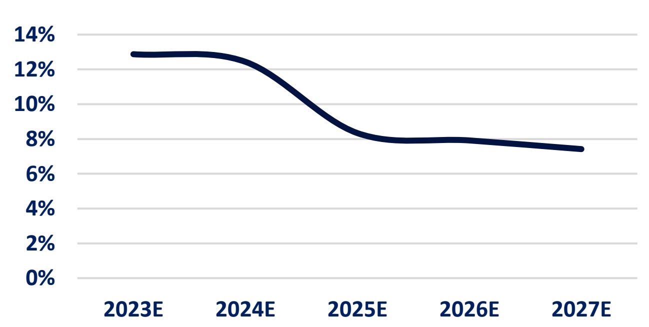
In general, organic capex has been primarily directed toward the industry division, encompassing upgrades to the facilities of Astir and, to a lesser extent, those of Coleus. Capex needs for IT have been trivial (<€1.5m in both 2021 and 22) and are set to stay minimal in the future given all R&D is expensed.

Looking ahead, at group level we model cumulative capex of €30m over 2023-27e, namely c€6m annually, in sync with average mgt estimates (€c5-7m). We expect the bulk of the spending to be focused on upgrades in the industry (Coleus infrastructure and machinery) and the department stores (expansions and refurbishment of Attica department stores) divisions. We note that our projections do not account for further M&A activity. The organic capex will correspond to 7-13% of EBITDAaL on our estimates, thus leaving plenty of headroom for IDEAL to build war chest for further acquisitions while rewarding shareholders.

IDEAL Holdings Organic Capex in EURm



IDEAL Holdings Organic Capex as a % of EBITDAaL

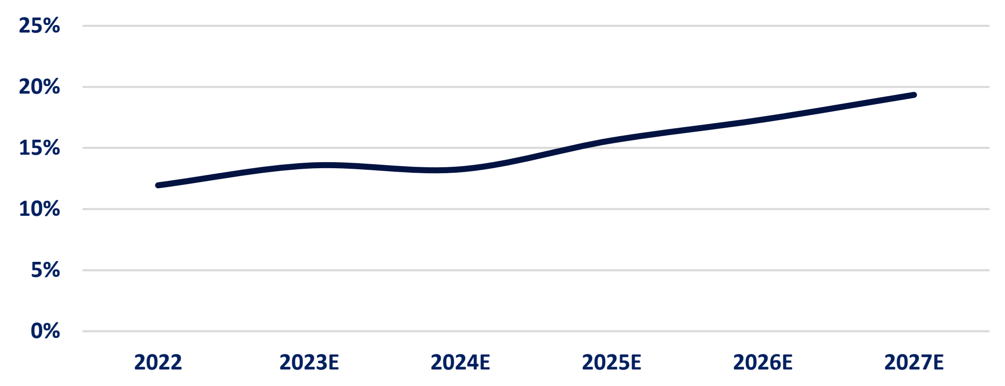


Source: Eurobank Equities Research, Company data.

Accelerating returns on capital...

We flag that the recent additions to IDEAL's portfolio have significantly expanded group EBIT, which is set to increase from reported c€11m in 2022 (or €24m on a proforma basis) to c€61m in 2024. As a result of the compelling M&A executed (entries and exits), ROIC has expanded to c14% in 2023e (pre-tax) and is set to reach a high-teens figure by 2026-27e on our estimates, underpinned by improved margins for Coleus post restructuring and the economies of scale and synergies following the completion of the IT division merger.

Pre-tax ROIC



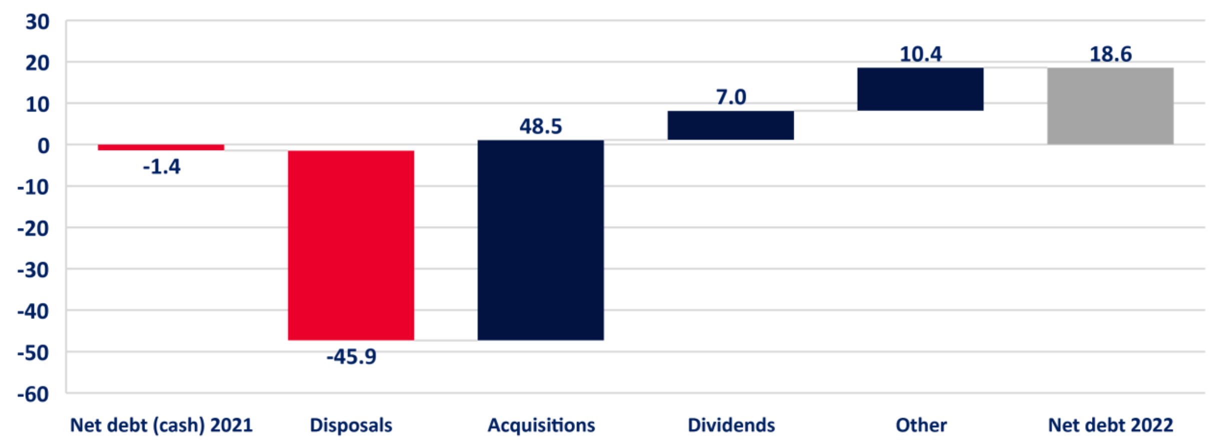
Source: Eurobank Equities Research, Company data.

