

12 July 2024

DRONE VOLT

Aerosp. & Defence Equipt. / France

ALPHAVALUE
CORPORATE SERVICES

From distributor to service provider.

Pros

- R&D efforts to develop and commercialise in-house drone solutions and AI applications allow the company to improve its pricing power and profitability
- Training is a key part of the strategy, where the development of a comprehensive regulatory framework should unleash demand for both drone and training
- Implementing a Drone-as-a-service strategy which could become highly lucrative, especially if applied to its LineDrone which is expected to enter into service by 2023

Cons

- Still nascent market, displaying high potential growth, but little visibility on contract timings and overall adoption of this technology
- US growth hopes reset lower after US partner failed to fund its ambitions
- Supplier risk for distribution segment, heavily exposed to Chinese players with a risk of dependency and limited pricing power

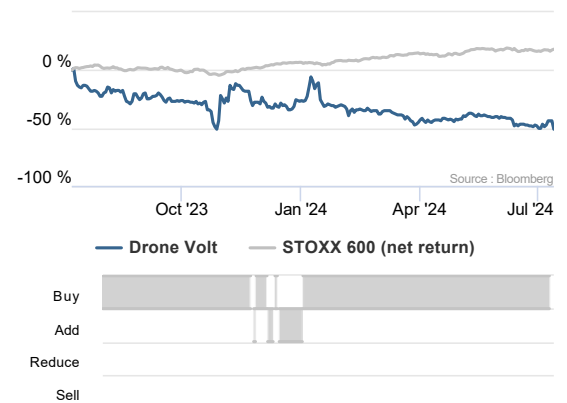
Key Figures	12/21A	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	ns	-0.76	-4.69	ns	3.84
Dividend yield (%)	0.00	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-86.6	-9.95	-8.67	28.5	2.78
Adjusted EPS (€)	0.00	-0.05	0.00	0.00	0.00
Growth in EPS (%)	n/a	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00	0.00
Sales (€th)	8,617	13,736	23,865	29,050	35,736
Other margin (%)	48.9	21.1	14.4	19.0	24.0
Attributable net profit (€th)	5,551	-25,484	-2,893	-129	3,052
ROE (after tax) (%)	19.5	-89.5	-14.2	-0.56	13.0
Gearing (%)	-6.87	0.36	3.91	-8.77	-12.5

Buy

Upside : 179%

Price (€)	0.01
Target Price (€)	0.02
Momentum	— —
Market Cap (€M)	11.7
Enterprise Value (€th)	15,277
High/Low (12M)	€ 0.01/0.01
BBG : ALDRV FP	RIC : ALDRV.PA
Credit Risk & outlook	CC ↗
Fundamental Strength	0 /10
Sustainability score	5.2 /10

Price relative to index & historical opinion



Performances (%)	1m	3m	12m
Absolute	-14.1%	-13.0%	-51.1%

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Conflicts of interest

Corporate broking	No
Trading in corporate shares	No
Analyst ownership	No
Advice to corporate	No
Research paid for by corporate	Yes
Corporate access	No
Brokerage activity at AlphaValue	No
Client of AlphaValue Research	No