



Europlasma

Alternative Energy / France

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Inclusion 2017 figures; little change to forecasts

Time to press the power on switch - 30/05/2018

Change in Target Price

€ 0.38 vs 0.36	+5.05%
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The 2017 earnings recognize additional losses that can be seen as investments as Europlasma has delivered on its complex power generation projects.

Change in EPS

2018 : € -0.01 vs 0.00	ns
2019 : € 0.00 vs 0.01	-75.1%

2017 EPS allow for deeper losses, financed by new equity issues. Dilution should stabilize from 2018-H2 onwards.

Change in NAV

€ 0.35 vs 0.43	-17.4%
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The NAV allows for the extra funding costs, i.e. new shares and the refinancing of a convertible due by late 2018.

Change in DCF

€ 0.83 vs 0.70	+19.2%
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The DCF is mainly a best effort type projection on the cash generation from new power plants that still need to be financed. The level of minority interests in the next round of funding is still an open subject (please read report), meaning that DCF-based valuations are fragile.



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

Buy Upside : 145%

Target Price (6 months)	€ 0.38
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Share Price	€ 0.16
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Market Cap. €M	28.8
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Price Momentum	UNFAVORABLE
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Extremes 12Months	0.16 ▶ 0.35
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Bloomberg	ALEUP FP Equity
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Reuters	ALEUP.PA
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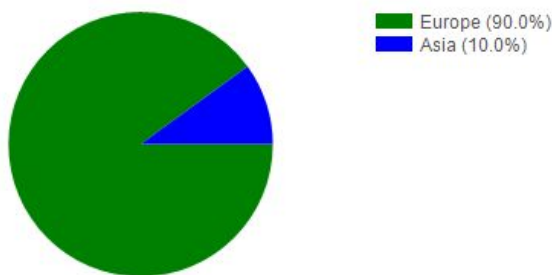

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PERF	1w	1m	3m	12m
Europlasma	-2.86%	-21.4%	-20.5%	-47.9%
Utilities	-4.37%	-1.87%	8.03%	4.56%
SXXR Index	-3.07%	0.63%	2.84%	0.99%

Last updated: 30/05/2018	12/16A	12/17A	12/18E	12/19E
Adjusted P/E (x)	-2.81	-1.66	-24.9	44.1
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-5.40	-6.09	16.0	14.4
Adjusted EPS (€)	-0.18	-0.16	-0.01	0.00
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	9,733	13,133	24,000	34,100
Operating margin (%)	-173	-107	4.52	16.2
Attributable net profit (€th)	-	-	-1,369	1,005
ROE (after tax) (%)	3,126	232	9.98	-10.7
Gearing (%)				

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

Sales by Geography



Consolidated P&L Accounts

		12/17A	12/18E	12/19E
Sales	€th	13,133	24,000	34,100
Change in sales	%	34.9	82.7	42.1
Change in staff costs	%	0.00	4.55	21.7
EBITDA	€th	-8,057	6,010	11,579
EBITDA(R) margin	%	-61.3	25.0	34.0
Depreciation	€th	-2,818	-4,925	-6,050
Underlying operating profit	€th	-13,799	1,085	5,529
Operating profit (EBIT)	€th	-14,096	1,085	5,529
Net financial expense	€th	-854	-2,500	-4,000
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th			
Corporate tax	€th	30.0	0.00	0.00
Equity associates	€th	-6,900	0.00	0.00
Minority interests	€th	0.00	45.6	-524
Adjusted attributable net profit	€th	-21,164	-1,369	1,005
NOPAT	€th	-16,559	760	3,870

Cashflow Statement

		12/17A	12/18E	12/19E
EBITDA	€th	-8,057	6,010	11,579
Change in WCR	€th	1,667	-848	-1,500
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	421	0.00	0.00
Exceptional items	€th			
Other operating cash flows	€th	-2,200	1,000	1,000
Total operating cash flows	€th	-8,169	6,162	11,079
Capital expenditure	€th	-3,100	-25,500	-63,000
Total investment flows	€th	-3,800	-26,500	-64,000
Net interest expense	€th	-854	-2,500	-4,000
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	14,200	10,000	0.00
Total financial flows	€th	12,300	17,700	34,000
Change in cash position	€th	331	-2,638	-18,921
Free cash flow (pre div.)	€th	-12,123	-21,838	-55,921

Per Share Data

		12/17A	12/18E	12/19E
No. of shares net of treas. stock (year...	Th	152,405	242,405	242,405
Number of diluted shares (average)	Th	132,028	217,674	282,943
Benchmark EPS	€	-0.16	-0.01	0.00
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 0.83	35%	● Acciona
NAV/SOTP per share	€ 0.35	20%	● Drax Group
EV/Ebitda	€ 0.04	20%	● Ebioss Energy
P/E	€ 0.08	10%	● La Française de l'E...
Dividend Yield	€ 0.00	10%	● Gea Group
P/Book	€ 0.08	5%	● Elecnor
TARGET PRICE	€ 0.38	100%	● ERG

NAV/SOTP Calculation

Balance Sheet

		12/17A	12/18E	12/19E
Goodwill	€th	8.00	1,000	1,000
Total intangible	€th	201	1,314	1,314
Tangible fixed assets	€th	13,341	39,000	99,000
Financial fixed assets	€th	0.00	8,000	10,000
WCR	€th	1,152	2,000	3,500
Other assets	€th	10,842	4,000	5,000
Total assets (net of short term liab.)	€th	28,299	60,314	124,814
Ordinary shareholders' equity	€th	-15,224	-12,199	-6,620
Quasi Equity & Preferred	€th			
Minority interests	€th	31.0	20,000	30,000
Provisions for pensions	€th	573	0.00	0.00
Other provisions for risks and liabilities	€th	8,169	12,000	15,000
Total provisions for risks and liabilities	€th	8,742	12,000	15,000
Tax liabilities	€th	115	-2,000	-2,000
Other liabilities	€th	20,972	16,000	15,000
Net debt (cash)	€th	13,675	26,513	73,434
Total liab. and shareholders' equity	€th	28,311	60,314	124,814

Capital Employed

		12/17A	12/18E	12/19E
Capital employed after depreciation	€th	14,694	50,314	113,814

Profits & Risks Ratios

		12/17A	12/18E	12/19E
ROE (after tax)	%	232	9.98	-10.7
ROCE	%	-113	1.51	3.40
Gearing (at book value)	%			
Adj. Net debt/EBITDA(R)	x	-1.70	4.41	6.34
Interest cover (x)	x	-16.2	0.43	1.38

Valuation Ratios

		12/17A	12/18E	12/19E
Reference P/E (benchmark)	x	-1.66	-24.9	44.1
Free cash flow yield	%	-29.8	-57.6	-148
P/Book	x	-2.67	-3.11	-5.73
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/17A	12/18E	12/19E
Market cap	€th	40,657	37,912	37,912
+ Provisions	€th	8,742	12,000	15,000
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	13,675	26,513	73,434
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th	15,000	0.00	0.00
+ Minority interests (fair value)	€th	1,000	20,000	40,000
= EV	€th	49,074	96,425	166,346
EV/EBITDA(R)	x	-6.09	16.0	14.4
EV/Sales	x	3.74	4.02	4.88

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 30/05/2018.