Balance sheet and shareholder returns

Robust financial position as exit proceeds and FCF generation have been funding M&A

Despite the recent acquisitions somewhat eroding the net financial position at group level, we expect that the cash generative nature of the added entities along with the absence of significant upcoming capex (barring those mentioned above) will drive a switch to net cash by 2027e. Looking back, the group was on net cash of c€1m in 2021 but following M&A activity in 2022, it ended with net debt of €18.6m as of December 2022. Effectively proceeds from the sale of 3 cents to CCH (c€46m) were absorbed by the cost related to the acquisition of Byte (EV near €57m) and returns to shareholders (c€7m), but with the group still ending up with a very comfortable leverage (0.7x EBITDA).

Net debt bridge 2021-22 (€m)

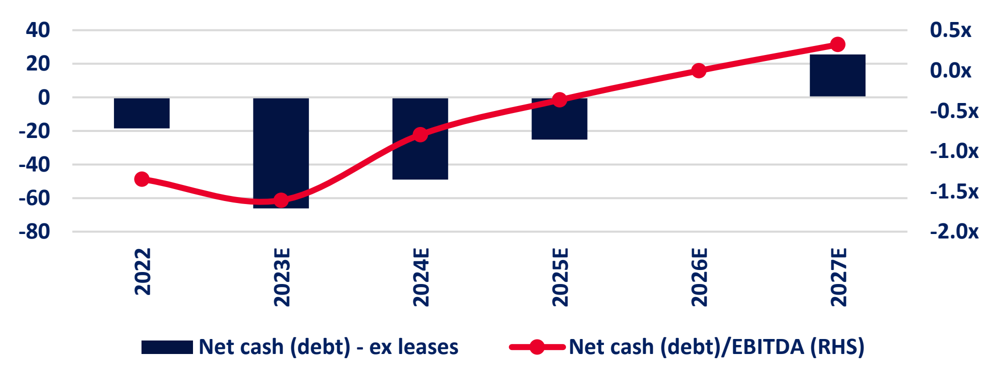


Source: Eurobank Equities Research, Company data.

Solid balance sheet leaves optionality for M&A while allowing for compelling cash returns

In 2023, IDEAL proceeded to another landmark acquisition, namely ADS, with the deal financed through a combination of debt (€65m) and equity (€35m) after which shareholders of ADS acquired a 17.6% stake in IDEAL's share capital. The transaction formally closed in Q3 2023 after regulatory approvals and, on our numbers, is set to increase IDEAL's net debt to c€65m in 2023e. That said, this will still translate to a very comfortable net debt/EBITDA of c1.6x. In fact, given the cash generative characteristics of all segments, we expect swift deleveraging even assuming a progressive dividend policy (with payout 30-40%), with net debt/EBITDA retreating below 1x post 2024.

IDEAL group net cash (debt, LHS) and net cash (debt) / EBITDA evolution (RHS)



Source: Eurobank Equities Research, Company data

The robust financial position means that there is great optionality embedded in the capital structure, either through an exit from previously acquired entities (e.g. Astir) or new acquisitions. Given the mgt track record, M&A is a key pillar of the investment thesis and we expect management to continue seeking value accretive opportunities, especially in the IT sector which is in secular growth. Indicatively, in the table below, we have considered a scenario of a relatively sizeable acquisition (revenues near €50m, namely about 10% of group 2024e figures) with a pre-synergy EBITDA margin in the low teens. We have assumed an acquisition price (EV/EBITDA) of c5x. Factoring-in c3.5% of synergies in 2 years (with the respective EBITDAaL margin post synergies rising to c14.6%, similar to the group's 2024e EBITDAaL margin), we end up with a profit uplift near €5.5m by year 2 (c11% accretion), corresponding to a value creation near €0.6 per share (c11%).

Indicative EPS accretion opportunity from M&A

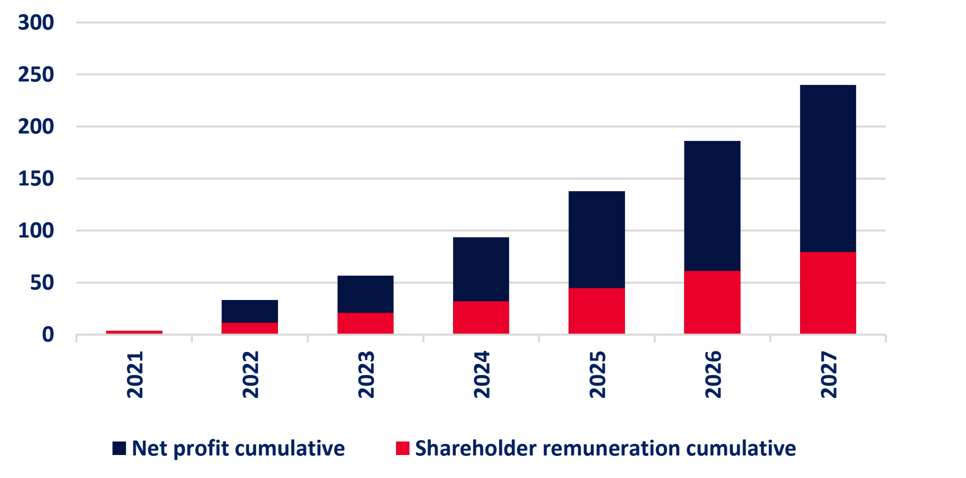
EURm	Y1	Y2
Acquisition multiple (EV/EBITDA)	5.0x	
Financing cost	4%	
Acquiree data		
Sales	50.0	53.5
yoy growth		7.0%
EBITDA	5.5	5.9
EBITDA margin pre synergies	11.1%	11.1%
Synergies	1.7	1.9
EBITDA margin post synergies	14.4%	14.6%
EBIT post synergies	6.7	7.2
Tax rate	23%	23%
Net profit	5.1	5.6
Financing cost	-1.1	-1.1
EPS accretion	11.9%	11.6%
Potential value per share		**0.6 €**

