



# Drone Volt

Aersp. & Defence Equipt. / France

## Major contracts pushes to the right

Contract execution for a potentially record year - 24/09/2021

### Change in DCF

€ 0.37 vs 0.42 -11.4%

Drone Volt has signed major contracts in H1, one firm contract concerning 600 Hercules 2 drones of an estimated real value of €2.4m and one flexible contract concerning 500 Hercules 20 drones and 200 Hercules 10 drones of a catalogue value of €15m (we estimate a real price of €9.5m). Drone Volt is currently ramping -up its production of Hercules 2 drones to honour its firm contract before the second. Its production rate is currently 40 drones a week and it is expected to rise to 60 drones by the end of the year. As its priority is the Hercules 2 contract, we were clearly too optimistic on the fulfilment of the mega contracts involving the Hercules 20 and 10. We are estimating this second contract to represent €1m in FY21 vs €1.9m previously. While this has not changed our fundamental view as the drones that are not delivered this year would be delivered later on, we have added a degree of caution on the calendar which impacts the DCF.



**Romain PIERREDON**

aerospacedefence@alphavalue.eu

+33 (0) 1 70 61 10 50

cs.alphavalue.com

This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

<b>Buy</b>	<b>Upside : 80.6%</b>
Target Price (6 months)	€ 0.27
Share Price	€ 0.15
Market Cap. €M	39.5
Price Momentum	<b>NEGATIVE</b>
Extremes 12Months	0.14 ▶ 0.39
Bloomberg	ALDRV FP Equity
Reuters	ALDRV.PA



[Download Full Analysis](#)

[Company Page](#)

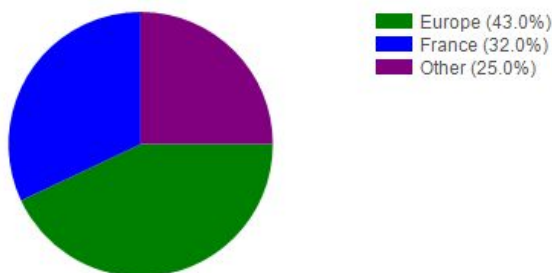


PERF	1w	1m	3m	12m
Drone Volt	-4.29%	4.04%	-15.2%	-53.8%
Aerospace-Defence	3.68%	2.10%	1.37%	57.1%
SXXR Index	0.36%	-0.80%	3.60%	32.8%

Last updated: 24/09/2021	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	-3.14	ns	25.1	12.3
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-12.1	-3.49	-3.04	-1.29
Adjusted EPS (€)	-0.05	0.00	0.01	0.01
Growth in EPS (%)	n/a	n/a	n/a	104
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	5,836	11,532	15,806	18,769
Other margin (%)	29.3	46.3	50.8	61.2
Attributable net profit (€th)	-6,393	6,232	1,569	3,256
ROE (after tax) (%)	-47.6	30.3	6.52	12.3
Gearing (%)	8.95	-35.1	-61.9	-62.1

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

## Sales by Geography



## Consolidated P&L Accounts

		12/20A	12/21E	12/22E
Sales	€th	5,836	11,532	15,806
Change in sales	%	-17.9	97.6	37.1
Change in staff costs	%	-5.12	5.40	17.0
EBITDA	€th	-2,065	1,078	3,217
<b>EBITDA(R) margin</b>	%	<b>-35.4</b>	<b>9.35</b>	<b>20.4</b>
Depreciation	€th			
Underlying operating profit	€th	-4,189	-1,474	1,784
<b>Operating profit (EBIT)</b>	<b>€th</b>	<b>-8,181</b>	<b>-774</b>	<b>1,491</b>
Net financial expense	€th	-673	-341	-266
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th		6,500	
Corporate tax	€th	2,209	278	-306
Equity associates	€th			
Minority interests	€th	252	569	650
<b>Adjusted attributable net profit</b>	<b>€th</b>	<b>-6,393</b>	<b>-268</b>	<b>1,569</b>
NOPAT	€th	-2,932	-1,032	1,249

