

## EQUITY RESEARCH

FREELANCE.COM

RESULTS REVIEW

Press release

BUY

TP 4.20€ (vs 4.70€)

Up/Downside: 82%

## Challenging start to the year in France

Freelance.com released its Q1 2025 revenue yesterday. It came in at €265.9m (+3% yoy, -3% organic), slightly below our expectations. Activity in France saw a sharper slowdown than in previous quarters, while international operations continued to show positive momentum.

Freelance.com released Q1 2025 revenue yesterday, slightly below our expectations. Revenue reached €265.9m, up 3% thanks to the scope effect from the acquisition of Prium last year (-3% organic).

While we had anticipated a slight organic decline in France (-1% expected), the slowdown was more pronounced than expected, with a 5% decline over the first three months of the year. Unsurprisingly, the group cited a difficult market environment impacting both wage portage and intermediation activities. The positive surprise came from international operations, which—after a number of challenging quarters following the acquisition of Helvetic Payroll—confirmed their positive momentum with a third consecutive quarter of organic growth (+6% in Q1).

The group did not provide any guidance for the rest of the year. Speaking at our annual conference last week, Tristan DE VILLEMEUR maintained a cautious tone on this topic, particularly regarding activity in France.

We are adjusting our 2025 estimates this morning and now expect revenue of €1,072.2m (+2.1% yoy, -1.9% organic), down from €1,100m previously. Following these adjustments and the update of our market assumptions, our target price is revised to €4.2. Despite the lack of short-term catalysts, we maintain our **Buy** recommendation on the stock given its low valuation.

## Research partially paid by the Issuer

## Key data

Price (€)	2.3
Industry	Commercial Services
Ticker	ALFRE-FR
Shares Out (m)	57.000
Market Cap (m €)	131.7
Average trading volumes (k shares / day)	4.322
Source: FactSet	

## Ownership (%)

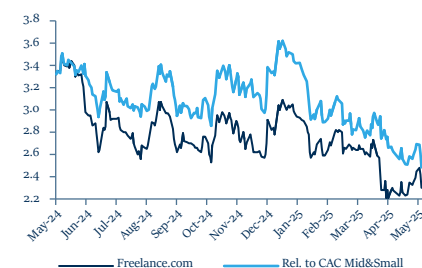
Groupe CBV INGENIERIE	60.0
Famille Vieujot	12.0
Helvetic Payroll	13.5
Free float	11.4

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	0.32	0.31	0.34
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.0	1.5	-23.0
Rel CAC Mid&Small	-0.1	-4.6	-28.1



Source: FactSet

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	857.7	1,049.7	1,072.2	1,099.3	EV/Sales	0.2	0.2	0.1
Current Op Inc (m €)	26.0	28.5	28.8	31.5	EV/EBITDA	4.8	4.8	4.0
Current op. Margin (%)	3.0	2.7	2.7	2.9	EV/EBIT	5.5	5.6	4.6
EPS (€)	0.26	0.32	0.31	0.34	PE	7.3	7.5	6.8
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	23.2	25.8	0.0	18.2				

Consensus FactSet - Analysts:na	12/24e	12/25e	12/26e
Sales	1,065.1	1,146.2	1,203.9
EBIT	25.6	29.5	33.2
Net income	14.6	18.9	21.8

Analyst

Corentin Marty  
corentin.marty@tpicap.com  
+33173030981





## FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	502.4	800.2	857.7	1,049.7	1,072.2	1,099.3
Changes (%)	54.6	59.3	7.2	22.4	2.1	2.5
Gross profit	63.8	101.3	108.3	128.1	130.6	135.8
% of Sales	12.7	12.7	12.6	12.2	12.2	12.4
<b>EBITDA</b>	<b>15.2</b>	<b>27.0</b>	<b>29.4</b>	<b>33.0</b>	<b>33.6</b>	<b>36.4</b>
% of Sales	3.0	3.4	3.4	3.1	3.1	3.3
<b>Current operating profit</b>	<b>13.8</b>	<b>24.7</b>	<b>26.0</b>	<b>28.5</b>	<b>28.8</b>	<b>31.5</b>
% of Sales	2.7	3.1	3.0	2.7	2.7	2.9
Non-recurring items	-0.4	0.4	-1.1	0.0	0.0	0.0
EBIT	13.4	25.1	24.9	28.5	28.8	31.5
Net financial result	-1.2	-3.1	-4.6	-4.7	-4.5	-4.6
Income Tax	-2.1	-3.9	-4.1	-6.9	-6.9	-7.6
Tax rate (%)	16.2	17.7	23.5	24.1	24.1	24.1
<b>Net profit, group share</b>	<b>9.4</b>	<b>17.0</b>	<b>14.5</b>	<b>17.6</b>	<b>17.0</b>	<b>18.9</b>
EPS	0.27	0.38	0.26	0.32	0.31	0.34
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	178.6	181.1	184.4	223.7	223.7	223.7
Tangible and intangible assets	5.9	7.5	9.3	9.9	10.2	10.6
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	2.5	2.5	3.4	3.4	3.4	3.4
Working capital	-21.4	-24.1	-33.2	-41.6	-24.5	-23.8
Other Assets	2.4	2.0	3.0	3.0	3.0	3.0
Assets	168.0	169.1	166.9	198.5	215.8	216.9
Shareholders equity group	116.2	137.7	153.4	166.6	179.1	198.0
Minorities	0.4	0.2	0.2	0.6	0.9	1.3
LT & ST provisions and others	1.2	1.1	2.5	2.5	2.5	2.5
Net debt	48.3	28.9	7.9	26.0	30.5	12.2
Other liabilities	1.9	1.2	2.8	2.8	2.8	2.8
Liabilities	168.0	169.1	166.9	198.5	215.8	216.9
Net debt excl. IFRS 16	48.3	28.9	7.9	26.0	30.5	12.2
Gearing net	0.4	0.2	0.1	0.2	0.2	0.1
Leverage	3.2	1.1	0.3	0.8	0.9	0.3
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	11.5	20.0	21.6	21.7	21.3	23.3
$\Delta WCR$	-0.4	8.0	5.8	8.3	-17.0	-0.7
Operating cash flow	11.1	27.9	27.4	30.0	4.3	22.6
Net capex	-2.5	-4.2	-4.2	-4.2	-4.3	-4.4
FCF	8.5	23.7	23.2	25.8	0.0	18.2
Acquisitions/Disposals of subsidiaries	-82.2	0.6	0.4	-39.3	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	75.6	-5.3	24.2	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	-4.5	-4.5	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	11.1	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	-0.5	-0.5	-0.5
Change in net cash over the year	13.1	19.4	47.8	-18.5	-5.0	17.7
ROA (%)	2.3%	3.6%	2.8%	3.1%	2.9%	3.1%
ROE (%)	8.1%	12.3%	9.4%	10.6%	9.5%	9.5%
ROCE (%)	7.0%	12.5%	13.3%	11.0%	10.3%	11.2%