Source: Eurobank Equities Research

We incorporate payout of 30-40% in the coming years, similar to the experience in 2021-22

Besides an earnings-accretive acquisition, the balance sheet optionality means that IDEAL could alternatively deliver additional shareholder value through heftier returns to shareholders. As can be seen below, despite intense M&A, IDEAL has returned c€11m over 2021-22, namely a third of the net profit generated in the particular period.

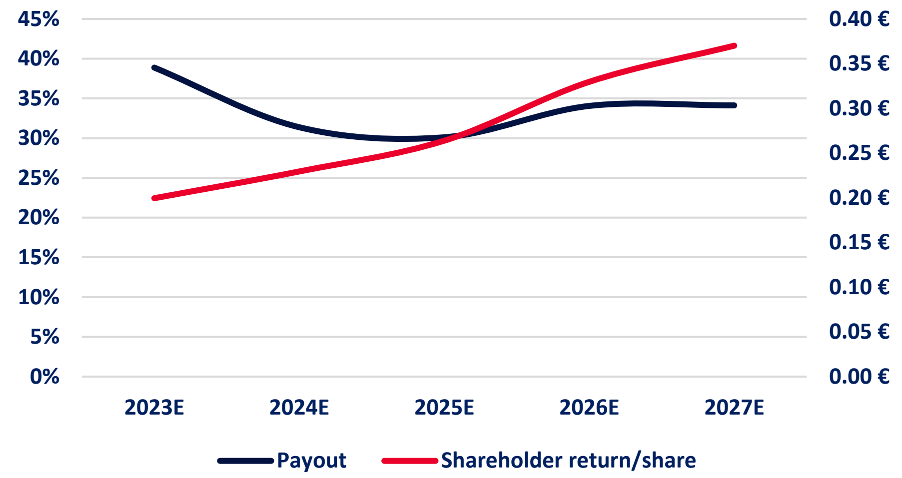
IDEAL group cumulative net profit and shareholder returns (€m)



Source: Eurobank Equities Research, Company data

We expect a similar picture in the coming years, with our model predicated on a payout ratio between c30% and c40% through to 2027e, which will allow both a compelling shareholder remuneration policy and the building of further war chest for M&A.

IDEAL group dividend payout and DPS



Source: Eurobank Equities Research, Company data.

Investment track record

The management team has a solid track record of value-enhancing deals. The first 2 transactions were the injections into IDEAL of the investments held by Virtus Private Equity, namely Astir and 3 Cents. As can be seen from the table below, the exit proceeds indicated 17-22% IRR and a multiple of invested capital 1.1-1.7x, in symphony with mgt's hurdle rates (IRR near 20%, sustainable ROIC >15%, 30% discount to SOTP of NAV for the assets acquired).

Management previous track record		
EURm unless otherwise stated		
Astir into IDEAL (51% of Astir)	**2017**	**2017-21**
Investment	-15.1	
Dividends		4.6
Exit proceeds		20.5
Multiple on Inv. Capital		1.7x
IRR		17%
3 cents into IDEAL	**2020-21**	**2021**
Investment	-13.9	
Exit/income proceeds		15.9
Multiple on Inv. Capital		1.1x
IRR		22%
Source: Company, Eurobank Equities Research		

The most impressive deal so far is probably the exit from the Greek premium mixer and tonics company 3 cents, sold to CCH in 2022 for €46m (>27x EV/EBITDA). The multiple on invested capital was an impressive 2.9x, indicating an IRR in excess of 100% given the short holding period of the investment.

3 cents exit (sale to CCH)		
EURm unless otherwise stated	**2021**	**2022**
Investment	-15.9	
Exit/income proceeds		46.3
Multiple on Inv. Capital		2.9x
IRR		113%
EV/EBITDA		27.2x
Source: Company, Eurobank Equities Research		

A detailed list of IDEAL's M&A deal activity over the past 2 years is as follows:

- Acquired Astir and Three Cents as contributions in kind through a share capital increase in May 2021. Share capital increase was valued at c€56m.
- Acquired Netbull in May 2022 for c€6.3m
- Bought a majority stake (74.99%) in Coleus in July 2022 for c€7.2m
- Sold Three Cents in October 2022 for c€46m
- Acquired Byte in November 2022 for c€59m

The group also announced the completion of the acquisition of Attica Dept Stores for c€100m in September 2023, which is to be consolidated in group figures for the first time in Q3'23.

