



FPN

One asset property / France



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A big bet on the Grand Paris development project

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Foncière Paris Nord is a property company with a single property asset that benefits most from the giant redevelopment of Paris's northern suburbs (Grand Paris development project).

This project, which encompasses more than 80 000 sqm of new housing, has yet to be financed but is situated close to the new circular metro system due to open by 2023. In addition, it is close to the hub of the Paris 2024 Olympic Games which acts as a catalyst for a speedy development.

The project value is such that it should warrant a recapitalisation of FPN whose current liquidity is entirely dependent on its first shareholder.

The FPN share must be regarded as a call option on the project. It is a risk proposition. The valuation is seen at €0.08/share, should the project go to completion and assuming the full exercise of existing warrants.

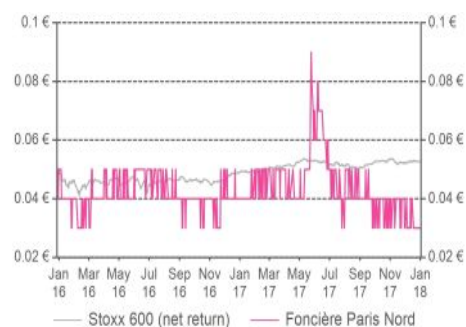
AlphaValue is contracted by Foncière Paris Nord to provide equity research on Foncière Paris Nord, using AlphaValue's unique and transparent methods and procedures. Target price and opinion are thus exclusively determined by those methods and procedures.

Buy	Upside: 175%
Target Price (6 months)	€ 0.08
Share Price	€ 0.03
Market Cap. €M	6.60
Price Momentum	UNFAVORABLE
Extremes 12Months	0.03 ▶ 0.09
Bloomberg	FPN FP Equity
Reuters	FPN.PA



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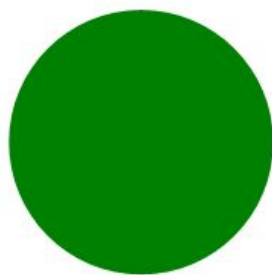


PERF	1w	1m	3m	12m
Foncière Paris Nord	0.00%	-25.0%	-25.0%	-25.0%
Property	1.12%	4.81%	7.27%	15.0%
STOXX 600	-0.28%	0.31%	0.26%	8.03%

Last updated: 27/12/2017	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)	10.1	-5.79	-6.40	-3.31
Dividend yield (%)	30,000	30,000	0.00	0.00
EV/EBITDA(R) (x)	-3.99	-3.80	-4.12	-4.11
Adjusted EPS (€)	0.00	-0.01	0.00	-0.01
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	9.00	9.00	0.00	0.00
Sales (€th)	556	496	200	1.00
EBIT margin (%)	ns	ns	ns	ns
Attributable net profit (€th)	1,102	-2,443	-2,720	-5,320
ROE (after tax) (%)	30.6	-97.6	50,085	-120
Gearing (%)		545		34.0

[Company Valuation](#) - [Company Financials](#)

Sales by Geography



■ France (100.0%)

Consolidated P&L Accounts

		12/16A	12/17E	12/18E
Sales	€th	496	200	1.00
Change in sales	%	-10.8	-59.7	-99.5
Change in staff costs	%	-5.45	-94.8	3,900
EBITDA	€th	-2,667	-3,000	-4,000
EBITDA(R) margin	%	-538	ns	ns
Depreciation	€th	-772	-500	-500
Underlying operating profit	€th	-2,285	-2,550	-4,350
Operating profit (EBIT)	€th	-2,285	-2,550	-4,350
Net financial expense	€th	-158	-170	-970
of which related to pensions	€th	0.00	-0.80	-0.81
Exceptional items & other	€th	0.00	0.00	0.00
Corporate tax	€th	0.00	0.00	0.00
Equity associates	€th	0.00	0.00	0.00
Minority interests	€th	0.00	0.00	0.00
Adjusted attributable net profit	€th	-2,442	-2,720	-5,320
NOPAT	€th	-1,600	-1,784	-3,044

Cashflow Statement

EBITDA	€th	-2,667	-3,000	-4,000
Change in WCR	€th	-224	828	1,500
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	0.00	0.00	0.00
Exceptional items	€th	0.00		
Other operating cash flows	€th	3,173	2,200	
Total operating cash flows	€th	282	28.0	-2,500
Capital expenditure	€th	-86.0	0.00	-2,100
Total investment flows	€th	-86.0	0.00	-2,100
Net interest expense	€th	-158	-170	-970
Dividends (parent company)	€th	0.00	0.00	0.00
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th		200	17,750
Total financial flows	€th	-194	-262	15,981
Change in cash position	€th	2.00	-234	11,381
Free cash flow (pre div.)	€th	38.0	-142	-5,570

Per Share Data

No. of shares net of treas. stock (year...	Th	32,212	81,128	587,141
Number of diluted shares (average)	Th	471,350	579,958	586,965
Benchmark EPS	€	-0.01	0.00	-0.01
Restated NAV per share	€			
Net dividend per share	€	9.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 0.10	75%	■ Deutsche Wohnen
DCF	€ 0.04	25%	■ Vonovia
TARGET PRICE	€ 0.08	100%	■ Nexity

NAV/SOTP Calculation

- Foncière des Régio...
- Gecina
- Icade

Balance Sheet

		12/16A	12/17E	12/18E
Goodwill	€th			
Total intangible	€th	0.00	0.00	0.00
Tangible fixed assets	€th	18,800	18,500	20,600
Financial fixed assets	€th	217	200	0.00
WCR	€th	-672	-1,500	-3,000
Other assets	€th		0.00	
Total assets (net of short term liab.)	€th	18,345	17,200	17,600
Ordinary shareholders' equity	€th	1,407	-1,418	10,265
Quasi Equity & Preferred	€th	0.00	0.00	
Minority interests	€th	0.00	0.00	
Provisions for pensions	€th	53.0	37.7	35.7
Other provisions for risks and liabilities	€th	827	700	1,000
Total provisions for risks and liabilities	€th	880	738	1,036
Tax liabilities	€th	7,454	8,500	8,500
Other liabilities	€th	165	200	
Net debt (cash)	€th	8,439	9,180	-2,201
Total liab. and shareholders' equity	€th	18,345	17,200	17,600

Capital Employed

Capital employed after depreciation	€th	18,346	17,200	17,600
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Profits & Risks Ratios

ROE (after tax)	%	-97.6	50,085	-120
ROCE	%	-8.72	-10.4	-17.3
Gearing (at book value)	%	545	34.0	
Adj. Net debt/EBITDA(R)	x	-3.16	-3.06	0.55
Interest cover (x)	x	-14.5	-15.1	-4.49

Valuation Ratios

Reference P/E (benchmark)	x	-5.79	-6.40	-3.31
Free cash flow yield	%	3.93	-5.83	-31.6
P/Book	x	0.69	-1.72	1.72
Dividend yield	%	30,000	0.00	0.00

EV Calculation

Market cap	€th	966	2,434	17,614
+ Provisions	€th	880	738	1,036
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	8,439	9,180	-2,201
+ Leases debt equivalent	€th	0.70	0.00	0.00
- Financial fixed assets (fair value)	€th	149		
+ Minority interests (fair value)	€th	0.00		
= EV	€th	10,137	12,352	16,449
EV/EBITDA(R)	x	-3.80	-4.12	-4.11
EV/Sales	x	20.4	61.8	ns