



Europlasma^{CR}

Alternative Power Sources / France

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Green ambitions now funded

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Change in Opinion

Add vs Buy

The target price is lowered after taking on board: the full extent of 2014 losses (a kitchen-sinking exercise in some respects); a more cautious timetable on new power plants and the recognition that those more cautious plans rely on the full exercise of existing warrants.

Change in EPS

2015 : € 0.00 vs 0.04 ns
2016 : € 0.05 vs 0.13 -60.0%

EPSs are driven by a recovery of the waste processing unit and by engineering works on a first new power plant. Little of that second leg will be booked in 2015, thereby pushing back earnings by about 6 months compared to our previous expectations. The same delay has a compounded impact on 2016 when a second new plant is launched.

Change in NAV

€ 1.40 vs 1.24 +13.0%

Delays in engineering work and delivery are offset from a valuation standpoint by higher earnings expected from waste management and higher multiples on the power generation side. We have also allowed for tax loss carry forwards.

Change in DCF

€ 1.84 vs 2.25 -18.1%

Discounted cash flows suffer from pushing back new power generation projects and the corresponding EPC margins.

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.

Add

Upside : 10.5%

Target Price (6 months)	€ 1.24
Share Price	€ 1.12
Market Capitalisation €M	77.3
Price Momentum	STRONG
Extremes 12Months	0.76 ▶ 2.08
Newsflow	Neutral
Bloomberg	ALEUP FP Equity
Reuters	ALEUP.PA

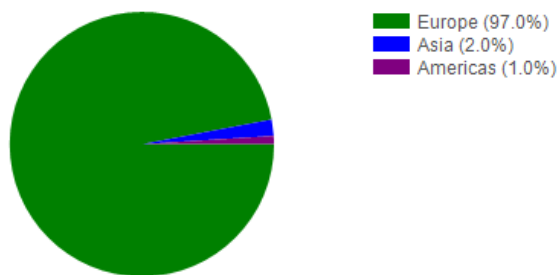
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PERF	1w	1m	3m	12m
Europlasma	-5.08%	3.70%	-5.88%	N/A
Capital Goods	-1.97%	-1.79%	-1.30%	3.76%

Last updated: 10/06/2015	12/13A	12/14A	12/15E	12/16E
Adjusted P/E (x)	-1.63	-2.92	ns	22.1
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-7.84	-9.72	13.1	5.93
Adjusted EPS (€)	-0.60	-0.57	0.00	0.05
Growth in EPS (%)				
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	12,572	8,983	17,900	57,173
Operating margin (%)	-72.7	ns	-1.34	7.48
Attributable net profit (€th)	-12,254	-25,902	-140	4,961
ROE (after tax) (%)	-120	-270	-0.57	13.9
Gearing (%)	744	34.1	-43.8	-63.6

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

Sales by Geography



Consolidated P&L Account

	12/14A	12/15E	12/16E
Sales	€th 8,983	17,900	57,173
Change in sales	% -28.5	99.3	219
Change in staff costs	% 18.2	6.74	5.26
EBITDA	€th -11,176	3,860	8,376
EBITDA(R) margin	% -124	21.6	14.7
Depreciation	€th -5,124	-3,500	-3,500
Underlying operating profit	€th -21,541	-240	4,276
Operating profit (EBIT)	€th -22,849	-240	4,276
Net financial expense	€th -2,821	100	100
of which related to pensions	€th	0.00	0.00
Exceptional items & other	€th		
Corporate tax	€th -322	0.00	0.00
Equity associates	€th 90.0	0.00	585
Minority interests	€th 0.00	0.00	0.00
Adjusted attributable net profit	€th -24,594	-140	4,961
NOPAT	€th -14,989	-168	3,578

