



COURBET

Hotels & Motels / France

Merger Project with MHM

M&A /Corp. Action - 18/11/2024

MyHotelMatch, a company in the Ott galaxy, announces a project to merge with Courbet Heritage.

Fact

- MHM may purchase Courbet Heritage.
- Regulatory approval is necessary.

Analysis

Governance

The Ott family almost entirely owns Courbet Heritage, with the Ott family owning less than 30% of MHM. Given Courbet Heritage's valuation advantage, if the transaction were fully compensated with new MHM shares, the Ott family's stake in NewMHM would exceed 30%, requiring a waiver from the French AMF. Regardless, we anticipate the Ott family will retain significant influence over NewMHM, which will become their main listed SPV. This transaction will effectively shift Courbet Heritage shares from the OTC market to the regulated Euronext market, where MHM is currently listed, improving transparency for Courbet Heritage's minority shareholders.

Economic implications

Economically, Courbet Heritage will become the primary activity of MHM, as MHM's main business, the Conciergerie, has been sold. Essentially, NewMHM will closely mirror the current economic structure of Courbet Heritage.

Transaction

The details of the merger are currently unknown. In a 100% share deal, the exchange terms need to be evaluated. If a cash component is included, it will provide clarity on the valuation of Courbet Heritage shares.

Impact

The merger project does not necessitate alterations to our presumptions regarding Courbet Heritage. Courbet Heritage should reveal information about its portfolio to elucidate the valuation.

Courbet's portfolio necessitates substantial investment in works, in addition to details on the timeline for planning permissions and the economic parameters of the investments, such as rents, return on cost, financing, and the business model of each asset.

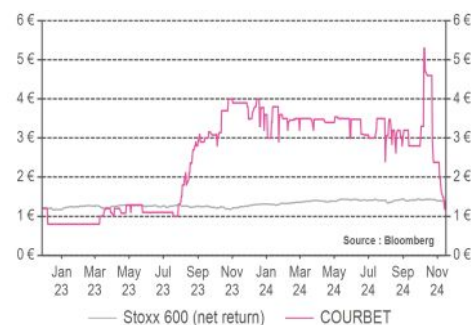


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This research has been commissioned and paid for by the company and does therefore not constitute an inducement caught by the prohibition under MiFID II

Buy	Upside: 208%
Target Price (6 months)	€ 4.15
Share Price	€ 1.35
Market Cap. €M	15.5
Price Momentum	NEGATIVE
Extremes 12 Months	1.18 ▶ 5.30
Sustainability score	1.5 /10
Credit Risk	C ↗
Bloomberg	MLCOU FP Equity
Reuters	COUP.PA

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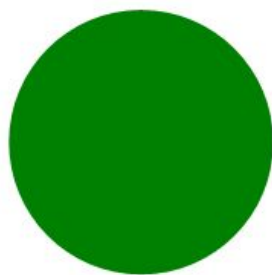


PERF	1w	1m	3m	12m
COURBET	-16.7%	-70.7%	-57.8%	-65.4
Hotel, Catering & Leisure	1.97%	7.72%	15.6%	33.7
STOXX 600	-0.69%	-3.17%	-1.33%	10.7

Last updated: 19/08/2024	06/23A	06/24E	06/25E	06/26E
Adjusted P/E (x)	-41.7	ns	-15.3	-46.2
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	96.7	ns	ns	22.2
Adjusted EPS (€)	-0.02	-0.03	-0.09	-0.03
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	0.80	3.28	4.24	13.1
EBITDA/R margin (%)	27.5	8.35	11.0	26.3
Attributable net profit (€M)	-0.18	-0.30	-1.02	-0.34
ROE (after tax) (%)	27.5	-5.96	-11.4	-4.08
Gearing (%)	744	324	739	899

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

Sales by Geography



France (100.0%)

