ROTH2

Engineering-Heavy Constr. / France

A new player in the hydrogen transport and storage markets

Initiation cov. - 28/07/2026

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Buy	**Upside: 125%**
Target Price (6 months)	€ 2.00
Share Price	€ 0.89
Market Cap. €M	12.0
Price Momentum	
Extremes 12 Months	0.89 ▶ 1.30
Sustainability score	1.4 /10
Credit Risk	BB
Bloomberg	MLROT FP Equity
Reuters	MLROT.EUA

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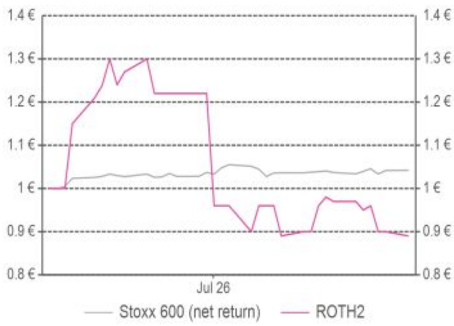


PERF	1w	1m	3m	12m
ROTH2	-8.25%	-27.0%	n/a	n/a
Capital Goods	0.72%	-2.36%	-1.68%	25.1
STOXX 600	0.78%	1.37%	5.88%	17.2

Last updated: 28/07/2026	03/25A	03/26E	03/27E	03/28E
Adjusted P/E (x)	-2.13	-10.3	5.47	3.32
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-11.3	14.8	3.73	1.34
Adjusted EPS (€)	-0.47	-0.10	0.16	0.27
Growth in EPS (%)	n/a	n/a	n/a	64.9
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	5,600	6,300	11,900	21,700
EBITDA/R margin (%)	-21.2	14.3	24.3	30.2
Attributable net profit (€th)	-2,806	-1,126	1,990	3,411
ROE (after tax) (%)	181	-77.4	29.1	35.7
Gearing (%)		91.3	11.4	-5.91

Company Valuation - Company Financials

We initiate tracking of the value with a buy recommendation ("Buy"), supported by a potential increase of about 120%. The company appears undervalued in light of its development prospects and the growth of its markets. It has demonstrated its ability to pursue its organic growth strategy in order to expand its portfolio of activities, both in terms of offer and geographical coverage.

ROTH2, originally specialized in the manufacture of pressure tanks, was created in its current form in 1975 to incorporate hot spinning technology. This technology is the basis of ROTH2's original expertise in the manufacture of equipment such as hydropneumatic accumulator bodies, diving bottles, and other industrial applications. Spinning involves the deformation of metals, creep, between a mandrel and one or more rollers, between which the material flows.

Today, based on its know-how, the company has developed its range in the promising market of hydrogen accumulators. The initial idea being that the company has the skills necessary for the design and manufacture of hydrogen tanks, ROTH2 plans to take advantage of the strong expected development of the consumption of this gas, which is obviously based on the energy transition and the possibility of producing low (or even zero) carbon footprint energy.

Growing markets

The markets targeted by ROTH2 are the transport of all gases for industrialists such as LINDE, Air Liquide already addressed by type 4 tanks among others, but also those of mobility (for example tanks and reservoirs typically equipping trucks).

These markets are set to develop considerably, considering that the transport sector is one of the most polluting in terms of greenhouse gas emissions (20% of the total worldwide according to the IEA). It is therefore one of the main sectors where the development of the use of hydrogen will be favored, with potentially very substantial savings in terms of emissions.

Since the beginning of the war in Ukraine, the need to produce shells in Europe has become increasingly decisive: on the one hand to support Ukraine and on the other hand to regain a certain strategic autonomy. In this context, ROTH2's technology, which it is the only one to hold in Europe with Faber, allows it to make shell bodies.

A "green player"

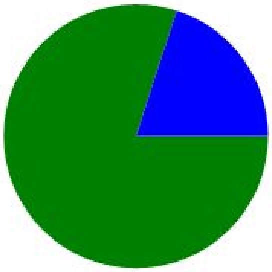
ROTH2 has obtained the exclusive European license for type V composite pressure tanks developed by COVESS in collaboration with Air Liquide.

This exclusive license constitutes a considerable development lever for ROTH2. Indeed, the main industrialists in the sector such as Air Liquide or Linde have extremely important needs that are not currently adequately covered by type IV. As an indication, Air Liquide and its partners need to eventually replace their container fleet which is currently 20 million units. This represents a huge potential market that could quickly represent more than 500,000 units per year just for Air Liquide and its partners.

Significant appreciation potential

Our valuation comes out at €2.28/share. It is based on the group's business plan, which we consider prudent, again because of the development prospects of the group's markets and its entry into new markets (type V, shells…). Our recommendation therefore comes out as a Buy with a potential for revaluation of c.+120%.

