



Drone Volt

Aersp. & Defence Equipt. / France

Slightly disappointing Q3 results, but commercial momentum remains

Earnings/sales releases - 16/10/2025

Drone Volt released a rather disappointing Q3 trading update with top-line and gross result decline at its high-margin segment, Drone Volt Factory, Services & Academy. Although it suffered from a truly tough comparison base and a usual summer negative effect that impeded potential offsetting by other activities, the company reaffirmed its outlook. This probably shows that this quarter is not that bad but the result of bad timing. We maintain our positive stance on this undervalued Aerospace & Defence play.

Fact

Sales decreased by 74% compared to last year, from €7.3m to €1.9m.

The distribution segment suffered from an expected sales decline of 85% yoy to €0.9m, but the Drone Volt Factory, Services & Academy segment also suffered from a sales decline of 23% yoy to €1m, which was less expected.

The gross result thus decreased by 31% yoy from €1.1m to €0.7m, implying a 39% gross margin (Q3 24: 15%).

The company reaffirmed its outlook for a positive EBITDA in H2 2025 and expects strong activity on the order side in Q4.

Analysis

Slightly disappointing sales decline

The most important segment for the future of the company, i.e. the Drone Volt Factory, Services & Academy segment, suffered from a tough comparison base as the group managed to sell 42 units of Hercules 20 last year when it sold "only" 15 this year. This could unfortunately not be offset by the growth of services, which now represent 50% of the division sales (an important increase compared to the c.33% recorded last year), as this business usually suffers from a seasonal effect with a usual drop in activity in August (the summer holiday month par excellence in France).

Favourable product mix boosts margins

Although the gross result declined due to the weak top-line, the margin saw a strong increase in both segments. Indeed, the distribution segment saw an increase from 7% (€413m) to 12% (€106m), as a big distribution contract was of course a drag due to less bargaining power. On the high margin Drone Volt Factory, Services & Academy segment (-4% to €636m, margin +12pp to 61%), the group benefited from a favourable mix as the proportion of services sales increased significantly over the year and has very high gross margins (we estimate them at c.90%).

Unchanged outlook

Despite this tough quarter, the company reaffirmed its outlook for a positive EBITDA in H2 2025 which is clearly a positive and shows in our opinion that this quarter is not as bad as it seems and more a question of bad timing. Moreover, the group continues to expect strong activity on the order side in Q4, notably thanks to the recent partnership announced with AMPACIMON, a provider of sensors to monitor power lines of network operators, that should help sign new contracts from transmission or distribution system operators beyond Hydro-



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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: 58.5%

Target Price (6 months)	€ 1.27
Share Price	€ 0.80
Market Cap. €M	45.9
Price Momentum	STRONG
Extremes 12 Months	0.24 ► 1.36
Sustainability score	5.3 /10
Credit Risk	DDD ↗
Bloomberg	ALDRV FP Equity
Reuters	ALDRV.PA



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PERF	1w	1m	3m	12m
Drone Volt	-13.9%	-0.99%	-7.59%	94.2
Aerospace-Defence	-4.35%	-1.61%	6.02%	73.4
STOXX 600	-1.05%	1.90%	4.19%	9.07

Last updated: 19/09/2025	12/24A	12/25E	12/26E	12/27E
Adjusted P/E (x)	-3.50	-16.1	22.4	11.1
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-16.7	-49.7	6.27	3.18
Adjusted EPS (€)	-0.18	-0.05	0.04	0.07
Growth in EPS (%)	n/a	n/a	n/a	102
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	32,662	11,451	20,060	25,588
Other margin (%)	13.0	50.7	64.1	70.1
Attributable net profit (€th)	11,901	-8,091	3,085	6,235
ROE (after tax) (%)	-64.6	-38.4	10.6	18.9
Gearing (%)	29.7	-9.07	-35.3	-40.0

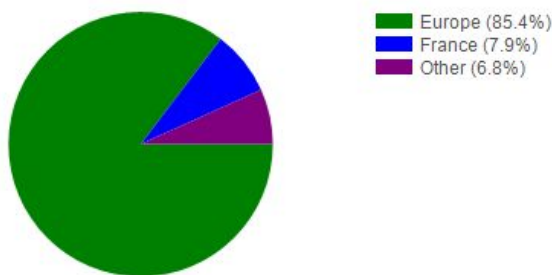
[Company Valuation](#) - [Company Financials](#)

Québec (co-developer of the Linedrone).

■ Impact

We will integrate these new figures into our model, which should slightly reduce our target price due to the lower revenue than expected in the high growth segment. However, this is mitigated by the fact that very high-margin services represent a higher share of sales than we previously thought.

Sales by Geography



Consolidated P&L Accounts

		12/24A	12/25E	12/26E
Sales	€th	32,662	11,451	20,060
Change in sales	%	36.1	-64.9	75.2
Change in staff costs	%	23.9	-3.04	7.10
EBITDA	€th	-3,149	-808	6,099
EBITDA(R) margin	%	-9.64	-7.06	30.4
Depreciation	€th			
Underlying operating profit	€th	-6,432	-6,990	3,794
Operating profit (EBIT)	€th	-7,144	-7,626	3,158
Net financial expense	€th	-3,589	-659	-538
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th			
Corporate tax	€th	-2,184	-872	-655
Equity associates	€th			
Minority interests	€th	1,016	1,067	1,120
Adjusted attributable net profit	€th	-11,901	-3,891	3,085
NOPAT	€th	-4,824	-5,243	2,845

Cashflow Statement

EBITDA	€th	-3,149	-808	6,099
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	-872	-655
Exceptional items	€th			
Other operating cash flows	€th	-818	0.00	0.00
Total operating cash flows	€th	883	-506	5,736
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	-659	-538
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	16,162	-1,138
Change in cash position	€th	-276	12,035	1,340
Free cash flow (pre div.)	€th	-6,916	-4,786	1,940

Per Share Data

No. of shares net of treas. stock (year...	Th	69,847	57,093	57,093
Number of diluted shares (average)	Th	66,052	77,877	85,906
Benchmark EPS	€	-0.18	-0.05	0.04
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 1.39	35%	
NAV/SOTP per share	€ 1.15	20%	
EV/Ebitda	€ 1.61	20%	
P/E	€ 1.58	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 1.61	5%	
TARGET PRICE	€ 1.27	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
Ordinary shareholders' equity	€th	14,128	28,068	30,361
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
Net debt (cash)	€th	4,661	-9,753	-11,693
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

ROE (after tax)	%	-64.6	-38.4	10.6
ROCE	%	-40.9	-46.4	24.2
Gearing (at book value)	%	29.7	-9.07	-35.3
Adj. Net debt/EBITDA(R)	x	-1.76	10.9	-1.74
Interest cover (x)	x	-1.79	-10.6	7.06

Valuation Ratios

Reference P/E (benchmark)	x	-3.50	-16.1	22.4
Free cash flow yield	%	-15.7	-10.4	4.23
P/Book	x	3.11	1.64	1.51
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	44,008	45,903	45,903
+ 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	-10,387	-12,358
+ 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	52,682	40,139	38,271
EV/EBITDA(R)	x	-16.7	-49.7	6.27
EV/Sales	x	1.61	3.51	1.91

Analyst : Alexandre Desprez, Changes to Forecasts : 19/09/2025.