Estimates and main assumptions in a snap

On the revenue front our future estimates are based on: 1) steady demand for crown corks as the market returns to normalcy after a year of inventory stockpiling by beverage companies/breweries, 2) strong secular trends in the Greek IT services market, particularly in system integration and trust services, paired with operational advantages from the Byte and Adacom merger, 3) persistent consumer spending in the coming years on the back of a reformed Greek macro story. In more detail for each division:

- **Industry:** We assume a c10% revenue decrease in 2023e expecting negative volume growth due to base effects from stockpiling by IDEAL 's clients in 2022 and de-stocking in 2023. We also expect some FX strain from the negative translation of ZAR to EUR. We note that these negative short-term trends will be somewhat countered by the locked pricing in Astir contracts (for the next 5-6 years). Going forward, we assume a revenue CAGR of c4.5% through to 2027e, largely in line with the underlying growth of the beverage market.

- **IT:** Our estimates for IT are predicated on the secular trends driving system integration, cybersecurity and trust services in the Greek market (i.e. persistent appetite for IT infrastructure improvements, digital transformation of public institutions). We expect domestic revenue to be topped up by ad-hoc cybersecurity projects in the EU. We model a quite conservative, in our view, revenue CAGR of c14% over 2023-27e, on the lower end of the spectrum for IT service companies. We again highlight that our projections present material upside risk as they do not account for revenue from RRF-funded projects, which currently represent c€50m of the c€100m combined IT backlog.

- **ADS:** We project ADS revenues to grow at a steady CAGR of c5% over 2023-27e, basing our estimates on the improved Greek macroeconomic momentum which is expected to drive persistent consumer spending in the coming years. Our forecasts for Attica are supported by the company's prominent position among domestic apparel retailers, its premium positioning in terms of clothing and locations, and the optionality it offers for e-commerce and in-store technology.

Aggregating all our projections from above, we envisage 7-9% revenue growth (pro-forma) for IDEAL Holdings in 2023e and 2024e as the effects from the merger of Adacom and Byte and the restructuring of Coleus kick in, and eye a similar trend in 2026-27e as IT growth continues unfettered.

In terms of profitability, we have modeled little-changed gross profit margins at group level, in the c32-33% area until 2027e from 35% in 2022. This reflects the combined result of: 1) ADS gross margins near c36%, slightly higher than 2022 levels; 2) slightly lower gross margins for IT, reflecting cost inflation; 3) little-changed margins for industry. Our projections feed into a group Adj. EBITDAaL margin of 14.6% in 2024 rising to 15.4% in the outer years, driven by expansion in the industry (synergies) and IT segments (scale benefits).

We present a summary of our key estimates below (in pro-forma terms):

Key estimates (pro-forma for ADS also)						
EURm unless otherwise stated	**2022 ***	**2023e**	**2024e**	**2025e**	**2026e**	**2027e**
Group Revenue	**362.0**	**394.9**	**422.3**	**452.2**	**483.4**	**517.6**
of which						
Industry	91.8	82.2	85.6	90.0	94.0	98.1
IT	79.6	97.3	111.7	127.0	143.7	161.4
Specialty Retail	190.6	215.4	225.1	235.2	245.8	258.1
Other	0.0	0.0	0.0	0.0	0.0	0.0
yoy growth in Revenue						
Group		**9%**	**7%**	**7%**	**7%**	**7%**
Industry		-10%	4%	5%	4%	4%
IT		22%	15%	14%	13%	12%
Specialty Retail		13%	4%	4%	4%	5%
Gross profit	114.4	127.3	137.0	148.0	159.0	170.7
Gross margin	*32%*	*32%*	*32%*	*33%*	*33%*	*33%*
Net opex	-67.7	-72.2	-75.4	-79.3	-85.5	-91.1
Net opex/sales	*-19%*	*-18%*	*-18%*	*-18%*	*-18%*	*-18%*
Group Adj. EBITDAaL	**46.7**	**55.1**	**61.6**	**68.8**	**73.5**	**79.6**
of which						
Industry	17.8	20.2	21.5	23.1	24.5	25.7
IT	9.6	11.7	13.8	16.9	19.6	22.4
Specialty Retail	19.3	24.0	27.0	29.7	30.2	32.4
Other	0.0	-0.8	-0.8	-0.8	-0.8	-0.8
yoy growth in Adj. EBITDAaL						
Group		**18%**	**10%**	**12%**	**7%**	**8%**
Industry		13%	6%	7%	6%	5%
IT		22%	18%	22%	16%	14%
Specialty Retail		24%	13%	10%	2%	7%
Adj. EBITDAaL margins						
Group	**12.9%**	**13.9%**	**14.6%**	**15.2%**	**15.2%**	**15.4%**
Industry	19.4%	24.6%	25.2%	25.6%	26.1%	26.2%
IT	12.1%	12.0%	12.4%	13.3%	13.6%	13.8%
Specialty Retail	10.1%	11.1%	12.0%	12.6%	12.3%	12.5%

Source: Eurobank Equities Research, Company data.
* Assumes full contribution of ADS for 2022 for comparability purposes

We forecast an annual capex range between c€6m and c€8m over 2024-27e, with spending focused on upgrades in the industry (primarily Coleus) and department stores (expansions to existing Attica department stores) divisions.

