Drone Volt

Aerosp. & Defence Equipt. / France

H1 26: Good performance despite export delays

Earnings/sales releases - 21/07/2026

Alexandre DESPREZ
aerospacedefence@alphavalue.eu
+33 (0) 1 70 61 10 50
corporate.alphavalue.com

Buy	**Upside: 71.8%**
Target Price (6 months)	€ 0.61
Share Price	€ 0.36
Market Cap. €M	27.6
Price Momentum	NEGATIVE
Extremes 12 Months	0.36 ▶ 0.93
Sustainability score	3.0 /10
Credit Risk	CCC ↗
Bloomberg	ALDRV FP Equity
Reuters	ALDRV.PA

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PERF	1w	1m	3m	12m
Drone Volt	-4.61%	-16.8%	-37.5%	-57.5
Aerospace-Defence	-1.49%	-2.83%	-2.07%	2.42
STOXX 600	-0.22%	0.63%	2.92%	16.9

Last updated: 02/07/2026	12/25A	12/26E	12/27E	12/28E
Adjusted P/E (x)	-5.38	-29.3	13.2	8.92
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-12.0	17.4	2.80	1.75
Adjusted EPS (€)	-0.12	-0.01	0.03	0.04
Growth in EPS (%)	n/a	n/a	n/a	48.2
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	8,732	12,888	21,678	25,418
Other margin (%)	36.9	67.2	73.4	76.0
Attributable net profit (€th)	-13,749	-1,526	3,467	5,138
ROE (after tax) (%)	-77.3	-6.71	13.4	16.9
Gearing (%)	11.1	-6.31	-16.5	-24.6

Company Valuation - Company Financials

Drone Volt has just announced its preliminary H1 26 figures, which came in lower than our expectations despite continued improvement across the board. The company suffered from administrative burdens for exports. The group logically reiterated its guidance for growth in high-margin activities, which should support profitability as well. We reiterate our positive stance on the stock, which now offers more defence optionality after reaching a distribution agreement with a Latvian military drone producer.

Fact

The sales grew by 19% to €5.0m (AV: €7.3m) thanks to the high-margin businesses, which experienced a 24% growth to €3.5m in H1 26, despite suffering from export delays. Meanwhile, distribution exceeded our expectations with an 8% growth to €1.4m.

The gross margin grew by 23% to €2.2m. This was below our expectations of €4.7m but represented an improvement of the margin by 2pp to 44%. This was underpinned by a 28% increase in the gross result from Drone Volt Factory, Services and Academy to €2.1m, which partially offset the decrease in the gross result of distribution from €0.16m to €0.13m as the company is slowing down this activity.

The company reiterates its objective of continued growth in high-margin activities while still evaluating acquisition opportunities to expand geographically and focus more on services.

Analysis

A growth slowed down by export delays

Even though the growth rate can be qualified as high with a low double-digit figure, this figure could have been higher if the company had not suffered from administrative burdens impeding the export of its own drones. The growth engine was thus services, which represented 40% of half-year revenue according to the press release (a welcome indication), meaning that it represented around €2m of sales. The sub-division benefitted notably from its Phoenix Tower International contract and R&D activities with Hydro-Québec. Despite distribution now being considered non-core, the subdivision surprised positively by growing during the quarter, although no explanation was given for this increase.

A service-driven gross margin

The gross margin growth was also remarkable, growing faster than sales thanks notably to a more favourable mix. Indeed, Drone Volt indicated that service activities represented 70% of the gross profit for the half year, i.e., €1.5m and implying a strong gross margin of 77% for this activity, while the factory generated €530k of gross profit or 34% gross margin out of €1.6m of sales. We think the company has thus good leeway to ramp up its profitability going forward with higher volume for the factory (19 drones sold in H1, of which 4 HELIPLANE and 3 LINEDRONE) better amortising fixed costs.

A reinforced financial position

During the past three months, Drone Volt announced a capital increase of €3.85m for US investors and an issuance of warrants for €616k for commercial partners and employees under the same conditions. The proceeds will be used for targeted hiring and external growth initiatives, suggesting a continued high demand for its high margin services and internal drones. Despite being conducted without subscription rights, the economic dilution was very limited given that the TERP was €0.549 vs €0.56 at the close before the announcement of the first capital increase, and the share price was below that level before the second capital increase. The warrants can be exercised between August 2026 up to May 2031, thus aligning the interest of commercial partners and employees with shareholders for value creation at Drone Volt. These two fundraising events are thus positive in our view for minority shareholders, as they reinforced the balance sheet with little economic dilution while aligning interests for value creation.

An unchanged outlook with more defence optionality

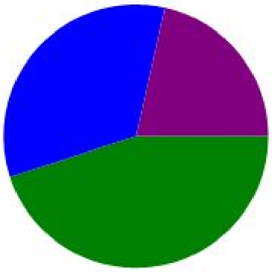
The company reiterated its objective of continued growth in its services and R&D activities as well as for its own drones' sales, which should enable the company to reach positive EBITDA shortly in our opinion. This is especially true given the current political realisation that not all defence spending must be routed towards legacy weapons should accelerate drone orders. Drone Volt is now well placed with its ITAR-free drone Kobra, but also with its new distribution agreement with DK Unity, a Latvian company producing interceptor drones, to market them in French-speaking countries. These drones are battle-proven in Ukraine and enable Drone Volt to smartly enter the military space without confronting directly Ukrainian drone makers, which are necessarily more advanced than western counterparts. We think this should further improve the equity story of Drone Volt ahead of its potential NASDAQ listing without massive investments and help the group reach profitability.

