



FPN

One asset property / France

H1 20 figures; a bit late indeed

Earnings/sales releases - 24/03/2021

The company just released its H1 20 report, closing 30 June 2020. A bit late indeed. Valuation stands between zero and “something”.

Fact

- Shareholders equity was €-860,000 at the FPN level (the listed company, the latter having no subsidiary now).
- Gross debt pro forma (pro forma from Pamier's disposal) was €1m vs. a gross cash of c. zero.
- FIPP will fuel the company through November 2021 via another shareholder loan.
- No major news was available from minority shareholders about a potential claim challenging Pamier's disposal to reference shareholder (FIPP), the latter controlling 100% of the Board.

Analysis

FPN released its H1 20 figures nine months or so after closing in 30 June 2020. It did the same for the FY 19 annual report as the 2019 AGM took place in December 2020.

The key shareholder, controlling 100% of the Board (FIPP), announced it will fuel the company through November 2021: a bankruptcy is therefore unlikely. As an empty shell, the cash burn would be €0.2m per annum.

FPN is now an empty shell. It's value would lean on its potential SPAC status only on top of claims' issue, as a listed but empty company. Empty but... maybe subject to one major claim from minority shareholders. The latter could embarrass potential buyers and we believe that the situation could stay blocked for some time unless both parties agree a compromise.

Impact

No material additional information was provided vs. what was public about Pamier SARL (its major asset) and its full takeover bid by FIPP (Mr Dumenil) in October 2020. We still wait for a reaction from Mr Ott but nothing was observable to date from a legal point of view. We wait for such a reaction to provide an indication about FPN's forward value. The latter stands between zero and “something” as developed in our latest piece of research of 3 November 2020 (“*In a surprise move, FIPP has deprived FPN shareholders of control over PAMIER SARL*”).

In H2 21, we will revise our assumption in the light of the FY 20 figures. Our target should be updated in a range of zero to “something” in light of the potential claims' declarations.



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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

Buy	Upside: 58.0%
Target Price (6 months)	€ 0.05
Share Price	€ 0.03
Market Cap. €M	3.93
Price Momentum	GOOD
Extremes 12Months	0.02 ▶ 0.05
Sustainability score	2.0 /10
Credit Risk	C ↘
Bloomberg	FPN FP Equity
Reuters	FPN.PA

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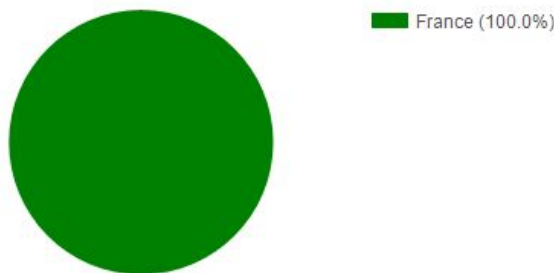


PERF	1w	1m	3m	12m
Foncière Paris Nord	-1.45%	-8.11%	41.7%	31.8%
Real Estate	-1.27%	7.38%	-0.21%	31.9%
STOXX 600	-0.82%	2.03%	7.03%	51.0%

Last updated: 25/08/2020	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	-4.71	-4.45	-3.61	-10.4
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-8.59	-10.5	-12.7	-38.3
Adjusted EPS (€)	-0.01	-0.01	-0.01	0.00
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	0.00	0.00	0.00	0.00
EBIT margin (%)	ns	ns	ns	ns
Attributable net profit (€th)	-3,697	13,258	2,700	-800
ROE (after tax) (%)	27.6	-171	-198	27.4
Gearing (%)				