We project operating cash flow to stabilize at c50-60% of EBITDA post the ADS acquisition, and do not model any substantial changes over the next few years. This will be more than enough to fund the forecast capex for each division.

We envisage group pre-tax ROIC to reach the c17-19% area in 2026-27e, factoring in our projections for enhanced profitability for Coleus post restructuring and economies of scale following the Byte and Adacom merger.

H1'23 and FY'22 overview

Solid results continuing year-to-date

IDEAL Holdings announced quite solid H1'23 group results with revenues (pro-forma) reaching €86.8m (+38%). Performance was driven by IT, with both organic (revenue +25% yoy in existing IT holdings) and M&A-driven growth (c€26m from the addition of Byte), while Industry underperformed (revenue -15% yoy) as a result of the base effect from the overstocking that took place among beverage companies in H2'22. Group EBITDA (pro-forma) grew to €15.6m (+43%) on the back of improved margins for IT (addition of Byte) and Industry (cost efficiencies as a result of Coleus restructuring), which in turn drove a +29% upswing in Net profit (€9m vs. €7m in H1'22). Management echoed positive messages on the prospects for H2'23, reiterating its guidance for >€50m 2023e pro-forma EBITDA (post Attica acquisition).

IDEAL Holdings H1'23 results overview (pro-forma)			
	H1'22	H1'23	yoy %
Revenue (pro-forma)	**63.0**	**86.8**	**37.8%**
Industrial	45.1	38.5	-14.6%
IT	18.0	48.3	169%
EBITDA (pro-forma)	**10.9**	**15.6**	**43.1%**
EBITDA margin	17.3%	18.0%	*67 bps*
Industrial	9.4	10.3	9.6%
EBITDA margin	20.9%	26.8%	*590 bps*
IT	1.5	5.4	257%
EBITDA margin	8.4%	11.1%	*272 bps*
other	0.0	-0.1	
Net profit	**7.0**	**9.0**	**28.6%**
Industrial	6.3	6.3	0.0%
IT	0.6	2.7	350%
other	0.1	0.0	

Source: Eurobank Equities Research, Company data.

Though not part of IDEAL Holdings at the time, ADS also reported a strong set of results for H1'23, with revenues up +17% yoy (at c€92m) and EBITDAaL surging +118% (at €9.1m vs. €4.2m in H1'22). Attica management also offered quite optimistic guidance for 2023e, aiming for c€200m in revenues and c€20m in EBITDAaL.

Attica Department Stores H1'23 results overview			
	H1'22	H1'23	yoy %
Revenue	79.0	92.0	16.5%
EBITDA	4.2	9.1	116.7%
EBITDA margin	5%	10%	*457 bps*
Net profit	-0.6	3.0	N/A

Source: Eurobank Equities Research, Company data.

Strong 2022 with robust performance across all segments

Results were equally strong for FY'22, with revenues (pro-forma) growing at an impressive +40% yoy to €174.7m, driven by +55% growth for Industry (€92m) and +27% growth for IT (€83m). EBITDA rose +50% to reach €27.4m, of which €17.8m (+68% yoy) was contributed by Industry and €9.6m (+25% yoy) was derived from IT. Net profit increased 48% yoy to €14.9m. Results surpassed company guidance, which had called for revenues above €78m and EBITDA above €14m in Industry, and revenues above €75m and EBITDA above €8m for IT. Pro-forma results are adjusted to include Coleus in Industry and Byte & Netbull in IT, while excluding Three Cents figures (sold to CCH). IDEAL also proposed a capital return of €0.20/share in two installments.