Consolidated P&L Accounts

		06/23A	06/24E	06/25E
Sales	€M	0.80	3.28	4.24
Change in sales	%	ns	312	29.3
Change in staff costs	%	-95.0	182,300	70.4
EBITDA	€M	0.06	-0.02	-0.55
EBITDA(R) margin	%	22.0	20.0	3.15
Depreciation	€M	0.00	-0.25	-0.43
Underlying operating profit	€M	0.06	-0.27	-0.98
Operating profit (EBIT)	€M	0.06	-0.27	-0.98
Net financial expense	€M	-0.24	-0.08	-0.05
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M	0.00	0.00	0.00
Corporate tax	€M	0.00	0.05	0.01
Equity associates	€M	0.00	0.00	0.00
Minority interests	€M	0.00	0.00	0.00
Adjusted attributable net profit	€M	-0.18	-0.30	-1.02
NOPAT	€M	0.04	-0.20	-0.73

Cashflow Statement

EBITDA	€M	0.06	-0.02	-0.55
Change in WCR	€M	0.00	0.00	0.00
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	0.00	0.05	0.01
Exceptional items	€M	0.00	0.00	0.00
Other operating cash flows	€M	0.00	0.00	0.00
Total operating cash flows	€M	0.06	0.03	-0.54
Capital expenditure	€M	-5.00	-55.5	-16.0
Total investment flows	€M	-5.00	-55.5	-16.0
Net interest expense	€M	-0.24	-0.08	-0.05
Dividends (parent company)	€M	0.00	0.00	0.00
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	3.00	9.00	0.00
Total financial flows	€M	3.00	59.2	16.0
Change in cash position	€M	-1.94	3.69	-0.55
Free cash flow (pre div.)	€M	-5.18	-55.5	-16.6

Per Share Data

No. of shares net of treas. stock (year...	Mio	8.85	11.5	11.5
Number of diluted shares (average)	Mio	7.60	10.2	11.5
Benchmark EPS	€	-0.02	-0.03	-0.09
Restated NAV per share	€	1.20	3.40	3.60
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 4.09	75%	
DCF	€ 4.34	25%	
TARGET PRICE	€ 4.15	100%	

NAV/SOTP Calculation

Balance Sheet

		06/23A	06/24E	06/25E
Goodwill	€M			
Total intangible	€M	0.00	0.00	0.00
Tangible fixed assets	€M	7.92	63.2	78.7
Financial fixed assets	€M			
WCR	€M	0.00	0.00	0.00
Other assets	€M			
Total assets (net of short term liab.)	€M	7.92	63.2	78.7
Ordinary shareholders' equity	€M	0.72	9.42	8.40
Quasi Equity & Preferred	€M	0.00	0.00	0.00
Minority interests	€M	0.00	0.00	0.00
Provisions for pensions	€M	0.00	0.00	0.00
Other provisions for risks and liabilities	€M	0.00	0.00	0.00
Total provisions for risks and liabilities	€M	0.00	0.00	0.00
Tax liabilities	€M	0.00	0.00	0.00
Other liabilities	€M	0.00	0.00	0.00
Net debt (cash)	€M	7.20	53.8	70.3
Total liab. and shareholders' equity	€M	7.92	63.2	78.7

Capital Employed

Capital employed after depreciation	€M	8.76	67.9	83.5
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Profits & Risks Ratios

ROE (after tax)	%	27.5	-5.96	-11.4
ROCE	%	1.51	0.44	-0.27
Gearing (at book value)	%	744	324	739
Adj. Net debt/EBITDA(R)	x	41.2	82.0	526
Interest cover (x)	x	0.33	-0.25	-3.03

Valuation Ratios

Reference P/E (benchmark)	x	-41.7	ns	-15.3
Free cash flow yield	%	-58.4	-153	-107
P/Book	x	12.3	3.86	1.85
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€M	8.88	36.4	15.5
+ Provisions	€M	0.00	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	7.20	53.8	70.3
+ Leases debt equivalent	€M	0.84	4.72	4.77
- Financial fixed assets (fair value)	€M	0.00	0.00	0.00
+ Minority interests (fair value)	€M	0.00	0.00	0.00
= EV	€M	16.9	94.9	90.6
EV/EBITDA(R)	x	96.7	ns	ns
EV/Sales	x	21.3	28.9	21.4

Analyst : Christian Auzanneau, Changes to Forecasts : 19/08/2024.