On the civil side, the group should benefit from the sale of the drones that suffered from administrative delays as well as the new contract won by AMPACIMON, a key partner of Drone Volt, to install Dynamic Line Rating sensors in the UK for NATIONAL GRID, even though we do not know exactly the details of that order. The group also expects sales momentum to remain strong for the remainder of the year, which bodes well for 2027.

Impact

We will slightly adjust our forecasts downwards for the factory segment, which is suffering from export delays, but we do not expect a change in recommendation as growth prospects remain intact with a more substantial defence optionality.

Sales by Geography



Valuation Summary

Benchmarks	Value	Weight
DCF	€ 0.67	35%
NAV/SOTP per share	€ 0.63	20%
EV/Ebitda	€ 0.71	20%
P/E	€ 0.71	10%
Dividend Yield	€ 0.00	10%
P/Book	€ 0.71	5%
TARGET PRICE	€ 0.61	100%

NAV/SOTP Calculation

Largest comparables

Consolidated P&L Accounts

		12/25A	12/26E	12/27E
Sales	€th	8,732	12,888	21,678
Change in sales	%	-73.3	47.6	68.2
Change in staff costs	%	-1.04	12.2	7.10
EBITDA	€th	-3,729	1,456	8,083
EBITDA(R) margin	**%**	**-42.7**	**11.3**	**37.3**
Depreciation	€th			
Underlying operating profit	€th	-6,502	-204	5,848
Operating profit (EBIT)	**€th**	**-7,388**	**-907**	**5,145**
Net financial expense	€th	-1,793	-670	-617
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th	-4,498		
Corporate tax	€th	-134	-15.8	-1,132
Equity associates	€th			
Minority interests	€th	64.0	67.2	70.6
Adjusted attributable net profit	**€th**	**-8,718**	**-1,526**	**3,467**
NOPAT	€th	-4,877	-153	4,386

Cashflow Statement

		12/25A	12/26E	12/27E
EBITDA	€th	-3,729	1,456	8,083
Change in WCR	€th	-3,517	1,362	-204
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	0.00	-15.8	-1,132
Exceptional items	€th			
Other operating cash flows	€th	-803	0.00	0.00
Total operating cash flows	€th	-8,049	2,802	6,747
Capital expenditure	€th	-3,272	-2,945	-3,239
Total investment flows	€th	-7,819	-2,945	-3,239
Net interest expense	€th	-1,793	-670	-617
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	20,906	4,050	0.00
Total financial flows	€th	18,666	2,421	-1,117
Change in cash position	€th	2,700	2,278	2,391
Free cash flow (pre div.)	**€th**	**-13,114**	**-813**	**2,891**

Per Share Data

		12/25A	12/26E	12/27E
No. of shares net of treas. stock (year...	Th	70,544	77,519	77,519
Number of diluted shares (average)	Th	75,585	125,641	128,767
Benchmark EPS	**€**	**-0.12**	**-0.01**	**0.03**
Restated NAV per share	€			
Net dividend per share	**€**	**0.00**	**0.00**	**0.00**

Balance Sheet

		12/25A	12/26E	12/27E
Goodwill	€th	191	197	203
Total intangible	€th	11,968	12,662	13,396
Tangible fixed assets	€th	569	586	604
Financial fixed assets	€th			
WCR	€th	2,427	1,065	1,269
Other assets	€th	1,542	1,588	1,636
Total assets (net of short term liab.)	€th	22,886	22,366	23,456
Ordinary shareholders' equity	**€th**	**21,458**	**24,053**	**27,818**
Quasi Equity & Preferred	€th			
Minority interests	€th	0.00	0.00	0.00
Provisions for pensions	€th	66.0	0.00	0.00
Other provisions for risks and liabilities	€th	1,236	1,421	1,635
Total provisions for risks and liabilities	€th	1,302	1,421	1,635
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	25.0	27.5	30.3
Net debt (cash)	**€th**	**101**	**-3,136**	**-6,027**
Total liab. and shareholders' equity	€th	22,886	22,366	23,456

Capital Employed

Capital employed after depreciation	€th	14,964	14,313	15,268

Profits & Risks Ratios

ROE (after tax)	**%**	**-77.3**	**-6.71**	**13.4**
ROCE	%	-32.6	-1.07	28.7
Gearing (at book value)	**%**	**11.1**	**-6.31**	**-16.5**
Adj. Net debt/EBITDA(R)	x	-0.38	-1.18	-0.54
Interest cover (x)	x	-3.63	-0.30	9.48

Valuation Ratios

Reference P/E (benchmark)	**x**	**-5.38**	**-29.3**	**13.2**
Free cash flow yield	%	-30.0	-2.95	10.5
P/Book	x	2.04	1.15	0.99
Dividend yield	**%**	**0.00**	**0.00**	**0.00**

EV Calculation

Market cap	€th	43,760	27,597	27,597
+ Provisions	€th	1,302	1,421	1,635
+ Unrecognised acturial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	-433	-3,697	-6,615
+ 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	0.00	0.00	0.00
= EV	€th	44,629	25,322	22,616
EV/EBITDA(R)	**x**	**-12.0**	**17.4**	**2.80**
EV/Sales	x	5.11	1.96	1.04

Analyst : Alexandre Desprez, Changes to Forecasts : 02/07/2026.