



Ecoslops

Other Energies / France

**Marzio FOA**ois@alphavalue.eu

+33 (0) 1 70 61 10 50

corporate.alphavalue.com

Letter of Intent with the Egyptian authorities on Suez Canal feasibility study

Latest - 16/03/2017

■ Fact

Ecoslops has signed a Letter of Intent with EGPC (Egyptian General Petroleum Corporation), through its subsidiary SSCO, in order to study the feasibility of a residue collection and recycling plant in the region of the Suez Canal.

Ecoslops and EGPC/SSCO have agreed that, following the feasibility study, they will both invest in the joint-venture that would be created, with Ecoslops as a major shareholder and project manager.

■ Analysis

Around 10% of the global maritime traffic passes through the Suez Canal (more than 17,000 vessels per year), and the figure is rising with the canal extension.

The partners aim at identifying the slops collection and recycling services that could be offered to the ships going through the Suez Canal. Egyptian authorities seek to enhance the services proposition of their infrastructure: in this backdrop, Ecoslops would help to improve its attractiveness.

We currently expect three new projects to be signed by the end of 2017, including Marseille.

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

Buy	Upside : 75.6%
Target Price (6 months)	€ 20.2
Share Price	€ 11.5
Market Capitalisation €M	46.6
Price Momentum	STRONG
Extremes 12Months	6.57 ▶ 11.8
Bloomberg	ALESA FP Equity
Reuters	ALESA.PA

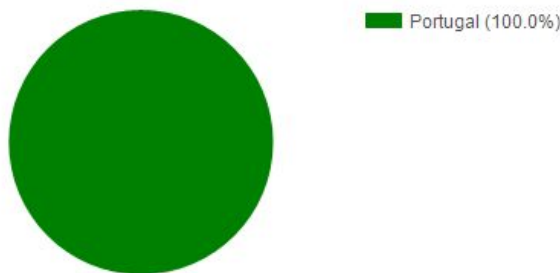
[Download Full Analysis](#)[Company Page](#)

PERF	1w	1m	3m	12m
Ecoslops	3.32%	14.0%	18.3%	73.5%
Oils	-0.84%	-0.88%	-1.44%	29.4%
STOXX 600	0.68%	1.34%	4.55%	10.0%

Last updated: 15/11/2016	12/14A	12/15A	12/16E	12/17E
Adjusted P/E (x)	-9.02	-5.92	-6.59	-39.8
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-16.5	-10.3	-17.1	38.9
Adjusted EPS (€)	-1.27	-2.17	-1.38	-0.29
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	2,241	2,296	4,086	8,242
EBITDA/R margin (%)	-104	ns	-54.9	20.7
Attributable net profit (€th)	-2,816	-5,837	-4,386	-1,070
ROE (after tax) (%)	-81.2	-67.2	-37.1	-7.42
Gearing (%)		83.3	107	84.0

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

Sales by Geography



Consolidated P&L Accounts

		12/15A	12/16E	12/17E
Sales	€th	2,296	4,086	8,242
Change in sales	%	2.47	78.0	102
Change in staff costs	%	101	-11.8	66.7
EBITDA	€th	-4,637	-2,347	1,704
EBITDA(R) margin	%	-202	-57.4	20.7
Depreciation	€th	-1,593	-1,281	-1,454
Underlying operating profit	€th	-6,286	-3,628	250
Operating profit (EBIT)	€th	-6,286	-3,628	250
Net financial expense	€th	-212	-643	-1,120
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th	-2.09	0.52	0.00
Corporate tax	€th	664	-116	-200
Equity associates	€th	0.00	0.00	0.00
Minority interests	€th	0.00	0.00	0.00
Adjusted attributable net profit	€th	-5,837	-4,386	-1,070
NOPAT	€th	-4,400	-2,540	175

Cashflow Statement

EBITDA	€th	-4,637	-2,347	1,704
Change in WCR	€th	-1,527	-404	-741
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	0.00	-116	-200
Exceptional items	€th	0.00	0.00	0.00
Other operating cash flows	€th	-2,030	-333	0.00
Total operating cash flows	€th	-8,195	-3,200	763
Capital expenditure	€th	-2,871	-367	-17,200
Total investment flows	€th	-2,871	-367	-17,200
Net interest expense	€th	-212	-643	-1,120
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	16,278	148	10,444
Total financial flows	€th	12,405	3,746	19,683
Change in cash position	€th	1,339	179	3,246
Free cash flow (pre div.)	€th	-11,278	-4,210	-17,557

Per Share Data

No. of shares net of treas. stock (year...	Th	3,054	3,054	4,054
Number of diluted shares (average)	Th	2,696	3,190	3,699
Benchmark EPS	€	-2.17	-1.38	-0.29
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 28.0	40%	■ Neste
NAV/SOTP per share	€ 20.7	40%	■ Galp Energia
P/E	€ 5.75	5%	■ Saras
EV/Ebitda	€ 0.00	5%	■ Hellenic Petroleum
P/Book	€ 8.18	5%	■ Acciona
Dividend Yield	€ 0.00	5%	
TARGET PRICE	€ 20.2	100%	

NAV/SOTP Calculation

Balance Sheet

		12/15A	12/16E	12/17E
Goodwill	€th	0.00	0.00	0.00
Total intangible	€th	645	594	594
Tangible fixed assets	€th	18,335	17,474	33,220
Financial fixed assets	€th	19.1	19.1	19.1
WCR	€th	774	1,178	1,919
Other assets	€th	2,497	2,889	2,889
Total assets (net of short term liab.)	€th	23,015	22,881	39,368
Ordinary shareholders' equity	€th	13,898	9,742	19,117
Quasi Equity & Preferred	€th	0.00	0.00	0.00
Minority interests	€th	0.00	0.00	0.00
Provisions for pensions	€th	0.00	0.00	0.00
Other provisions for risks and liabilities	€th	0.00	0.00	0.00
Total provisions for risks and liabilities	€th	0.00	0.00	0.00
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	677	637	637
Net debt (cash)	€th	8,440	12,502	19,615
Total liab. and shareholders' equity	€th	23,015	22,881	39,368

Capital Employed

Capital employed after depreciation	€th	19,774	19,265	35,752
-------------------------------------	-----	--------	--------	--------

Profits & Risks Ratios

ROE (after tax)	%	-67.2	-37.1	-7.42
ROCE	%	-22.3	-13.2	0.49
Gearing (at book value)	%	83.3	107	84.0
Adj. Net debt/EBITDA(R)	x	-1.82	-5.33	11.5
Interest cover (x)	x	-29.6	-5.64	0.22

Valuation Ratios

Reference P/E (benchmark)	x	-5.92	-6.59	-39.8
Free cash flow yield	%	-28.8	-15.2	-37.7
P/Book	x	2.81	2.84	2.44
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	39,110	27,665	46,615
+ Provisions	€th	0.00	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	8,440	12,502	19,615
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	47,550	40,167	66,230
EV/EBITDA(R)	x	-10.3	-17.1	38.9
EV/Sales	x	20.7	9.83	8.04

Analyst : Marzio Foa, Changes to Forecasts : 15/11/2016.