



# Ecoslops

Other Energies / France

## Marseille plant now coming on stream in 2020

The cleantech making oil residues green - 14/06/2019

### Change in EPS

2019 : € -0.19 vs -0.20	ns
2020 : € -0.36 vs -0.26	ns

We have adjusted our EPS estimates based on the expected entry into operation of the Marseille plant in early 2020 versus our assumption of late 2019. Lower expected revenues due to the omission of any output from Marseille are more than offset by the production start-up costs, most of which would be put off to 2020, resulting in a marginally higher EPS for 2019. However, for 2020, the delayed capacity ramp-up results in a revenue base 8.4% lower than our previous estimates and, hence, a slight downgrade in our 2020 EPS.

### Change in DCF

€ 19.9 vs 21.7	-8.33%
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The DCF was impacted by a change in our assumptions for the upcoming Marseille plant. We now expect the new facility to come on stream in early 2020 in lieu of late 2019, which results in a lower revenue base for the forward looking years, given that Marseille's production ramp-up to the potential 30,000t/year will be slightly delayed. This, however, has no material impact on our valuation which remains attractive, supported by a clearer picture in terms of project execution and expected profitability.



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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 : 73.7%

Target Price (6 months)	€ 23.5
Share Price	€ 13.6
Market Cap. €M	59.7
Price Momentum	<b>GOOD</b>
Extremes 12Months	9.90 ▶ 16.5
Bloomberg	ALESA FP Equity
Reuters	ALESA.PA

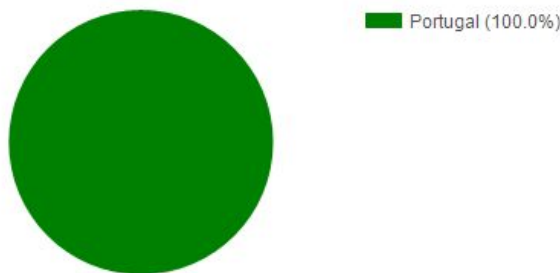

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PERF	1w	1m	3m	12m
Ecoslops	5.45%	5.04%	-2.87%	-15.8%
Oils	0.39%	0.24%	-0.99%	-2.50%
SXXR Index	1.74%	1.59%	2.90%	0.85%

Last updated: 14/06/2019	12/18A	12/19E	12/20E	12/21E
Adjusted P/E (x)	-38.0	ns	-38.1	29.0
Dividend yield (%)	0.00	0.00	0.00	1.48
EV/EBITDA(R) (x)	ns	ns	42.6	14.6
Adjusted EPS (€)	-0.35	-0.19	-0.36	0.47
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.20
Sales (€th)	7,449	10,575	16,048	35,218
EBITDA/R margin (%)	-5.10	3.77	12.2	21.3
Attributable net profit (€th)	-1,548	-820	-1,568	2,060
ROE (after tax) (%)	-7.06	-3.72	-6.51	7.51
Gearing (%)	9.81	47.4	77.3	103

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## Sales by Geography



## Consolidated P&L Accounts

		12/18A	12/19E	12/20E
Sales	€th	7,449	10,575	16,048
Change in sales	%	22.5	42.0	51.8
Change in staff costs	%	-4.42	4.08	49.0
EBITDA	€th	-380	399	1,954
<b>EBITDA(R) margin</b>	<b>%</b>	<b>-5.10</b>	<b>3.77</b>	<b>12.2</b>
Depreciation	€th	-1,205	-1,249	-2,956
Underlying operating profit	€th	-1,623	-851	-1,003
<b>Operating profit (EBIT)</b>	<b>€th</b>	<b>-1,623</b>	<b>-851</b>	<b>-1,003</b>
Net financial expense	€th	-290	-637	-1,234
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th	36.0	0.00	0.00
Corporate tax	€th	330	668	668
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>-1,548</b>	<b>-820</b>	<b>-1,568</b>
NOPAT	€th	-1,136	-596	-702