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

Sales by Geography



Consolidated P&L Accounts

		12/19A	12/20E	12/21E
Sales	€th	0.00	0.00	0.00
Change in sales	%	-100.0	0.00	0.00
Change in staff costs	%	2.04	1.50	1.50
EBITDA	€th	-2,899	-2,584	-2,300
EBITDA(R) margin	%	ns	ns	ns
Depreciation	€th	-2,141	0.00	0.00
Underlying operating profit	€th	-3,592	12,416	-2,300
Operating profit (EBIT)	€th	-3,592	13,258	-2,300
Net financial expense	€th	-105	-0.01	-0.01
of which related to pensions	€th	0.00	0.00	0.00
Exceptional items & other	€th	0.00	0.00	5,000
Corporate tax	€th	0.00	0.00	0.00
Equity associates	€th	0.00	0.00	0.00
Minority interests	€th	0.00	0.00	0.00
Adjusted attributable net profit	€th	-3,697	-2,584	-2,300
NOPAT	€th	-2,514	9,281	-1,610

Cashflow Statement

EBITDA	€th	-2,899	-2,584	-2,300
Change in WCR	€th	1,572	80.0	900
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	0.00	0.00	0.00
Exceptional items	€th	0.00	0.00	0.00
Other operating cash flows	€th	0.00	0.00	0.00
Total operating cash flows	€th	-1,327	-2,504	-1,400
Capital expenditure	€th	0.00	0.00	0.00
Total investment flows	€th	0.00	0.00	0.00
Net interest expense	€th	-105	-0.01	-0.01
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	0.00	1,650	0.00
Total financial flows	€th	2,297	2,801	-3,600
Change in cash position	€th	970	-1,237	-5,000
Free cash flow (pre div.)	€th	-1,432	-2,504	-1,400

Per Share Data

No. of shares net of treas. stock (year...	Th	82,629	115,629	115,629
Number of diluted shares (average)	Th	578,876	411,490	244,105
Benchmark EPS	€	-0.01	-0.01	-0.01
Restated NAV per share	€	0.08	0.03	0.05
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 0.05	75%	■ Icade
DCF	€ 0.06	25%	■ Gecina
TARGET PRICE	€ 0.05	100%	■ Covivio

NAV/SOTP Calculation

- Icade
- Gecina
- Covivio
- Nexity
- Vonovia
- Deutsche Wohnen

Balance Sheet

		12/19A	12/20E	12/21E
Goodwill	€th	0.00	0.00	0.00
Total intangible	€th	0.00	0.00	0.00
Tangible fixed assets	€th	17,885	34,569	34,569
Financial fixed assets	€th	217	217	217
WCR	€th	-10,962	-11,042	-11,942
Other assets	€th	0.00	0.00	0.00
Total assets (net of short term liab.)	€th	7,140	23,744	22,844
Ordinary shareholders' equity	€th	-15,279	-217	-2,517
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	0.00
Other provisions for risks and liabilities	€th	842	0.00	0.00
Total provisions for risks and liabilities	€th	842	0.00	0.00
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	4.00	0.00	0.00
Net debt (cash)	€th	21,573	23,961	25,361
Total liab. and shareholders' equity	€th	7,140	23,744	22,844

Capital Employed

Capital employed after depreciation	€th	7,140	23,744	22,844
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Profits & Risks Ratios

ROE (after tax)	%	27.6	-171	-198
ROCE	%	-35.2	39.1	-7.05
Gearing (at book value)	%			
Adj. Net debt/EBITDA(R)	x	-7.44	-9.27	-11.0
Interest cover (x)	x	-34.2	1,241,600	230,000

Valuation Ratios

Reference P/E (benchmark)	x	-4.71	-4.45	-3.61
Free cash flow yield	%	-57.6	-77.5	-35.6
P/Book	x	-0.16	-14.9	-1.56
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	2,487	3,229	3,931
+ Provisions	€th	842	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	21,573	23,961	25,361
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th	0.00	0.00	0.00
= EV	€th	24,902	27,190	29,292
EV/EBITDA(R)	x	-8.59	-10.5	-12.7
EV/Sales	x	ns	ns	ns

Analyst : Christian Auzanneau, Changes to Forecasts : 25/08/2020.