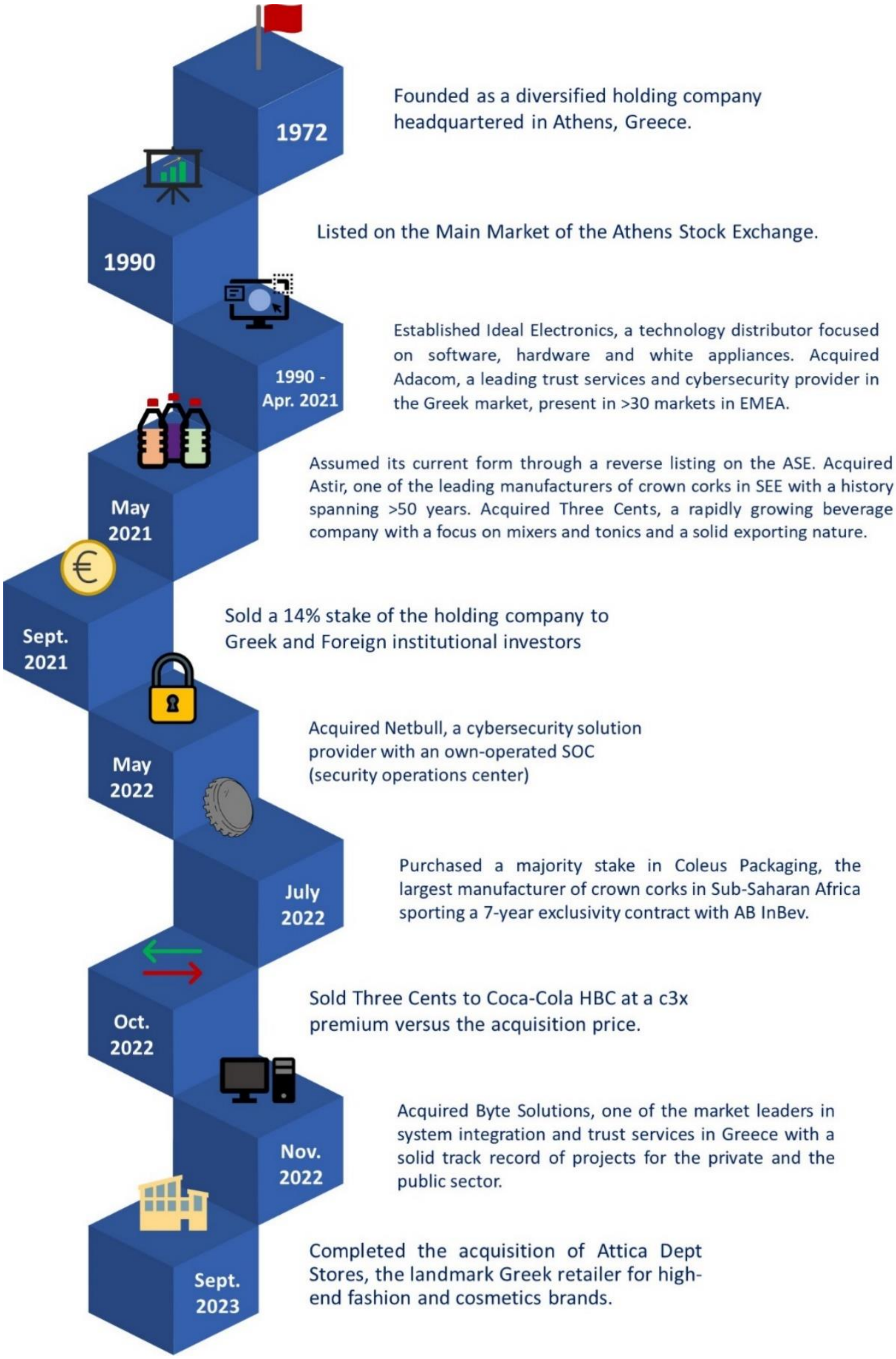
IDEAL Holdings FY'22 results overview (pro-forma)			
	FY'21	FY'22	yoy %
Revenue (pro-forma)	**124.4**	**174.7**	**40.4%**
Industrial	59.3	91.8	54.8%
IT	65.1	82.9	27.3%
EBITDA (pro-forma)	**18.3**	**27.4**	**49.7%**
EBITDA margin	14.7%	15.7%	*97 bps*
Industrial	10.6	17.8	67.9%
EBITDA margin	17.9%	19.4%	*151 bps*
IT	7.7	9.6	24.7%
EBITDA margin	11.8%	11.6%	*-25 bps*
Net profit	**10.1**	**14.9**	**47.5%**

Source: Eurobank Equities Research, Company data.

History and shareholder structure

We present a brief historical summary of IDEAL Holdings below, outlining the group's main reference points over the years.

IDEAL Holdings historical overview



Source: Eurobank Equities Research, Company data.

Mr. Lampros Papakonstantinou is the Chairman (non-executive) of the BoD, having started his current tenure in June of 2021. Mr. Papakonstantinou has almost 30 years of experience as an Entrepreneur, Managing Partner in Private Equity, Deputy Bank CEO and Investment Banker. During his career he has founded both a boutique investment bank and a private equity company, and has held prominent positions in a number of Greek banks. He holds an MBA from INSEAD.

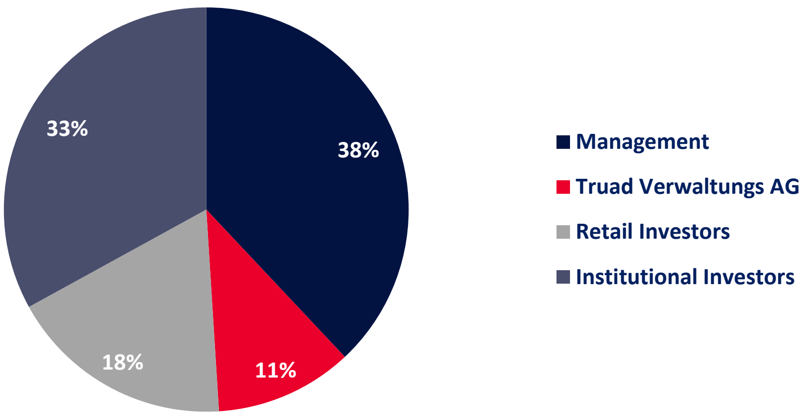
Mrs. Eleni Tzakou - Lambropoulou has been the Vice-Chairwoman (non-executive) of the BoD since June of 2021. She is the founder and managing director of a consulting company specialized in consulting financial institutions on the provision of consumer-facing services. She has also co-founded and managed a software company with expertise in payment services. She holds an MBA from the University of Wales & Manchester Business School and has over 30 years of experience in the Banking sector.

