



# Drone Volt

Aerosp. & Defence Equipt. / France

## H1 25: Change in business model enacted

Earnings/sales releases - 18/07/2025

**Drone Volt enacted its new status with this half-year release. The group reiterated its guidance of positive EBITDA for FY 25, reinforcing our conviction that it will be able to offset the seemingly difficult first half. The group significantly reinforced its balance sheet, won new orders, and successfully entered the US market with the help of its anchor US shareholders. We reiterate our positive recommendation on the name, focusing on drone sovereignty and the defence/security spending spree.**

### Fact

As already announced, sales declined by 82% to €4.136m as distribution fell even more than expected to €1.3m in H1 25 from €21.8m, while in-house drone and services experienced strong growth from €1.5m to €2.9m.

However, the gross margin only declined by 19% to €1.8m (below our expectations of €2.2m), underpinned by the 76% increase in the gross result from Drone Volt Factory, Services and Academy to €1.622m, partially offsetting the decrease in the gross result of distribution from €1.3m to €0.2m.

The group reiterated its guidance of EBITDA>0 for FY 25.

### Analysis

#### A disappearing retailer status

This release clearly confirms the new status of Drone Volt, which has transitioned from a drone retailer to a drone maker and service provider. These new businesses are now generating more than twice the sales level of distribution. This new assumed status is also visible in the granularity of figures disclosed for its new businesses for the first time in a semi-annual release. Although we do not yet have absolute figures, we know that growth was (unsurprisingly) strong on the factory side (+70%) thanks to its best-seller, HERCULES 20, but also its HELIPLANE and LINEDRONE. The services also grew strongly by more than 100% thanks to good momentum in France and internationalisation with Canada notably, although its share of sales might be somewhat lower than the factory (c.40% in our opinion).

#### Impressive rise in margins

Unsurprisingly, the new focus on high-margin services and drone maker activities (57% gross margin) led to a quadrupling of the margin up to 44% as the company is winding down its distribution activity (16% gross margin). The change in the business model that the company undertook thus seems to us more sustainable and financially attractive as the services offer answers a real business need from its customer with a differentiated offer thanks to its homegrown drones (like the LINEDRONE for cable inspection) and the factory should benefit from the high operating leverage following the recent orders announced.

#### A strong financial position following the latest capital increase

Drone Volt announced a week ago a new capital increase of €12.4m, with a share purchase warrant attached to each share, from US and European investors, thus effectively creating 15.3m shares. This could lead to a 42% dilution of existing shareholders once the share purchase warrants are exercised but could bring c.€12m more in financing.



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This research has been commissioned and paid for by the company and does therefore not constitute an inducement caught by the prohibition under MiFID II

<b>Buy</b>	<b>Upside: 43.2%</b>
Target Price (6 months)	€ 1.23
Share Price	€ 0.86
Market Cap. €M	49.1
Price Momentum	<b>STRONG</b>
Extremes 12 Months	0.24 ► 1.36
Sustainability score	5.1 / 10
Credit Risk	C ↗
Bloomberg	ALDRV FP Equity
Reuters	ALDRV.PA



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PERF	1w	1m	3m	12m
Drone Volt	2.99%	27.4%	67.5%	35.4
Aerospace-Defence	1.73%	8.29%	27.4%	74.2
STOXX 600	-1.07%	0.88%	8.02%	6.25

Last updated: 11/07/2025	12/24A	12/25E	12/26E	12/27E
Adjusted P/E (x)	-0.93	-15.9	20.8	11.5
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-6.78	ns	5.91	3.21
Adjusted EPS (€)	-0.68	-0.05	0.04	0.07
Growth in EPS (%)	n/a	n/a	n/a	80.9
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	32,662	11,784	20,400	25,934
Other margin (%)	13.0	58.6	65.3	69.6
Attributable net profit (€th)	11,901	-2,872	3,545	6,413
ROE (after tax) (%)	-64.6	-13.1	11.4	18.2
Gearing (%)	29.7	-11.2	-38.6	-43.2

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

Nevertheless, this capital raising is interesting from a financing standpoint as it enables Drone Volt to reinforce its balance sheet for good while diversifying its capital structure with US-based shareholders once again. These US shareholders do not contribute only to the development of Drone Volt by bringing fresh money but also helped break into the very attractive US market, the largest for drone makers and now free from Chinese competition (a godsend for the Kobra drone!). This fresh cash injection could even support growth by acquisitions according to the company, which is mentioned for the first time and is a clear sign of a strong financial position.

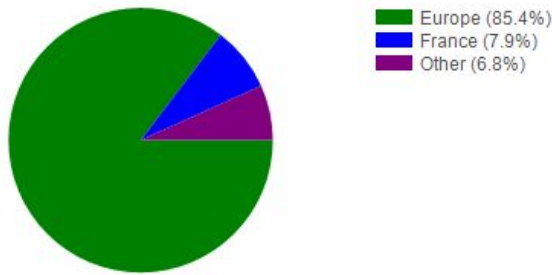
#### **Recent orders back an unchanged outlook**

We are confident that the group will achieve its guidance thanks to the numerous orders announced over the past three months for all its homemade drones as well as services, of which a massive €6m contract over 3 years internationally. From our understanding, this is a B2B2C type of contract, where a distributor located somewhere abroad commits to buy at least €2m worth of Hercules 20, Kobra and Heliplane over the next 3 years. This is clearly very positive as it is the first big order for its drones involving the Kobra drone notably (which has not yet contributed to Drone Volt results) and should boost the margins of Drone Volt as it is a high operational leverage business. The recent launch of the Drone Volt Kobra in the USA thanks to a partnership with a local manufacturer should also help win more orders as it enables to serve the US market faster, meet stricter sovereignty requirements and probably more importantly avoid tariffs.

