Ecoslops

Other Energies / France

Agreement to deliver to Galp's Sines refinery

Latest - 12/09/2017

Fact

Ecoslops and Galp have signed an agreement: Galp will buy Ecoslops' refined cut at the market price at Sines.

Analysis

The agreement should be effective until 2020.

The first deliveries were performed in August, with a combined volume of 1,200 tons. The annual volume should fluctuate depending on Ecoslops' feedstock, but could be as high as 10,000 tons/year.

Ecoslops has built a pipeline to connect its tanks with Galp's crude oil pipeline.

This agreement shows, from an industrial perspective, Ecoslops' ability to deliver high spec products. It also confirms the company's ability to develop value-adding partnerships.



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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: 48.0%
Target Price (6 months)	€ 20.6
Share Price	€ 13.9
Market Cap. €M	46.0
Price Momentum	GOOD
Extremes 12Months	8.88 🕨 14.9
Bloomberg	ALESA FP Equity
Reuters	ALESA.PA
4000	







PERF	1 w	1m	3	m	12m
Ecoslops	0.36%	-0.71%	32	.4%	48.7%
Oils	0.95%	1.59%	0.0	00%	14.4%
STOXX 600	1.40%	1.96%	-2.8	81%	9.81%
Last updated: 14	4/06/2017	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)		-5.92	-8.69	ns	ns
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)		-10.3	-14.3	46.4	18.2
Adjusted EPS (€)		-2.17	-1.04	-0.28	0.09
Growth in EPS (%	b)	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 p	rofit (€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
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Company Valuation - Company Financials



Portugal (100.0%)

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
DCF	€29.7	40%
NAV/SOTP per share	€ 19.8	40%
P/E	€ 6.95	5%
EV/Ebitda	€ 0.00	5%
P/Book	€ 9.02	5%
Dividend Yield	€ 0.00	5%
TARGET PRICE	€20.6	100%

Largest comparables

- Neste
- Galp Energia
 Saras
 Hellenic Petroleum
- Acciona

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
Profits & Risks Ratios				
ROE (after tax)	%	-26.1	-6.29	1.82
ROE (after tax) ROCE	%	-26.1 -15.3	-6.29 0.49	1.82 3.12
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ROCE	%	-15.3	0.49	3.12
ROCE Gearing (at book value)	% %	-15.3 79.1	0.49 69.4	3.12 139
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R)	% % X	-15.3 79.1 -3.83	0.49 69.4 11.2	3.12 139 7.60
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x)	% % X	-15.3 79.1 -3.83	0.49 69.4 11.2	3.12 139 7.60
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios	% % X X	-15.3 79.1 -3.83 -12.6	0.49 69.4 11.2 0.22	3.12 139 7.60 1.49
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark)	% % X X X	-15.3 79.1 -3.83 -12.6 -8.69	0.49 69.4 11.2 0.22 ns	3.12 139 7.60 1.49 ns
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield	% % X X X X	-15.3 79.1 -3.83 -12.6 -8.69 -12.0	0.49 69.4 11.2 0.22 ns -31.0	3.12 139 7.60 1.49 ns -40.2
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield P/Book	% % X X X % X	-15.3 79.1 -3.83 -12.6 -8.69 -12.0 2.44	0.49 69.4 11.2 0.22 ns -31.0 2.76	3.12 139 7.60 1.49 ns -40.2 2.68
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield P/Book Dividend yield	% % X X X % X	-15.3 79.1 -3.83 -12.6 -8.69 -12.0 2.44	0.49 69.4 11.2 0.22 ns -31.0 2.76	3.12 139 7.60 1.49 ns -40.2 2.68
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield P/Book Dividend yield EV Calculation	% % X X % X %	-15.3 79.1 -3.83 -12.6 -8.69 -12.0 2.44 0.00	0.49 69.4 11.2 0.22 ns -31.0 2.76 0.00	3.12 139 7.60 1.49 ns -40.2 2.68 0.00
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield P/Book Dividend yield EV Calculation Market cap	% % x x % x % x %	-15.3 79.1 -3.83 -12.6 -8.69 -12.0 2.44 0.00 29,990	0.49 69.4 11.2 0.22 ns -31.0 2.76 0.00 59,911	3.12 139 7.60 1.49
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield P/Book Dividend yield EV Calculation Market cap + Provisions	% % x x % x % x % €th €th	-15.3 79.1 -3.83 -12.6 -8.69 -12.0 2.44 0.00 29,990 33.8	0.49 69.4 11.2 0.22 ns -31.0 2.76 0.00 59,911 0.00	3.12 139 7.60 1.49
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield P/Book Dividend yield EV Calculation Market cap + Provisions + Unrecognised acturial losses/(gains)	% % x x % x % x % % £th €th	-15.3 79.1 -3.83 -12.6 -8.69 -12.0 2.44 0.00 29,990 33.8 0.00	0.49 69.4 11.2 0.22 ns -31.0 2.76 0.00 59,911 0.00 0.00	3.12 139 7.60 1.49
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield P/Book Dividend yield EV Calculation Market cap + Provisions + Unrecognised acturial losses/(gains) + Net debt at year end	% × × × % × % * * * * * *	-15.3 79.1 -3.83 -12.6 -8.69 -12.0 2.44 0.00 29,990 33.8 0.00 11,014	0.49 69.4 11.2 0.22 ns -31.0 2.76 0.00 59,911 0.00 0.00 19,122	3.12 139 7.60 1.49 ns -40.2 2.68 0.00 59,911 0.00 0.00 42,928
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield P/Book Dividend yield EV Calculation Market cap + Provisions + Unrecognised acturial losses/(gains) + Net debt at year end + Leases debt equivalent	% × × × % × % * * * * * * * * * * * * *	-15.3 79.1 -3.83 -12.6 -8.69 -12.0 2.44 0.00 29,990 33.8 0.00 11,014	0.49 69.4 11.2 0.22 ns -31.0 2.76 0.00 59,911 0.00 0.00 19,122	3.12 139 7.60 1.49 ns -40.2 2.68 0.00 59,911 0.00 0.00 42,928
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield P/Book Dividend yield EV Calculation Market cap + Provisions + Unrecognised acturial losses/(gains) + Net debt at year end + Leases debt equivalent - Financial fixed assets (fair value)	% × × % × % × % €th €th €th €th €th	-15.3 79.1 -3.83 -12.6 -8.69 -12.0 2.44 0.00 29,990 33.8 0.00 11,014	0.49 69.4 11.2 0.22 ns -31.0 2.76 0.00 59,911 0.00 0.00 19,122	3.12 139 7.60 1.49 ns -40.2 2.68 0.00 59,911 0.00 0.00 42,928
ROCE Gearing (at book value) Adj. Net debt/EBITDA(R) Interest cover (x) Valuation Ratios Reference P/E (benchmark) Free cash flow yield P/Book Dividend yield EV Calculation Market cap + Provisions + Unrecognised acturial losses/(gains) + Net debt at year end + Leases debt equivalent - Financial fixed assets (fair value) + Minority interests (fair value)	% % x x % x % % €th €th €th €th €th €th €th	-15.3 79.1 -3.83 -12.6 -12.0 2.44 0.00 29,990 33.8 0.00 11,014 0.00	0.49 69.4 11.2 0.22 ns -31.0 2.76 0.00 59,911 0.00 19,122 0.00	3.12 139 7.60 1.49

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

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