Mr. Panagiotis Vassiliadis has been the CEO of IDEAL Holdings since 2020. His current tenure as a member of the board started in December of 2021. He has served as the CEO of both Adacom and IDEAL Electronics, guiding the evolution of the former into one of the largest trust services and cybersecurity providers in Greece. He holds an MBA from Athens University of Economics and Business.

Mr. Savvas Assimiadis has been the CFO of IDEAL since 2020, having previously served as CEO for 3 years (2017-2020). His current tenure as a member of the board started in December of 2021. He has 10 years of experience in the audit and tax departments of accounting companies and has worked for the Group since 2000, holding various prominent positions including: Chairman of Adacom, Chairman and CFO of IDEAL Electronics. He holds a degree in Economics.

In terms of the shareholder structure, post the merger with Attica Department stores, management owns c38% of the shares while institutional investors account for c33% and Truad Verwaltungs for 11%. Retail investors currently own c18% of the total shares.

Shareholder structure



Source: Eurobank Equities Research, Company data, Bloomberg.

Group Financial Statements

Reported Figures in €m*					
Group P&L	**2021**	**2022**	**2023e**	**2024e**	**2025e**
Revenues - reported	**46.5**	**129.2**	**262.0**	**422.3**	**452.2**
Gross Profit	12.0	45.7	80.1	137.0	148.0
EBITDA - reported	**0.0**	**13.8**	**46.1**	**76.8**	**84.0**
% change	*n.m.*	*n.m.*	*n.m.*	*66.7%*	*9.3%*
EBITDA margin	*0.1%*	*10.7%*	*17.6%*	*18.2%*	*18.6%*
EBIT - reported	**1.3**	**10.7**	**38.4**	**58.8**	**65.9**
Financial income (expense)	-0.3	-2.1	-6.8	-13.1	-11.5
Exceptionals/other income	0.4	29.7	0.6	0.0	0.0
PBT - reported	**1.4**	**38.3**	**32.3**	**45.7**	**54.4**
Income tax	-0.5	-4.9	-7.6	-10.6	-12.4
Non-controlling interest	-0.5	-0.3	-0.8	-0.9	-1.1
Net Profit reported	**1.0**	**33.1**	**23.8**	**34.2**	**41.0**
EPS - adjusted (EUR)	**0.02**	**0.37**	**0.49**	**0.71**	**0.85**
DPS (EUR)	**0.12**	**0.19**	**0.20**	**0.23**	**0.26**
Group Cash Flow Statement	**2021**	**2022**	**2023e**	**2024e**	**2025e**
EBITDAaL	0.0	13.8	41.0	61.6	68.8
Change in Working Capital	-1.5	-14.7	-8.1	-10.3	-10.7
Net Interest	-0.2	-1.3	-4.3	-5.9	-4.5
Tax	-0.6	-3.3	-7.6	-10.6	-12.4
Other	4.2	6.5	0.0	0.0	0.0
Operating Cash Flow	**1.9**	**1.0**	**21.0**	**34.9**	**41.2**
Capex	-0.5	-2.5	-1.3	-3.5	-1.3
Other investing	-9.5	-2.4	-4.0	-4.2	-4.4
Net Investing Cash Flow	**-10.0**	**-4.9**	**-5.3**	**-7.7**	**-5.7**
Dividends	0.0	-7.0	-7.6	-9.6	-11.0
Other	5.0	-9.1	-55.6	-0.6	-0.6
Net Debt (cash)	**-1.4**	**18.6**	**66.1**	**49.1**	**25.2**
Free Cash Flow (adj.)	**-8.5**	**-4.5**	**15.1**	**26.6**	**34.9**
Group Balance Sheet	**2021**	**2022**	**2023e**	**2024e**	**2025e**
Tangible Assets	7.8	17.0	64.3	65.0	63.8
Intangible Assets	22.9	59.3	85.8	84.5	83.2
Other Long-term assets	3.3	3.2	210.4	183.6	160.8
Non-current Assets	**33.9**	**79.6**	**360.5**	**333.0**	**307.8**
Inventories	10.8	31.1	74.7	89.9	91.7
Trade Receivables	16.1	53.0	71.8	69.4	84.2
Other receivables	6.5	11.0	11.0	11.0	11.0
Cash & Equivalents	16.6	33.7	51.2	64.2	82.0
Current assets	**50.0**	**128.7**	**208.6**	**234.5**	**268.9**
Total Assets	**84.0**	**208.3**	**569.2**	**567.5**	**576.8**
Shareholder funds	51.4	105.1	141.5	167.3	198.4
Non-controlling interest	0.0	1.4	2.2	3.1	4.1
Total Equity	**51.4**	**106.4**	**143.7**	**170.3**	**202.5**
Long-term debt	10.4	45.8	305.0	274.1	245.3
Other long-term liabilities	1.6	3.9	3.9	3.9	3.9
Long Term Liabilities	**12.0**	**49.6**	**308.8**	**278.0**	**249.2**
Short-term debt	7.3	8.6	18.6	18.6	18.6
Trade Payables	9.0	30.6	89.7	93.8	100.0
Other current liabilities	4.3	13.0	8.3	6.7	6.4
Current liabilities	**20.6**	**52.2**	**116.7**	**119.2**	**125.1**
Equity & Liabilities	**84.0**	**208.3**	**569.2**	**567.5**	**576.8**
Key Financial Ratios	**2021**	**2022**	**2023e**	**2024e**	**2025e**
P/E	NM	9.5x	10.6x	7.2x	6.0x
P/BV	1.9x	1.3x	1.7x	1.5x	1.2x
EV/EBITDAaL	0.0x	12.6x	8.2x	5.3x	4.6x
Oper. EBIT/Interest expense	3.8x	5.1x	8.6x	9.2x	13.6x
Net Debt (cash)/EBITDAaL	NM	1.3x	1.2x	0.8x	0.4x
Dividend Yield	3.9%	5.4%	3.9%	4.4%	5.1%
ROE	1.2%	14.5%	21.0%	20.1%	20.3%
Free Cash Flow yield	-8.8%	-3.2%	6.1%	10.7%	14.1%
Payout Ratio	NM	51.2%	41.0%	32.2%	30.9%