#### **■ Impact**

We will update our estimates to take into account these figures, but this should not significantly change our target price given that the guidance was reiterated, underpinned by new orders.

## Sales by Geography



## Consolidated P&L Accounts

		12/24A	12/25E	12/26E
Sales	€th	32,662	11,784	20,400
Change in sales	%	36.1	-63.9	73.1
Change in staff costs	%	23.9	-3.04	7.10
EBITDA	€th	-3,149	395	6,673
<b>EBITDA(R) margin</b>	%	<b>-9.64</b>	<b>3.35</b>	<b>32.7</b>
Depreciation	€th			
Underlying operating profit	€th	-6,432	-2,087	4,337
<b>Operating profit (EBIT)</b>	<b>€th</b>	<b>-7,144</b>	<b>-2,723</b>	<b>3,701</b>
Net financial expense	€th	-3,589	-550	-467
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th			
Corporate tax	€th	-2,184	-666	-808
Equity associates	€th			
Minority interests	€th	1,016	1,067	1,120
<b>Adjusted attributable net profit</b>	<b>€th</b>	<b>-11,901</b>	<b>-2,872</b>	<b>3,545</b>
NOPAT	€th	-4,824	-1,565	3,253

## Cashflow Statement

EBITDA	€th	-3,149	395	6,673
Change in WCR	€th	4,971	1,175	292
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	-121	-666	-808
Exceptional items	€th			
Other operating cash flows	€th	-818	0.00	0.00
Total operating cash flows	€th	883	904	6,156
Capital expenditure	€th	-4,210	-3,621	-3,259
Total investment flows	€th	-4,213	-3,621	-3,259
Net interest expense	€th	-3,589	-550	-467
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	3,295	19,200	0.00
Total financial flows	€th	3,055	16,271	-1,067
Change in cash position	€th	-276	13,554	1,830
<b>Free cash flow (pre div.)</b>	<b>€th</b>	<b>-6,916</b>	<b>-3,267</b>	<b>2,430</b>

## Per Share Data

No. of shares net of treas. stock (year...	Th	20,109	57,093	57,093
Number of diluted shares (average)	Th	17,563	53,008	85,906
<b>Benchmark EPS</b>	<b>€</b>	<b>-0.68</b>	<b>-0.05</b>	<b>0.04</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	€ 1.37	35%	
NAV/SOTP per share	€ 1.17	20%	
EV/Ebitda	€ 1.68	20%	
P/E	€ 0.97	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 1.72	5%	
TARGET PRICE	€ 1.23	100%	

### NAV/SOTP Calculation

## Balance Sheet

		12/24A	12/25E	12/26E
Goodwill	€th	685	706	727
Total intangible	€th	12,092	12,764	13,475
Tangible fixed assets	€th	738	760	783
Financial fixed assets	€th			
WCR	€th	-1,044	-2,219	-2,511
Other assets	€th	1,204	1,240	1,277
Total assets (net of short term liab.)	€th	15,989	15,599	16,133
<b>Ordinary shareholders' equity</b>	<b>€th</b>	<b>14,128</b>	<b>29,587</b>	<b>32,371</b>
Quasi Equity & Preferred	€th			
Minority interests	€th	-3,720	-3,683	-3,646
Provisions for pensions	€th	79.0	0.00	0.00
Other provisions for risks and liabilities	€th	817	940	1,080
Total provisions for risks and liabilities	€th	896	940	1,080
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	25.3	27.8	30.6
<b>Net debt (cash)</b>	<b>€th</b>	<b>4,661</b>	<b>-11,272</b>	<b>-13,703</b>
Total liab. and shareholders' equity	€th	15,990	15,599	16,133

## Capital Employed

Capital employed after depreciation	€th	11,786	11,306	11,747
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## Profits & Risks Ratios

<b>ROE (after tax)</b>	%	<b>-64.6</b>	<b>-13.1</b>	<b>11.4</b>
ROCE	%	-40.9	-13.8	27.7
<b>Gearing (at book value)</b>	%	<b>29.7</b>	<b>-11.2</b>	<b>-38.6</b>
Adj. Net debt/EBITDA(R)	x	-1.76	-26.2	-1.89
Interest cover (x)	x	-1.79	-3.80	9.28

## Valuation Ratios

<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-0.93</b>	<b>-15.9</b>	<b>20.8</b>
Free cash flow yield	%	-54.6	-6.65	4.95
P/Book	x	0.90	1.66	1.52
<b>Dividend yield</b>	%	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

Market cap	€th	12,670	49,100	49,100
+ Provisions	€th	896	940	1,080
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	4,058	-11,905	-14,368
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th	0.00	0.00	0.00
+ Minority interests (fair value)	€th	3,720	3,683	3,646
= EV	€th	21,344	41,817	39,459
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-6.78</b>	<b>ns</b>	<b>5.91</b>
EV/Sales	x	0.65	3.55	1.93

Analyst : Alexandre Desprez, Changes to Forecasts : 11/07/2025.