



# Gaussin

Engineering-Heavy Constr. / France

## An opportunistic addition but integration will be key

M&A /Corp. Action - 04/05/2023

**Gaussin in partnership with Macnica has acquired Navya, the Lyon-based start-up that develops autonomous shuttles. This is an opportunistic transaction in two ways. First, Gaussin has taken over only the assets of the business, and second, this acquisition offers growth avenues for both companies.**

### Fact

**Gaussin and Macnica acquire the assets of Navya for €1.4m**

### Analysis

Gaussin and Macnica have together acquired 100% of Navya, with Gaussin holding 51% and Macnica the remaining 49%. The consortium paid €1.4m for Navya and has agreed to a €25m financing plan over the next three years. Of this financing plan, €15m is already secured with one-third coming from Gaussin for its 51%. In addition, the group will also take on 149 of Navya's 209 employees, while the remainder will be offered redeployment to Gaussin's production site in Saint-Vallier. The new entity will be headed by Mr. Jean-Claude Bailly, currently the Executive Head of Europe at Gaussin SA.

### A symbiotic transaction for both parties

Navya has made a name for itself in autonomous driving and battery technology. The company can already deliver Level 4 automation driving software, which is a step-up when compared to Gaussin's own technology and can help accelerate Gaussin's off-road vehicle development. Moreover, through Navya, Gaussin can also enter into the shuttle business without having to outlay cash that would have been needed to develop a novel platform. Furthermore, Navya can benefit from Gaussin's reach and market exposure (geographical as well as end-markets) to expand its own business. So, we believe that this addition to Gaussin will benefit both companies.

### About Macnica

Macnica, is a Japanese listed entity involved in semiconductors, cybersecurity and IoT. Macnica is and also has been a customer for Navya's shuttles.

### Impact

Our estimates are under review as Navya will be consolidated in the group accounts. Additionally, there will also be some adjustments to Gaussin's numbers excluding Navya. Lastly, the funding requirements for the group remain crucial and, with the Amazon order (329 trucks) ramp-up, we believe that funds will need to be raised via equity or debt or both.



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This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

<b>Buy</b>	<b>Upside: 127%</b>
Target Price (6 months)	€ 4.93
Share Price	€ 2.18
Market Cap. €M	62.1
Price Momentum	<b>NEGATIVE</b>
Extremes 12Months	2.16 ▶ 5.10
Sustainability score	2.8 /10
Credit Risk	BBB →
Bloomberg	ALGAU FP Equity
Reuters	ALGAU.PA



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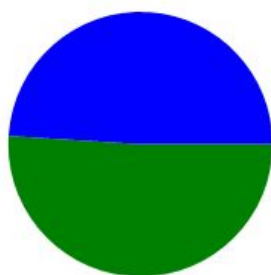


PERF	1w	1m	3m	12m
Gaussin	-7.56%	-8.49%	-17.0%	-50.1%
Capital Goods	3.24%	2.35%	1.95%	19.6%
STOXX 600	-0.15%	1.05%	0.38%	3.66%

Last updated: 03/02/2023	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	-28.6	-6.12	7.72	5.03
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	67.4	-17.4	4.31	2.68
Adjusted EPS (€)	-0.29	-0.76	0.28	0.43
Growth in EPS (%)	n/a	n/a	n/a	53.6
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	74.5	74.3	119	143
EBIT margin (%)	-9.49	-27.0	8.50	12.1
Attributable net profit (€M)	-7.31	-21.0	9.36	17.0
ROE (after tax) (%)	-33.4	-141	30.5	25.8
Gearing (%)	51.9	435	26.9	-9.91

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

## Sales by Geography



■ France (51.0%)  
■ Other (49.0%)

## Consolidated P&L Accounts

		12/21A	12/22E	12/23E
Sales	€M	74.5	74.3	119
Change in sales	%	28.0	-0.26	60.8
Change in staff costs	%	42.7	18.8	51.7
EBITDA	€M	3.45	-9.66	20.9
<b>EBITDA(R) margin</b>	%	<b>4.63</b>	<b>-13.0</b>	<b>17.5</b>
Depreciation	€M	-6.00	-5.94	-5.97
Underlying operating profit	€M	-6.83	-20.1	10.2
<b>Operating profit (EBIT)</b>	<b>€M</b>	<b>-7.07</b>	<b>-20.4</b>	<b>9.85</b>
Net financial expense	€M	-0.22	-0.60	-0.60
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M	0.00	0.00	0.00
Corporate tax	€M	-0.01	0.00	0.09
Equity associates	€M	0.00	0.00	0.00
Minority interests	€M	-0.02	-0.02	0.01
<b>Adjusted attributable net profit</b>	<b>€M</b>	<b>-7.07</b>	<b>-20.7</b>	<b>9.66</b>
NOPAT	€M	-5.12	-15.0	7.62