Source: Eurobank Equities

Company description

IDEAL is a holding group active in 3 distinct sectors via specialized companies. Its portfolio spans across 3 segments: 1) Industrial (crown corks manufacturing companies with a very diverse client portfolio), 2) IT (services such as cybersecurity, trust services, and system integration, and 3) Retail, through the recently acquired Attica Department Stores.

Risks and sensitivities

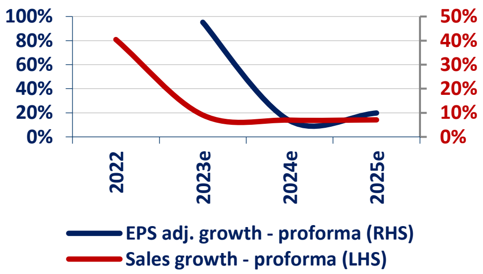
•**Macro and other demand risks:** IDEAL's segments are to a great extent consumer-related, and, in that regard its performance hinges on the macroeconomic environment. Its IT business is also affected by changes in the IT landscape and the company's ability to meet companies' digital needs. Demand for its crown cork segment is also influenced by trends in the consumption of beverages, including clients' decisions regarding packaging, as well as environmental regulation.

•**Personnel costs:** Human capital is the overriding factor behind a software company's success, and the same is the case for IDEAL Holdings' IT segment. In that regard, margins could be negatively affected if wage inflation accelerates further driving the need for the company to invest more in personnel in the future.

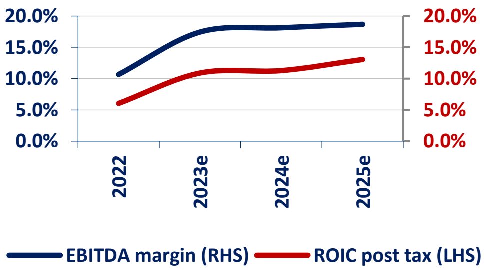
•**M&A risk:** IDEAL has at times resorted to M&A to tap new segments. In case of similar future moves, there is risk of non-value-accretive M&A, namely overpaying for assets at the wrong point in cycle.

•**Sensitivity:** We estimate that flexing our revenue assumption by 1% would result in a c3-4% change in group EBITDA.

Sales and EPS growth - Proforma



Profitability and returns



** Past reported figures are not adjusted for Coleus, Byte, 3 Cents and ADS and include actual figures as of the date of acquisition/sale.*

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This report has been submitted to IDEAL Holdings for review prior to its publication. Some changes have been made by Eurobank Equities S.A. to this report as a result of the review from IDEAL Holdings.

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This report has been written by Stamatios Draziotis (CFA), Natalia Svyriadi and Marios Bourazanis (Equity Analysts).

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12-month Rating History of IDEAL Holdings

Date	Rating	Stock price	Target price
26/09/2023	Not Rated	€ 5.16	-

Eurobank Equities Investment Firm S.A. Rating System:

Stock Ratings	Coverage Universe		Investment Banking Clients	
	Count	Total	Count	Total
Buy	17	61%	2	12%
Hold	3	11%	0	0%
Sell	0	0%	0	0%
Restricted	1	4%	0	0%
Under Review	2	7%	1	50%
Not Rated	5	18%	0	0%
Total	**28**	**100%**		

Analyst Stock Ratings:

Buy:	Based on a current 12-month view of total shareholder return (percentage change in share price to projected target price plus projected dividend yield), we recommend that investors buy the stock.
Hold:	We adopt a neutral view on the stock 12-months out and, on this time horizon, do not recommend either Buy or Sell.
Sell:	Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock.
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