## Cashflow Statement

		12/18A	12/19E	12/20E
EBITDA	€th	-380	399	1,954
Change in WCR	€th	-906	-244	-1,117
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	0.00	668	668
Exceptional items	€th	0.00	0.00	0.00
Other operating cash flows	€th	8.07	106	0.00
Total operating cash flows	€th	-1,278	929	1,505
Capital expenditure	€th	-2,672	-14,922	-12,372
Total investment flows	€th	-2,672	-14,922	-12,372
Net interest expense	€th	-290	-637	-1,234
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	176	35.1	6,335
Total financial flows	€th	340	9,113	25,467
Change in cash position	€th	-3,609	-4,880	14,599
<b>Free cash flow (pre div.)</b>	<b>€th</b>	<b>-4,240</b>	<b>-14,630</b>	<b>-12,101</b>

## Per Share Data

		12/18A	12/19E	12/20E
No. of shares net of treas. stock (year...	Th	4,400	4,403	4,409
Number of diluted shares (average)	Th	4,426	4,402	4,406
<b>Benchmark EPS</b>	<b>€</b>	<b>-0.35</b>	<b>-0.19</b>	<b>-0.36</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	€ 19.9	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	€ 36.5	40%	
P/E	€ 6.78	5%	
EV/Ebitda	€ 0.00	5%	
P/Book	€ 12.7	5%	
Dividend Yield	€ 0.00	5%	
TARGET PRICE	€ 23.5	100%	

### NAV/SOTP Calculation

## Balance Sheet

		12/18A	12/19E	12/20E
Goodwill	€th	0.00	0.00	0.00
Total intangible	€th	372	372	372
Tangible fixed assets	€th	18,479	32,207	41,623
Financial fixed assets	€th	0.00	0.00	0.00
WCR	€th	1,371	1,616	2,733
Other assets	€th	3,701	3,701	3,701
Total assets (net of short term liab.)	€th	26,176	40,148	50,681
<b>Ordinary shareholders' equity</b>	<b>€th</b>	<b>22,418</b>	<b>21,682</b>	<b>26,449</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
Other provisions for risks and liabilities	€th	135	187	187
Total provisions for risks and liabilities	€th	135	187	187
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	643	705	705
<b>Net debt (cash)</b>	<b>€th</b>	<b>2,980</b>	<b>17,574</b>	<b>23,340</b>
Total liab. and shareholders' equity	€th	26,176	40,148	50,681

## Capital Employed

		12/18A	12/19E	12/20E
Capital employed after depreciation	€th	20,223	34,194	44,727

## Profits & Risks Ratios

		12/18A	12/19E	12/20E
<b>ROE (after tax)</b>	<b>%</b>	<b>-7.06</b>	<b>-3.72</b>	<b>-6.51</b>
ROCE	%	-5.62	-1.74	-1.57
<b>Gearing (at book value)</b>	<b>%</b>	<b>9.81</b>	<b>47.4</b>	<b>77.3</b>
Adj. Net debt/EBITDA(R)	x	-7.84	44.1	11.9
Interest cover (x)	x	-5.59	-1.34	-0.81

## Valuation Ratios

		12/18A	12/19E	12/20E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-38.0</b>	<b>ns</b>	<b>-38.1</b>
Free cash flow yield	%	-7.25	-24.5	-20.3
P/Book	x	2.61	2.75	2.26
<b>Dividend yield</b>	<b>%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

		12/18A	12/19E	12/20E
Market cap	€th	58,468	59,657	59,740
+ Provisions	€th	135	187	187
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	2,980	17,574	23,340
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	61,583	77,419	83,267
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>ns</b>	<b>ns</b>	<b>42.6</b>
EV/Sales	x	8.27	7.32	5.19

Analyst : Jorge Velandia, Changes to Forecasts : 14/06/2019.