



Ecoslops

Other Energies / France

Doubling Sines' volumes; new mini-P2R concept

Latest - 05/07/2017

Fact

Production at Sines was 12,200 tons in H1 17, doubling from last year. The volume of sales stood at 9,700 tons, vs. 3,700 tons in H1 16. The product mix improved with an increase in value-added products.

Analysis

The improvements highlight the industrial viability of the project.

Ecoslops also announced that it has started studies for the "mini-P2R," a unit designed to process 4-8,000 tons per year (the P2R has a capacity of 30,000 tons or more), targeting medium-sized ports. This new segment increases Ecoslops' addressable market, profiting from the P2R know-how. The mini-P2R is likely to be less capital intensive and contribute a regular stream of revenues from the sale of equipment and services. Ecoslops' team is already working on a number of commercial opportunities.

Impact

We confirm our expectations of 2017 production at Sines at 30,000 tons.



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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 : 61.6%
Target Price (6 months)	€ 20.4
Share Price	€ 12.6
Market Capitalisation €M	41.8
Price Momentum	STRONG
Extremes 12Months	8.88 ► 13.3
Bloomberg	ALESA FP Equity
Reuters	ALESA.PA

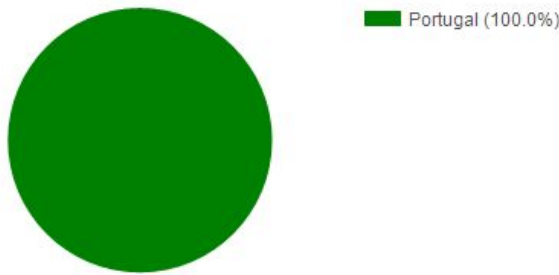

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PERF	1w	1m	3m	12m
Ecoslops	-4.25%	20.3%	13.0%	23.6%
Oils	-0.73%	-2.76%	-2.99%	8.06%
STOXX 600	-0.95%	-2.61%	0.60%	15.9%

Last updated: 14/06/2017	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)	-5.92	-8.69	-45.9	ns
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-10.3	-14.3	43.2	17.2
Adjusted EPS (€)	-2.17	-1.04	-0.28	0.09
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	2,296	4,366	8,242	18,563
EBITDA/R margin (%)	ns	-65.9	20.7	30.4
Attributable net profit (€th)	-5,837	-3,420	-1,070	400
ROE (after tax) (%)	-67.2	-26.1	-6.29	1.82
Gearing (%)	83.3	79.1	69.4	139

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

Sales by Geography



Consolidated P&L Accounts

		12/16A	12/17E	12/18E
Sales	€th	4,366	8,242	18,563
Change in sales	%	90.2	88.8	125
Change in staff costs	%	-13.9	47.1	80.0
EBITDA	€th	-2,875	1,704	5,645
EBITDA(R) margin	%	-65.9	20.7	30.4
Depreciation	€th	-1,114	-1,454	-2,954
Underlying operating profit	€th	-4,023	250	2,692
Operating profit (EBIT)	€th	-4,023	250	2,692
Net financial expense	€th	-319	-1,120	-1,809
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th	-3.68	0.00	0.00
Corporate tax	€th	926	-200	-483
Equity associates	€th	0.00	0.00	0.00
Minority interests	€th	0.00	0.00	0.00
Adjusted attributable net profit	€th	-3,420	-1,070	400
NOPAT	€th	-2,816	175	1,884

Cashflow Statement

EBITDA	€th	-2,875	1,704	5,645
Change in WCR	€th	609	-1,736	-2,920
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	0.00	-200	-483
Exceptional items	€th	0.00	0.00	0.00
Other operating cash flows	€th	-637	0.00	0.00
Total operating cash flows	€th	-2,904	-231	2,243
Capital expenditure	€th	-374	-17,200	-24,500
Total investment flows	€th	-374	-17,200	-24,500
Net interest expense	€th	-319	-1,120	-1,809
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	1,915	10,444	259
Total financial flows	€th	5,965	20,065	19,191
Change in cash position	€th	2,687	2,633	-3,066
Free cash flow (pre div.)	€th	-3,596	-18,552	-24,066

Per Share Data

No. of shares net of treas. stock (year...	Th	3,310	4,310	4,310
Number of diluted shares (average)	Th	3,281	3,890	4,402
Benchmark EPS	€	-1.04	-0.28	0.09
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 29.4	40%	■ Neste
NAV/SOTP per share	€ 19.8	40%	■ Galp Energia
P/E	€ 6.32	5%	■ Saras
EV/Ebitda	€ 0.00	5%	■ Hellenic Petroleum
P/Book	€ 8.70	5%	■ Acciona
Dividend Yield	€ 0.00	5%	
TARGET PRICE	€ 20.4	100%	

NAV/SOTP Calculation

Balance Sheet

		12/16A	12/17E	12/18E
Goodwill	€th	0.00	0.00	0.00
Total intangible	€th	542	542	542
Tangible fixed assets	€th	17,689	33,436	54,982
Financial fixed assets	€th	19.1	19.1	19.1
WCR	€th	164	1,900	4,820
Other assets	€th	3,380	3,380	3,380
Total assets (net of short term liab.)	€th	23,907	41,389	65,855
Ordinary shareholders' equity	€th	12,297	21,704	22,363
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	33.8	0.00	0.00
Total provisions for risks and liabilities	€th	33.8	0.00	0.00
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	564	564	564
Net debt (cash)	€th	11,014	19,122	42,928
Total liab. and shareholders' equity	€th	23,908	41,389	65,855

Capital Employed

Capital employed after depreciation	€th	18,415	35,897	60,363
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Profits & Risks Ratios

ROE (after tax)	%	-26.1	-6.29	1.82
ROCE	%	-15.3	0.49	3.12
Gearing (at book value)	%	79.1	69.4	139
Adj. Net debt/EBITDA(R)	x	-3.83	11.2	7.60
Interest cover (x)	x	-12.6	0.22	1.49

Valuation Ratios

Reference P/E (benchmark)	x	-8.69	-45.9	ns
Free cash flow yield	%	-12.0	-34.1	-44.2
P/Book	x	2.44	2.51	2.43
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	29,990	54,437	54,437
+ Provisions	€th	33.8	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	11,014	19,122	42,928
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	41,038	73,559	97,365
EV/EBITDA(R)	x	-14.3	43.2	17.2
EV/Sales	x	9.40	8.92	5.25

Analyst : Marzio Foa, Changes to Forecasts : 14/06/2017.