EDISON

AVAX

FY24 results

Construction and materials

6 May 2025

Record construction margins driving growth

AVAX's FY24 results demonstrated new levels of profitability, primarily driven by strong EBITDA margin improvements within its construction segment. Both group revenue and adjusted EBITDA were in line with our estimates at €651.5m and €105.3m, respectively. The significant increase in revenue (43.6% y-o-y) and adjusted EBITDA (73% y-o-y) was mainly driven by the accelerated implementation of new projects, increased construction activity as well as newer projects yielding greater profitability. As a result, the group's EBITDA margin increased to 16.2% (from 13.4% in FY23). Management stated that it expects this higher level of profitability to be sustainable due to newer projects offering superior margins. Our forecasts are under review.

Year end	Revenue (€m)	EBITDA (adj) (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/22	402.7	58.2	0.26	0.07	7.8	3.4
12/23	453.5	60.8	0.07	0.03	29.1	1.5
12/24	651.5	105.3	0.20	0.07	10.0	3.4
12/25e	774.6	113.6	0.35	0.08	5.8	3.9

Note: EPS is reported.

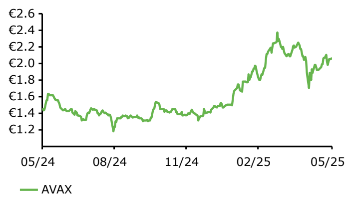
Group revenue grew 43.6% y-o-y to €651.5m, while adjusted EBITDA rose 73% y-o-y to €105.3m. The key driver was the increase in the construction segment's EBITDA margin, which rose to 10.4% (from 6.2% in FY23) due to increased construction activity throughout the year. Continuing reported PBT increased c 128% y-o-y to €38.0m (from €16.7m in FY23), while reported EPS rose to €0.203 from €0.071, boosted by an €8.8m gain from the discontinued operations of Volterra. The board stated that it will propose a €0.07 DPS (FY23: €0.03) at the upcoming AGM, representing 34.5% of net profit for the year.

AVAX's net debt (excluding non-finance leases) increased by c 7% y-o-y to €237.5m, due to an increased need for working capital because of higher revenues, delays in works certification, along with increased capex for technical equipment owing to the launch of new projects. Despite this, AVAX has continued to improve the strength of its balance sheet, reducing its net debt/EBITDA ratio to 2.3x (from 3.6x at FY23 and 7.4x at FY20). The company stated that it will focus on operational improvements and further diversification of cash flows as well as its strategic positioning in the coming years. By the end of 2028, AVAX aims for more than 40% of total EBITDA to originate from concessions and residential real estate, with construction remaining the key driver. Management further commented that continued organic growth will be driven through reinvestment of operating cash flows, while a stable dividend policy will be maintained.

The company's top eight projects account for c 80% of its total backlog, which stood at €3.2bn at FY24 (up from €3.1bn at FY23). The majority of these projects are in the early stages of development. This, combined with AVAX's c 23% market share (across the Big 4 at H124) in Greece's growing infrastructure market, provides significant visibility for the company's future profitability in construction, at EBITDA margin levels greater than 10%. Of AVAX's total backlog, 49% corresponds to public projects and 51% to private projects and public-private partnerships, with 79% of projects relating to Greece and foreign projects making up the remaining 21%.

Price	**€2.04**
Market cap	**€313m**
Net cash/(debt) at FY24 (including finance leasing for technical equipment)	€(237.5)m
Shares in issue	148.3m
Code	AVAX
Primary exchange	ATHENS
Secondary exchange	N/A

Share price performance



Business description

Based in Greece, AVAX operates through three main segments: construction, concessions and real estate and marinas, with a large international footprint. The largest segment, construction, is involved in large-scale private and public works, with unique experience among its peers, in energy infrastructure and subway construction.

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