## Cashflow Statement

		12/20A	12/21E	12/22E
EBITDA	€th	-2,065	1,078	3,217
Change in WCR	€th	1,685	245	-62.0
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	2,209	278	-306
Exceptional items	€th			
Other operating cash flows	€th	-991	-286	-225
Total operating cash flows	€th	838	1,315	2,624
Capital expenditure	€th	-1,810	-1,995	-1,955
Total investment flows	€th	-8,992	5,505	-1,955
Net interest expense	€th	-673	-341	-266
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	8,590	6,178	1,000
Total financial flows	€th	13,967	2,537	2,734
Change in cash position	€th	5,812	9,357	3,403
<b>Free cash flow (pre div.)</b>	<b>€th</b>	<b>-1,645</b>	<b>-1,021</b>	<b>403</b>

## Per Share Data

		12/20A	12/21E	12/22E
No. of shares net of treas. stock (year...	Th	198,523	259,963	264,509
Number of diluted shares (average)	Th	131,321	230,360	263,353
<b>Benchmark EPS</b>	<b>€</b>	<b>-0.05</b>	<b>0.00</b>	<b>0.01</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	€ 0.37	35%	● KUKA
NAV/SOTP per share	€ 0.29	20%	
EV/Ebitda	€ 0.30	20%	
P/E	€ 0.07	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.29	5%	
TARGET PRICE	€ 0.27	100%	

### NAV/SOTP Calculation

## Balance Sheet

		12/20A	12/21E	12/22E
Goodwill	€th	152	150	149
Total intangible	€th	5,477	5,376	5,554
Tangible fixed assets	€th	743	1,130	1,268
Financial fixed assets	€th			
WCR	€th	1,360	1,115	1,177
Other assets	€th	7,656	7,120	6,622
Total assets (net of short term liab.)	€th	19,985	20,849	21,035
<b>Ordinary shareholders' equity</b>	<b>€th</b>	<b>17,640</b>	<b>23,482</b>	<b>24,663</b>
Quasi Equity & Preferred	€th			
Minority interests	€th	-129	7,100	7,010
Provisions for pensions	€th		0.00	0.00
Other provisions for risks and liabilities	€th	244	281	323
Total provisions for risks and liabilities	€th	244	281	323
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	4,141	4,555	5,011
<b>Net debt (cash)</b>	<b>€th</b>	<b>-1,911</b>	<b>-14,568</b>	<b>-15,971</b>
Total liab. and shareholders' equity	€th	19,985	20,849	21,035

## Capital Employed

		12/20A	12/21E	12/22E
Capital employed after depreciation	€th	7,580	7,621	7,999

## Profits & Risks Ratios

		12/20A	12/21E	12/22E
<b>ROE (after tax)</b>	%	<b>-47.6</b>	<b>30.3</b>	<b>6.52</b>
ROCE	%	-38.7	-13.5	15.6
<b>Gearing (at book value)</b>	%	<b>8.95</b>	<b>-35.1</b>	<b>-61.9</b>
Adj. Net debt/EBITDA(R)	x	0.93	-13.5	-4.96
Interest cover (x)	x	-6.22	-4.32	6.70

## Valuation Ratios

		12/20A	12/21E	12/22E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-3.14</b>	<b>ns</b>	<b>25.1</b>
Free cash flow yield	%	-5.41	-2.63	1.02
P/Book	x	1.72	1.65	1.60
<b>Dividend yield</b>	%	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

		12/20A	12/21E	12/22E
Market cap	€th	30,389	38,813	39,491
+ Provisions	€th	244	281	323
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	-2,172	-14,842	-16,259
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th	3,898	6,712	12,305
+ Minority interests (fair value)	€th	387	-21,300	-21,030
= EV	€th	24,949	-3,761	-9,780
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-12.1</b>	<b>-3.49</b>	<b>-3.04</b>
EV/Sales	x	4.28	-0.33	-0.62

Analyst : Romain Pierredon, Changes to Forecasts : 24/09/2021.