



# Ecoslops

Other Energies / France



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## MoU for the Antwerp micro-refinery

Latest - 14/06/2017

### Fact

Ecoslops has signed a memorandum of understanding (MoU) with the Port of Antwerp and ATPC (Antwerp Terminal and Processing Company), refiner and storage provider for the VTTI Group (Vitol Tank Terminals International).

The parties will collaborate on the economic, technical and regulatory studies, aiming to file construction and operation permits quickly. These studies are expected to be completed by the end of 2017.

### Analysis

The micro-refinery in Antwerp should have a minimum processing capacity of 60,000 tons per year, hence it is expected to be the largest plant to date. Sines has a capacity of 30,000 tons per year. The larger capacity offers economies of scale, which in turn should improve the project's returns.

ATPC has fuel storage and refining facilities in Antwerp; the project will benefit from significant industrial synergies between Ecoslops and ATPC.

The unit will position Ecoslops at the heart of one of the largest port regions in the world. Altogether, an estimated 250,000 tons per year are collected in Antwerp, Rotterdam, Amsterdam and Hamburg.

To summarise the status of Ecoslops' most advanced projects:

- 1) The Sines unit should achieve positive EBITDA in 2017 and process around 25kt (85% of capacity). In 2018, Sines is expected to run at 30kt (3,000 tons/month for ten months) and contribute a net operating profit;
- 2) Marseilles: construction should start in Q2 18 and the plant should become operational by the end of 2018;
- 3) Antwerp: economic, technical and regulatory studies should be completed by the end of 2017.

### Impact

This confirms our expectation of a large project in the ARA region. We expect the unit to start operations in 2019.

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.

<b>Buy</b>	<b>Upside : 85.3%</b>
Target Price (6 months)	€ 20.2
Share Price	€ 10.9
Market Capitalisation €M	47.0
Price Momentum	<b>GOOD</b>
Extremes 12Months	8.88 ▶ 11.8
Bloomberg	ALESA FP Equity
Reuters	ALESA.PA

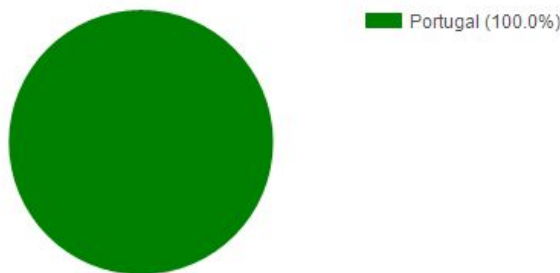
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PERF	1w	1m	3m	12m
Ecoslops	3.02%	-3.45%	-0.91%	1.87%
Oils	0.67%	-0.97%	1.46%	24.2%
STOXX 600	-0.17%	-1.74%	3.77%	19.0%

Last updated: 23/05/2017	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)	-5.92	-8.69	-39.6	ns
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-10.3	-14.3	38.8	15.9
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
<b>EBITDA(R) margin</b>	%	<b>-65.9</b>	<b>20.7</b>	<b>30.4</b>
Depreciation	€th	-1,114	-1,454	-2,954
Underlying operating profit	€th	-4,023	250	2,692
<b>Operating profit (EBIT)</b>	<b>€th</b>	<b>-4,023</b>	<b>250</b>	<b>2,692</b>
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
<b>Adjusted attributable net profit</b>	<b>€th</b>	<b>-3,420</b>	<b>-1,070</b>	<b>400</b>
NOPAT	€th	-2,816	175	1,884

## Cashflow Statement

		12/16A	12/17E	12/18E
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
<b>Free cash flow (pre div.)</b>	<b>€th</b>	<b>-3,596</b>	<b>-18,552</b>	<b>-24,066</b>

## Per Share Data

		12/16A	12/17E	12/18E
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
<b>Benchmark EPS</b>	<b>€</b>	<b>-1.04</b>	<b>-0.28</b>	<b>0.09</b>
Restated NAV per share	€			
<b>Net dividend per share</b>	<b>€</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 28.9	40%	<ul style="list-style-type: none"> <li>■ Neste</li> <li>■ Galp Energia</li> <li>■ Saras</li> <li>■ Hellenic Petroleum</li> <li>■ Acciona</li> </ul>
NAV/SOTP per share	€ 19.8	40%	
P/E	€ 5.45	5%	
EV/Ebitda	€ 0.00	5%	
P/Book	€ 8.85	5%	
Dividend Yield	€ 0.00	5%	
TARGET PRICE	€ 20.2	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
<b>Ordinary shareholders' equity</b>	<b>€th</b>	<b>12,297</b>	<b>21,704</b>	<b>22,363</b>
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
<b>Net debt (cash)</b>	<b>€th</b>	<b>11,014</b>	<b>19,122</b>	<b>42,928</b>
Total liab. and shareholders' equity	€th	23,908	41,389	65,855

## Capital Employed

		12/16A	12/17E	12/18E
Capital employed after depreciation	€th	18,415	35,897	60,363

## Profits & Risks Ratios

		12/16A	12/17E	12/18E
<b>ROE (after tax)</b>	%	<b>-26.1</b>	<b>-6.29</b>	<b>1.82</b>
ROCE	%	-15.3	0.49	3.12
<b>Gearing (at book value)</b>	%	<b>79.1</b>	<b>69.4</b>	<b>139</b>
Adj. Net debt/EBITDA(R)	x	-3.83	11.2	7.60
Interest cover (x)	x	-12.6	0.22	1.49

## Valuation Ratios

		12/16A	12/17E	12/18E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-8.69</b>	<b>-39.6</b>	<b>ns</b>
Free cash flow yield	%	-12.0	-39.5	-51.2
P/Book	x	2.44	2.16	2.10
<b>Dividend yield</b>	%	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

		12/16A	12/17E	12/18E
Market cap	€th	29,990	46,981	46,981
+ 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	66,102	89,909
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-14.3</b>	<b>38.8</b>	<b>15.9</b>
EV/Sales	x	9.40	8.02	4.84

Analyst : Marzio Foa, Changes to Forecasts : 23/05/2017.