Sales by Geography



Valuation Summary

Benchmarks	Value	Weight
DCF	€ 1.90	40%
NAV/SOTP per share	€ 2.43	40%
P/E	€ 1.78	5%
EV/Ebitda	€ 1.78	5%
P/Book	€ 1.78	5%
Dividend Yield	€ 0.00	5%
TARGET PRICE	€ 2.00	100%

NAV/SOTP Calculation

Largest comparables

- Siemens Energy
- Nel
- Vestas Wind Syste...
- Prysmian
- IMI
- Nexans
- Nordex SE
- Danieli & Co

Consolidated P&L Accounts

		03/25A	03/26E	03/27E
Sales	€th	5,600	6,300	11,900
Change in sales	%	-36.4	12.5	88.9
Change in staff costs	%	-37.9	11.1	10.0
EBITDA	€th	-1,188	901	2,890
EBITDA(R) margin	**%**	**-21.2**	**14.3**	**24.3**
Depreciation	€th	-944	-1,200	-1,200
Underlying operating profit	€th	-2,132	-299	1,690
Operating profit (EBIT)	**€th**	**-2,132**	**-299**	**1,690**
Net financial expense	€th	-674	-0.01	-0.01
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th	0.00	0.00	0.00
Corporate tax	€th	0.00	-828	300
Equity associates	€th			
Minority interests	€th			
Adjusted attributable net profit	**€th**	**-2,806**	**-1,126**	**1,990**
NOPAT	€th	-1,599	-224	1,267

Cashflow Statement

		03/25A	03/26E	03/27E
EBITDA	€th	-1,188	901	2,890
Change in WCR	€th	0.00	197	139
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th		-828	300
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	-1,188	270	3,329
Capital expenditure	€th	-3,561	-2,100	-2,225
Total investment flows	€th	-3,561	-2,100	-2,225
Net interest expense	€th	-674	-0.01	-0.01
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	0.00	7,424	
Total financial flows	€th	-100	690	10,000
Change in cash position	€th	-4,849	1,060	11,104
Free cash flow (pre div.)	**€th**	**-5,423**	**-1,830**	**1,104**

Per Share Data

		03/25A	03/26E	03/27E
No. of shares net of treas. stock (year...	Th	5,697	13,466	13,466
Number of diluted shares (average)	Th	5,554	9,582	13,466
Benchmark EPS	**€**	**-0.47**	**-0.10**	**0.16**
Restated NAV per share	€			
Net dividend per share	**€**	**0.00**	**0.00**	**0.00**

Balance Sheet

		03/25A	03/26E	03/27E
Goodwill	€th	296	296	296
Total intangible	€th	2,018	2,018	2,018
Tangible fixed assets	€th	4,254	5,154	6,179
Financial fixed assets	€th	125	125	125
WCR	€th	-2,808	-3,005	-3,144
Other assets	€th	1,149	1,445	1,445
Total assets (net of short term liab.)	€th	6,630	7,629	8,515
Ordinary shareholders' equity	**€th**	**-2,941**	**5,853**	**7,843**
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
Other provisions for risks and liabilities	€th	331	331	331
Total provisions for risks and liabilities	€th	331	331	331
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	0.00	0.00	0.00
Net debt (cash)	**€th**	**9,240**	**1,446**	**342**
Total liab. and shareholders' equity	€th	6,630	7,629	8,515

Capital Employed

		03/25A	03/26E	03/27E
Capital employed after depreciation	€th	3,589	4,292	5,178

Profits & Risks Ratios

		03/25A	03/26E	03/27E
ROE (after tax)	**%**	**181**	**-77.4**	**29.1**
ROCE	%	-44.6	-5.22	24.5
Gearing (at book value)	**%**		**91.3**	**11.4**
Adj. Net debt/EBITDA(R)	x	-8.06	1.97	0.23
Interest cover (x)	x	-3.16	-29,851	168,992

Valuation Ratios

		03/25A	03/26E	03/27E
Reference P/E (benchmark)	**x**	**-2.13**	**-10.3**	**5.47**
Free cash flow yield	%	-95.2	-13.6	9.21
P/Book	x	-1.94	2.30	1.53
Dividend yield	**%**	**0.00**	**0.00**	**0.00**

EV Calculation

		03/25A	03/26E	03/27E
Market cap	€th	5,697	13,466	11,985
+ Provisions	€th	331	331	331
+ Unrecognised acturial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	7,348	-446	-1,550
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	13,376	13,351	10,766
EV/EBITDA(R)	**x**	**-11.3**	**14.8**	**3.73**
EV/Sales	x	2.39	2.12	0.90

Analyst : Fabrice Farigoule, Changes to Forecasts : 28/07/2026.