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### Analyst certifications

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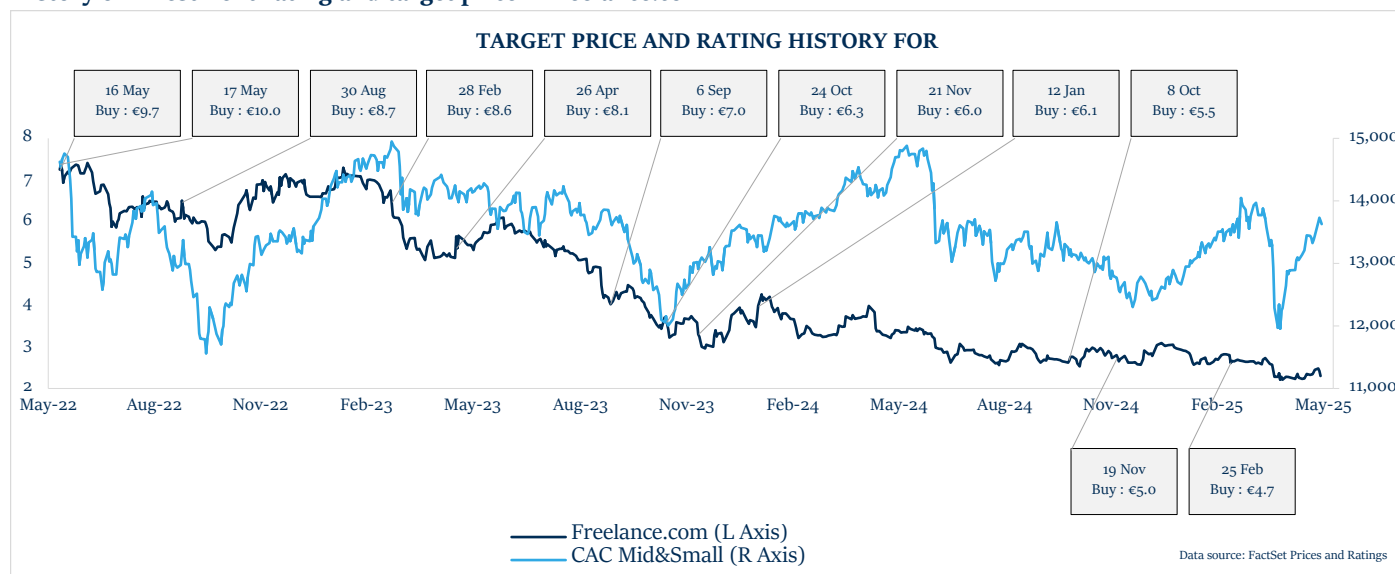
### Methodology

This Report may mention evaluation methods defined as follows:

1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

### Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Freelance.com

**History of investment rating and target price – Freelance.com**

**Historical recommendations and target price (-1Y)**

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
17 May 25 - 16:18:34	Corentin Marty	€ 4.70	€ 4.70	€ 2.31	Achat	Buy
22 Apr 25 - 08:09:12	Corentin Marty	€ 4.70	€ 4.70	€ 2.27	Achat	Buy
03 Mar 25 - 08:34:29	Corentin Marty	€ 4.70	€ 4.70	€ 2.65	Achat	Buy
25 Feb 25 - 08:03:52	Corentin Marty	€ 5.00	€ 4.70	€ 2.80	Achat	Buy
11 Dec 24 - 08:33:04	Corentin Marty	€ 5.00	€ 5.00	€ 2.60	Achat	Buy
19 Nov 24 - 08:11:28	Corentin Marty	€ 5.50	€ 5.00	€ 2.80	Achat	Buy
22 Oct 24 - 08:10:19	Corentin Marty	€ 5.50	€ 5.50	€ 2.77	Achat	Buy
08 Oct 24 - 08:07:40	Corentin Marty	€ 6.10	€ 5.50	€ 2.62	Achat	Buy
27 Aug 24 - 08:02:04	Corentin Marty	€ 6.10	€ 6.10	€ 3.07	Achat	Buy
27 May 24 - 07:56:15	Corentin Marty	€ 6.10	€ 6.10	€ 3.40	Achat	Buy
21 May 24 - 08:14:46	Corentin Marty	€ 6.10	€ 6.10	€ 3.35	Achat	Buy

**Distribution of Investment Ratings**

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	81%	65%
Hold	15%	63%
Sell	2%	25%
Under review	2%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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