Cashflow Statement

	12/14A	12/15E	12/16E
EBITDA	€th -11,176	3,860	8,376
Change in WCR	€th 3,336	-1,202	1,000
Actual div. received from equity holdi...	€th 0.00	0.00	0.00
Paid taxes	€th -326	0.00	0.00
Exceptional items	€th		
Other operating cash flows	€th -5,000	1,000	1,000
Total operating cash flows	€th -13,166	3,658	10,376
Capital expenditure	€th -1,572	-2,000	-2,000
Total investment flows	€th -2,572	-7,500	-7,500
Net interest expense	€th -2,821	100	100
Dividends (parent company)	€th		
Dividends to minorities interests	€th -413	0.00	0.00
New shareholders' equity	€th 25,000	23,137	0.00
Total financial flows	€th 25,154	21,237	-900
Change in cash position	€th 10,416	17,395	1,976
Free cash flow (pre div.)	€th -17,559	1,758	8,476

Per Share Data

	12/14A	12/15E	12/16E
No. of shares net of treas. stock (year...)	Th 69,045	69,045	69,045
Number of diluted shares (average)	Th 42,773	83,495	97,945
Benchmark EPS	€ -0.57	0.00	0.05
Restated NAV per share	€		
Net dividend per share	€ 0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 1.84	35%	Gea Group
NAV/SOTP per share	€ 1.40	20%	Suez Environnement
EV/Ebitda	€ 1.05	20%	Elecnor
P/E	€ 0.56	10%	Abengoa
Dividend Yield	€ 0.00	10%	ERG
P/Book	€ 0.93	5%	
TARGET PRICE	€ 1.24	100%	

NAV/SOTP Calculation

Balance Sheet

	12/14A	12/15E	12/16E
Goodwill	€th 1,316	1,316	2,000
Total intangible	€th 2,381	2,381	4,000
Tangible fixed assets	€th 12,287	13,000	14,000
Financial fixed assets	€th 3,685	4,000	8,000
WCR	€th -6,202	-5,000	-6,000
Other assets	€th 15,622	10,000	10,000
Total assets (net of short term liab.)	€th 30,165	26,381	33,000
Ordinary shareholders' equity	€th 16,793	31,975	39,570
Quasi Equity & Preferred	€th		
Minority interests	€th 128	100	100
Provisions for pensions	€th 364	0.00	0.00
Other provisions for risks and liabilities	€th 5,613	6,000	8,000
Total provisions for risks and liabilities	€th 5,977	6,000	8,000
Tax liabilities	€th -1,587	-2,000	-2,000
Other liabilities	€th 13,153	14,000	14,000
Net debt (cash)	€th -4,299	-23,694	-26,670
Total liab. and shareholders' equity	€th 30,165	26,381	33,000

Capital Employed

	12/14A	12/15E	12/16E
Capital employed after depreciation	€th 12,151	14,381	20,000

Profits & Risks Ratios

		12/14A	12/15E	12/16E
ROE (after tax)	%	-270	-0.57	13.9
ROCE	%	-123	-1.17	17.9
Gearing (at book value)	%	34.1	-43.8	-63.6
Adj. Net debt/EBITDA(R)	x	0.38	-6.14	-3.18
Interest cover (x)	x	-7.64	2.40	-42.8

Valuation Ratios

		12/14A	12/15E	12/16E
Reference P/E (benchmark)	x	-2.92	ns	22.1
Free cash flow yield	%	-15.2	2.27	11.0
P/Book	x	6.89	2.42	1.95
Dividend yield	%	0.00	0.00	0.00

EV Calculation

	12/14A	12/15E	12/16E	
Market cap	€th 115,756	77,330	77,330	
+ Provisions	€th 5,977	6,000	8,000	
+ Unrecognised actuarial losses/(gains)	€th 0.00	0.00	0.00	
+ Net debt at year end	€th -4,299	-23,694	-26,670	
+ Leases debt equivalent	€th 0.00	0.00	0.00	
- Financial fixed assets (fair value)	€th 10,000	10,000	10,000	
+ Minority interests (fair value)	€th 1,250	1,000	1,000	
= EV	€th 108,684	50,636	49,660	
EV/EBITDA(R)	x	-9.72	13.1	5.93
EV/Sales	x	12.1	2.83	0.87

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 10/06/2015.