



Europlasma

Alternative Energy / France

[You can continue to receive AlphaValue's Research under MiFID II](#) [Learn more](#)

Allowing for 2017 financing

Long path to green power - 01/02/2018

Change in Target Price

€ 0.35 vs 0.68 **-48.0%**

The sharp drop in the target price is due to an overdue set of adjustments that combines the H1 17 release and the dilution associated with financing, as well as a full resetting of forecasts to allow for various delays.

Change in EPS

2017 : € -0.11 vs 0.02 **ns**
2018 : € 0.01 vs 0.05 **-85.0%**

Updates to fragile forecasting models and dilution factors lead to significant corrections. 2017 earnings have also been hurt by capacity constraints at Inertam.

Change in NAV

€ 0.38 vs 0.62 **-39.4%**

An overdue set of adjustments which combines the H1 17 release and the dilution associated with financing, as well as a full resetting of forecasts to allow for various delays, has an impact on the fragile NAV computations.

Change in DCF

€ 0.57 vs 1.06 **-46.7%**

An overdue set of adjustments which combines the H1 17 release and the dilution associated with financing, as well as a full resetting of forecasts to allow for various delays, has an impact on the fragile DCF computations.



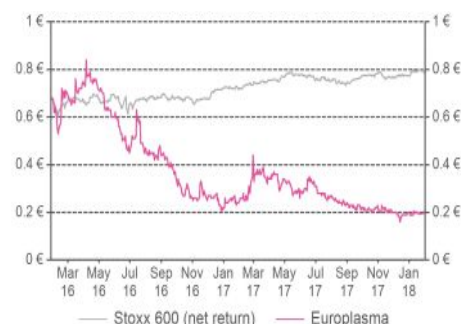
Pierre-Yves GAUTHIER
utilities@alphavalue.eu
+33 (0) 1 70 61 10 50
corporate.alphavalue.com

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 : 72.3%

Target Price (6 months)	€ 0.35
Share Price	€ 0.20
Market Cap. €M	31.0
Price Momentum	GOOD
Extremes 12Months	0.16 ▶ 0.44
Bloomberg	ALEUP FP Equity
Reuters	ALEUP.PA

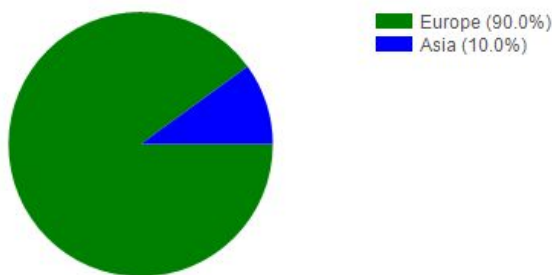
[Download Full Analysis](#)[Company Page](#)

PERF	1w	1m	3m	12m
Europlasma	3.55%	2.00%	-11.3%	-15.0%
Utilities	-1.48%	-0.30%	-5.43%	18.2%
SXXR Index	-1.32%	1.66%	0.33%	12.8%

Last updated: 01/02/2018	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)	-4.28	-2.81	-2.48	26.5
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-8.26	-5.40	-4.95	7.28
Adjusted EPS (€)	-0.24	-0.18	-0.11	0.01
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	14,082	9,733	8,224	43,295
Operating margin (%)	-104	-173	-191	1.26
Attributable net profit (€th)	-	-	-	1,544
ROE (after tax) (%)	-171	3,126	423	70.1
Gearing (%)	28.3			78.6

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

Sales by Geography



Consolidated P&L Accounts

	12/16A	12/17E	12/18E
Sales	€th 9,733	8,224	43,295
Change in sales	% -30.9	-15.5	426
Change in staff costs	% 4.76	0.00	4.55
EBITDA	€th -11,708	-9,459	4,944
EBITDA(R) margin	% -120	-115	11.4
Depreciation	€th -4,230	-5,656	-4,400
Underlying operating profit	€th -15,938	-15,715	544
Operating profit (EBIT)	€th -16,712	-15,715	544
Net financial expense	€th -396	-2,000	-2,000
of which related to pensions	€th	0.00	0.00
Exceptional items & other	€th		
Corporate tax	€th -165	3,500	3,000
Equity associates	€th 0.00	0.00	0.00
Minority interests	€th 0.00	0.00	0.00
Adjusted attributable net profit	€th -16,621	-14,215	1,544
NOPAT	€th -11,157	-11,000	381

