



Ecoslops

Other Energies / France

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Solid Sines refinery performance

A green solution to slops - 05/10/2018

Change in Target Price

€ 24.0 vs 25.0	-3.82%
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The target price hardly changes as it is based on long-term intrinsic valuation metrics.

Change in EPS

2018 : € -0.39 vs 0.03	ns
2019 : € 0.04 vs 0.23	-81.5%

The strong underlying performance of H1 18, and presumably H2, is largely absorbed by rising opex as the group invests in new sites and new technology. Our previous sales estimates were too optimistic as well, forcing a significant correction. 2019 is also negatively impacted by higher capex and a six month push-back on the delivery of the second processing unit.

Change in DCF

€ 25.4 vs 27.3	-7.17%
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The DCF is impacted by marginally higher near-term capex plans and a six-month push-back of the next two production sites.



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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 : 65.5%

Target Price (6 months)	€ 24.0
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Share Price	€ 14.5
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Market Cap. €M	63.5
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Price Momentum	STRONG
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Extremes 12Months	11.1 ▶ 17.0
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Bloomberg	ALESA FP Equity
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Reuters	ALESA.PA
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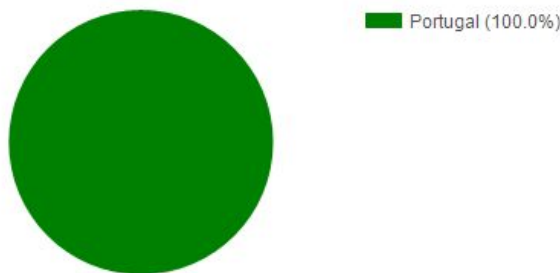

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PERF	1w	1m	3m	12m
Ecoslops	5.84%	7.01%	2.11%	-8.37%
Oils	0.48%	5.45%	5.41%	28.7%
SXXR Index	-1.71%	0.07%	0.32%	0.01%

Last updated: 05/10/2018	12/16A	12/17A	12/18E	12/19E
Adjusted P/E (x)	-8.78	-37.2	-36.9	ns
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-14.4	ns	ns	32.8
Adjusted EPS (€)	-1.02	-0.34	-0.39	0.04
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	4,366	6,080	7,800	15,921
EBITDA/R margin (%)	-65.9	5.43	-6.88	17.9
Attributable net profit (€th)	-3,420	-1,350	-1,750	204
ROE (after tax) (%)	-26.1	-8.00	-9.72	1.22
Gearing (%)	79.1	29.0	41.3	77.3

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

Sales by Geography



Consolidated P&L Accounts

		12/17A	12/18E	12/19E
Sales	€th	6,080	7,800	15,921
Change in sales	%	39.3	28.3	104
Change in staff costs	%	-27.9	6.12	53.8
EBITDA	€th	-331	-537	2,845
EBITDA(R) margin	%	-5.44	-6.88	17.9
Depreciation	€th	-1,120	-1,300	-2,000
Underlying operating profit	€th	-1,621	-1,837	845
Operating profit (EBIT)	€th	-1,621	-1,837	845
Net financial expense	€th	-118	-665	-1,422
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th	-18.5	0.00	0.00
Corporate tax	€th	408	752	781
Equity associates	€th	0.00	0.00	0.00
Minority interests	€th	0.00	0.00	0.00
Adjusted attributable net profit	€th	-1,350	-1,750	204
NOPAT	€th	-1,135	-1,286	592

Cashflow Statement

EBITDA	€th	-331	-537	2,845
Change in WCR	€th	-426	-1,081	-1,208
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	0.00	752	781
Exceptional items	€th	0.00	0.00	0.00
Other operating cash flows	€th	267	-4,899	-5,676
Total operating cash flows	€th	-490	-5,765	-3,258
Capital expenditure	€th	-471	-2,800	-12,900
Total investment flows	€th	-471	-2,800	-12,900
Net interest expense	€th	-118	-665	-1,422
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	10,471	44.6	9,705
Total financial flows	€th	4,912	15,710	24,306
Change in cash position	€th	3,951	7,145	8,147
Free cash flow (pre div.)	€th	-1,079	-9,230	-17,580

Per Share Data

No. of shares net of treas. stock (year...	Th	4,382	4,382	5,159
Number of diluted shares (average)	Th	3,946	4,452	4,844
Benchmark EPS	€	-0.34	-0.39	0.04
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 25.4	40%	<ul style="list-style-type: none"> ● Neste ● Galp Energia ● Saras ● Hellenic Petroleum ● Acciona
NAV/SOTP per share	€ 32.6	40%	
P/E	€ 7.25	5%	
EV/Ebitda	€ 0.06	5%	
P/Book	€ 8.62	5%	
Dividend Yield	€ 0.45	5%	
TARGET PRICE	€ 24.0	100%	

NAV/SOTP Calculation

Balance Sheet

		12/17A	12/18E	12/19E
Goodwill	€th	0.00	0.00	0.00
Total intangible	€th	451	492	492
Tangible fixed assets	€th	17,034	18,160	29,060
Financial fixed assets	€th	19.1	19.1	19.1
WCR	€th	590	1,672	2,880
Other assets	€th	3,504	3,386	3,386
Total assets (net of short term liab.)	€th	23,726	25,880	37,988
Ordinary shareholders' equity	€th	21,422	14,570	18,803
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	187	0.00	0.00
Total provisions for risks and liabilities	€th	187	0.00	0.00
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	699	705	705
Net debt (cash)	€th	1,419	10,605	18,480
Total liab. and shareholders' equity	€th	23,728	25,880	37,988

Capital Employed

Capital employed after depreciation	€th	18,095	20,343	32,451
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Profits & Risks Ratios

ROE (after tax)	%	-8.00	-9.72	1.22
ROCE	%	-6.27	-6.32	1.82
Gearing (at book value)	%	29.0	41.3	77.3
Adj. Net debt/EBITDA(R)	x	-4.29	-19.8	6.50
Interest cover (x)	x	-13.7	-2.76	0.59

Valuation Ratios

Reference P/E (benchmark)	x	-37.2	-36.9	ns
Free cash flow yield	%	-1.94	-14.5	-23.5
P/Book	x	2.60	4.36	3.98
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	55,735	63,533	74,799
+ Provisions	€th	187	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	1,419	10,605	18,480
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	57,341	74,138	93,279
EV/EBITDA(R)	x	ns	ns	32.8
EV/Sales	x	9.43	9.50	5.86

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 05/10/2018.