## Cashflow Statement

		12/21A	12/22E	12/23E
EBITDA	€M	3.45	-9.66	20.9
Change in WCR	€M	0.98	-1.95	-13.7
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M		0.00	0.09
Exceptional items	€M			
Other operating cash flows	€M	-4.86	-5.00	-4.00
Total operating cash flows	€M	-0.43	-16.6	3.28
Capital expenditure	€M	-11.5	-8.92	-9.56
Total investment flows	€M	-12.5	-9.92	-10.6
Net interest expense	€M	-0.22	-0.60	-0.60
Dividends (parent company)	€M			
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	11.8	12.0	40.0
Total financial flows	€M	10.7	8.93	61.4
Change in cash position	€M	-2.10	-17.6	54.1
<b>Free cash flow (pre div.)</b>	<b>€M</b>	<b>-12.2</b>	<b>-26.1</b>	<b>-6.88</b>

## Per Share Data

		12/21A	12/22E	12/23E
No. of shares net of treas. stock (year...)	Mio	25.8	28.5	40.0
Number of diluted shares (average)	Mio	24.5	27.2	34.3
<b>Benchmark EPS</b>	<b>€</b>	<b>-0.29</b>	<b>-0.76</b>	<b>0.28</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	€ 7.58	35%	<ul style="list-style-type: none"> <li>● KION Group</li> <li>● Jungheinrich Pref.</li> </ul>
NAV/SOTP per share	€ 6.62	20%	
EV/Ebitda	€ 2.36	20%	
P/E	€ 3.99	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 1.62	5%	
TARGET PRICE	€ 4.93	100%	

### NAV/SOTP Calculation

## Balance Sheet

		12/21A	12/22E	12/23E
Goodwill	€M	7.35	6.38	6.38
Total intangible	€M	7.35	6.38	6.38
Tangible fixed assets	€M	17.7	20.1	23.9
Financial fixed assets	€M	1.63	2.00	2.00
WCR	€M	1.55	3.50	17.2
Other assets	€M	10.4	9.00	10.0
Total assets (net of short term liab.)	€M	44.7	40.9	59.5
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>24.3</b>	<b>5.42</b>	<b>56.0</b>
Quasi Equity & Preferred	€M			
Minority interests	€M	0.43	0.40	0.50
Provisions for pensions	€M		0.00	0.00
Other provisions for risks and liabilities	€M	3.97	4.00	4.00
Total provisions for risks and liabilities	€M	3.97	4.00	4.00
Tax liabilities	€M			
Other liabilities	€M			
<b>Net debt (cash)</b>	<b>€M</b>	<b>16.0</b>	<b>31.1</b>	<b>-0.99</b>
Total liab. and shareholders' equity	€M	44.7	40.9	59.5

## Capital Employed

		12/21A	12/22E	12/23E
Capital employed after depreciation	€M	28.3	31.9	49.5

## Profits & Risks Ratios

		12/21A	12/22E	12/23E
<b>ROE (after tax)</b>	%	<b>-33.4</b>	<b>-141</b>	<b>30.5</b>
ROCE	%	-18.1	-47.1	15.4
<b>Gearing (at book value)</b>	%	<b>51.9</b>	<b>435</b>	<b>26.9</b>
Adj. Net debt/EBITDA(R)	x	4.64	-3.22	-0.05
Interest cover (x)	x	-30.7	-33.4	16.9

## Valuation Ratios

		12/21A	12/22E	12/23E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-28.6</b>	<b>-6.12</b>	<b>7.72</b>
Free cash flow yield	%	-5.73	-19.7	-7.91
P/Book	x	8.77	24.5	1.55
<b>Dividend yield</b>	%	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

		12/21A	12/22E	12/23E
Market cap	€M	213	133	87.0
+ Provisions	€M	3.97	4.00	4.00
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	16.0	31.1	-0.99
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M			
= EV	€M	233	168	90.0
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>67.4</b>	<b>-17.4</b>	<b>4.31</b>
EV/Sales	x	3.12	2.26	0.75

Analyst : Kulwinder Rajpal, Changes to Forecasts : 03/02/2023.