Cashflow Statement

	12/16A	12/17E	12/18E
EBITDA	€th -11,708	-9,459	4,944
Change in WCR	€th 3,536	-3,175	500
Actual div. received from equity holdi...	€th 0.00	0.00	0.00
Paid taxes	€th -335	3,500	3,000
Exceptional items	€th		
Other operating cash flows	€th 800	1,000	1,000
Total operating cash flows	€th -7,707	-8,134	9,444
Capital expenditure	€th -5,585	-3,500	-3,000
Total investment flows	€th -5,865	-4,500	-9,000
Net interest expense	€th -396	-2,000	-2,000
Dividends (parent company)	€th		
Dividends to minorities interests	€th 0.00	0.00	0.00
New shareholders' equity	€th 10,900	13,000	10,000
Total financial flows	€th 8,713	5,500	7,000
Change in cash position	€th -4,859	-7,134	7,444
Free cash flow (pre div.)	€th -13,688	-13,634	4,444

Per Share Data

	12/16A	12/17E	12/18E
No. of shares net of treas. stock (year...)	Th 111,650	152,405	202,405
Number of diluted shares (average)	Th 90,659	132,028	200,462
Benchmark EPS	€ -0.18	-0.11	0.01
Restated NAV per share	€		
Net dividend per share	€ 0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 0.57	35%	■ Gea Group
NAV/SOTP per share	€ 0.38	20%	■ Suez
EV/Ebitda	€ 0.26	20%	■ Elecnor
P/E	€ 0.21	10%	● ERG
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.10	5%	
TARGET PRICE	€ 0.35	100%	

NAV/SOTP Calculation

Balance Sheet

	12/16A	12/17E	12/18E
Goodwill	€th 664	700	1,000
Total intangible	€th 911	1,014	1,314
Tangible fixed assets	€th 13,186	13,000	14,000
Financial fixed assets	€th 3,538	3,600	8,000
WCR	€th -675	2,500	2,000
Other assets	€th 3,415	4,000	4,000
Total assets (net of short term liab.)	€th 25,776	30,114	35,314
Ordinary shareholders' equity	€th -3,600	-3,120	7,525
Quasi Equity & Preferred	€th		
Minority interests	€th 100	100	100
Provisions for pensions	€th 500	0.00	0.00
Other provisions for risks and liabilities	€th 5,679	10,000	12,000
Total provisions for risks and liabilities	€th 6,179	10,000	12,000
Tax liabilities	€th -252	-2,000	-2,000
Other liabilities	€th 14,830	15,000	16,000
Net debt (cash)	€th 8,500	10,134	1,689
Total liab. and shareholders' equity	€th 25,757	30,114	35,314

Capital Employed

	12/16A	12/17E	12/18E
Capital employed after depreciation	€th 16,960	20,114	25,314

Profits & Risks Ratios

		12/16A	12/17E	12/18E
ROE (after tax)	%	3,126	423	70.1
ROCE	%	-65.8	-54.7	1.51
Gearing (at book value)	%			78.6
Adj. Net debt/EBITDA(R)	x	-0.73	-1.07	0.34
Interest cover (x)	x	-40.2	-7.86	0.27

Valuation Ratios

		12/16A	12/17E	12/18E
Reference P/E (benchmark)	x	-2.81	-2.48	26.5
Free cash flow yield	%	-23.8	-33.5	10.8
P/Book	x	-16.0	-13.0	5.49
Dividend yield	%	0.00	0.00	0.00

EV Calculation

	12/16A	12/17E	12/18E	
Market cap	€th 57,596	40,657	41,291	
+ Provisions	€th 6,179	10,000	12,000	
+ Unrecognised actuarial losses/(gains)	€th 0.00	0.00	0.00	
+ Net debt at year end	€th 8,500	10,134	1,689	
+ Leases debt equivalent	€th 0.00	0.00	0.00	
- Financial fixed assets (fair value)	€th 10,000	15,000	20,000	
+ Minority interests (fair value)	€th 1,000	1,000	1,000	
= EV	€th 63,275	46,791	35,980	
EV/EBITDA(R)	x	-5.40	-4.95	7.28
EV/Sales	x	6.50	5.69	0.83

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 01/02/2018.