



COURBET

Hotels & Motels / France

Preliminary update

A new hotel offering responding to tomorrow's demand - 19/08/2024

Change in Opinion

Add vs Sell

Pending further details on the works programme, financing, timetable and other information, we are updating our model to take into account: i/ the integration of the Hotel Mozart in Prague and the Christ Roi in Lourdes, and ii/ the accretion resulting from the €20m capital increase (€9m immediate in 2024 and deferred via ORA for the balance). Given COURBET AM's expectations in terms of future value creation, our recommendation is positive.

Change in Target Price

€ 3.98 vs 1.50 +165%

The target price has been revised sharply upwards due to the accretive effect of substantial capital increases of €3.40 in 2024 and €4.0 thereafter (via ORA). The model will be revised by the end of 2024, resulting in a change in the year-end to 31 December 2024. This should not materially impact our price target.

The estimates are based on an operational approach: they include the operation of all hotels in order to give an overall picture of the scope of consolidation. They will be adjusted when the hotel management contracts come into effect.

Change in EPS

2023 : € -0.03 vs -0.01 ns
2024 : € -0.09 vs 0.00 ns

Given the still low contribution of assets to revenues and EBITDA in 2024-25, our EPS estimates are slightly modified. The number of shares has been adjusted for recent share issues as part of the 2024 capital increases. Our EPS sequence does not include the effect of the conversion of the ORAs, which will create an additional 24% of shares over an as yet undetermined timeframe.

Change in NAV

€ 4.09 vs 1.51 +171%

We are revising our GAV to take into account a valuation of the Mozart Hotel of €73m by 2026. Its value will then be revised (the Company's valuation target is €90 -100m) based on current economic parameters. Added to this are the values at maturity of all the other assets, following major works at La Bourboule, Cannes and Lourdes.

The debt used in our SOTP corresponds to the full forecast cash out (AV est.) linked to this works programme, which will enable the assets to be fully valued. Our NAV is close to the strike of the ORAs, i.e. €4.0 per share, which is intuitively consistent.

Change in DCF

€ 3.64 vs 1.47 +148%

The general parameters of our DCF are unchanged (beta, 'g', etc.). The change in our DCF valuation is the result of the increase in cash flows, largely linked to the Mozart hotel in Prague, as well as the accretive equity financing to date. The result of our DCF is close to the strike of the ORAs, i.e. €4.0 per share, which is intuitively consistent.



Christian AUZANNEAU
hotelscatering@alphavalue.eu
+33 (0) 1 70 61 10 50
corporate.alphavalue.com

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

Add	Upside : 24.2%
Target Price (6 months)	€ 3.98
Share Price	€ 3.20
Market Cap. €M	36.8
Price Momentum	NEGATIVE
Extremes 12 Months	2.10 ▶ 4.00
Bloomberg	MLCOU FP Equity
Reuters	COUP.PA

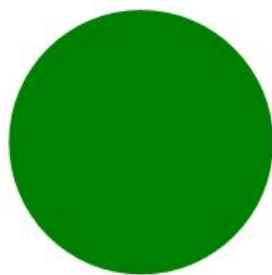
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PERF	1w	1m	3m	12m
COURBET	-8.05%	-8.57%	-8.57%	52.4%
Hotel, Catering & Leisure	3.76%	1.48%	-0.55%	12.9%
SXXR Index	2.55%	-0.44%	-1.68%	15.4%

Last updated: 19/08/2024	06/23A	06/24E	06/25E	06/26E
Adjusted P/E (x)	-41.7	ns	-36.2	ns
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	96.7	ns	ns	27.2
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	€ 3.64	25%	
TARGET PRICE	€ 3.98	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	131	-2,954	-128
Interest cover (x)	x	0.33	-0.25	-3.03

Valuation Ratios

Reference P/E (benchmark)	x	-41.7	ns	-36.2
Free cash flow yield	%	-58.4	-153	-45.1
P/Book	x	12.3	3.86	4.38
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€M	8.88	36.4	36.8
+ 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	112
EV/EBITDA(R)	x	96.7	ns	ns
EV/Sales	x	21.3	28.9	26.4

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