



Europlasma

Alternative Energy / France

Allowing for delay-driven H1 losses

Time to press the power on switch - 21/11/2018

Change in Target Price

€ 0.21 vs 0.34	-38.5%
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The small new energy group is suffering from further delays to fine-tune its power generation technology. This implies continuing refinancing concerns that have sent the share price down in a negative spiral. We have allowed for higher dilution compared to the previous scenario. As a reminder, Europlasma may use its existing majority control of the power generation business to raise cash at this level as well.

Change in EPS

2018 : € -0.05 vs -0.01	ns
2019 : € -0.01 vs 0.00	ns

EPS suffers from the H1 18 loss, meaning the first "normal" year of operation for the waste to energy venture is 2019 and not 2018. 2018 is busy fine-tuning the technology implying stop and go power production and a lower than expected top line.

Change in NAV

€ 0.23 vs 0.35	-34.5%
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The lower NAV per share recognises a higher forward looking number of shares. The underlying assets valuation is essentially unchanged.

Change in DCF

€ 0.45 vs 0.72	-37.6%
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The lower DCF recognises a higher forward looking number of shares and a higher debt level at the close of 2018.



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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 : 271%

Target Price (6 months)	€ 0.21
Share Price	€ 0.06
Market Cap. €M	14.2
Price Momentum	NEGATIVE
Extremes 12Months	0.05 ▶ 0.30
Bloomberg	ALEUP FP Equity
Reuters	ALEUP.PA

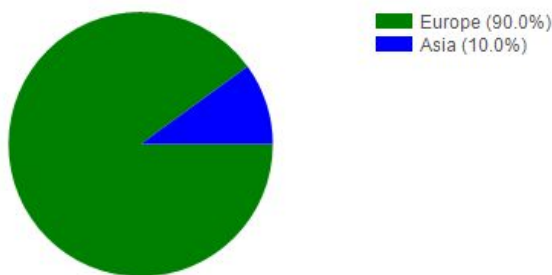

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PERF	1w	1m	3m	12m
Europlasma	-6.67%	-35.1%	-52.1%	-72.0%
Utilities	-1.12%	1.51%	0.62%	6.34%
SXXR Index	-3.63%	-2.71%	-8.11%	-6.60%

Last updated: 21/11/2018	12/16A	12/17A	12/18E	12/19E
Adjusted P/E (x)	-2.81	-1.66	-1.13	-5.17
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-5.40	-6.09	-22.6	22.8
Adjusted EPS (€)	-0.18	-0.16	-0.05	-0.01
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	14,000	24,560
Operating margin (%)	-173	-107	-61.6	3.19
Attributable net profit (€th)	-	-	11,079	-3,742
ROE (after tax) (%)	3,126	232	91.8	68.1
Gearing (%)				

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

Sales by Geography



Consolidated P&L Accounts

	12/17A	12/18E	12/19E
Sales	€th 13,133	14,000	24,560
Change in sales	% 34.9	6.60	75.4
Change in staff costs	% 0.00	4.55	21.7
EBITDA	€th -8,057	-3,700	6,832
EBITDA(R) margin	% -61.3	-26.4	27.8
Depreciation	€th -2,818	-4,925	-6,050
Underlying operating profit	€th -13,799	-8,625	782
Operating profit (EBIT)	€th -14,096	-8,625	782
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	-11,079	-3,742
NOPAT	€th -16,559	-6,038	548

Cashflow Statement

	12/17A	12/18E	12/19E
EBITDA	€th -8,057	-3,700	6,832
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	-3,548	6,332
Capital expenditure	€th -3,100	-7,500	-63,000
Total investment flows	€th -3,800	-8,500	-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	6,000	6,000
Total financial flows	€th 12,300	700	40,000
Change in cash position	€th 331	-11,348	-17,668
Free cash flow (pre div.)	€th -12,123	-13,548	-60,668

Per Share Data

	Th	152,405	294,000	354,000
No. of shares net of treas. stock (year...				
Number of diluted shares (average)	Th	132,028	224,472	345,538
Benchmark EPS	€	-0.16	-0.05	-0.01
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 0.45	35%	● Acciona
NAV/SOTP per share	€ 0.23	20%	■ Drax Group
EV/Ebitda	€ 0.00	20%	● Ebioss Energy
P/E	€ 0.03	10%	■ Gea Group
Dividend Yield	€ 0.00	10%	● Elecnor
P/Book	€ 0.03	5%	■ ERG
TARGET PRICE	€ 0.21	100%	

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	51,000	111,000
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	72,314	136,814
Ordinary shareholders' equity	€th -15,224	-8,909	-2,077
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	35,223	80,891
Total liab. and shareholders' equity	€th 28,311	72,314	136,814

Capital Employed

Capital employed after depreciation	€th 14,694	62,314	125,814
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Profits & Risks Ratios

ROE (after tax)	%	232	91.8	68.1
ROCE	%	-113	-9.69	0.44
Gearing (at book value)	%			
Adj. Net debt/EBITDA(R)	x	-1.70	-9.52	11.8
Interest cover (x)	x	-16.2	-3.45	0.20

Valuation Ratios

Reference P/E (benchmark)	x	-1.66	-1.13	-5.17
Free cash flow yield	%	-29.8	-82.3	-306
P/Book	x	-2.67	-1.85	-9.55
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th 40,657	16,464	19,824	
+ 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	35,223	80,891	
+ 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	83,687	155,715	
EV/EBITDA(R)	x	-6.09	-22.6	22.8
EV/Sales	x	3.74	5.98	6.34

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 21/11/2018.