



Drone Volt

Aerosp. & Defence Equipt. / France

Lower profitability incorporated

From a low-margin distributor to a high-margin service provider. - 16/07/2024

Change in Target Price

€ 0.01 vs 0.02 **-36.0%**

Our target price has been reduced due to the peer-based metrics having been impacted by a lower EBITDA forecast for 2024 and the lack of net profits until 2026 vs 2025 previously. Moreover, this lower EBITDA generation has reduced our DCF-derived valuation, further reducing the target price. Finally, we incorporate the new capital increase with an oversubscription thesis resulting in 19% dilution.

Change in DCF

€ 0.02 vs 0.03 **-23.3%**

Due to the lower forecasted EBITDA generation in 2024 than we had previously expected, we have reduced our EBITDA forecasts accordingly for the years ahead, especially after the H1 results which showed a lower gross margin on the distribution side especially (7% vs 10% previously). Our FCF for 2024 onwards are affected as we have not modified our growth assumptions for the out years.

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Buy **Upside : 81.0%**

Target Price (6 months) € 0.01

Share Price € 0.01

Market Cap. €M 14.2

Price Momentum **NEGATIVE**

Extremes 12Months 0.01 ▶ 0.01

Bloomberg ALDRV FP Equity

Reuters ALDRV.PA

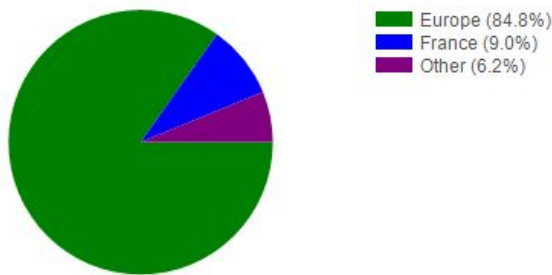
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| PERF | 1w | 1m | 3m | 12m |
|-------------------|--------|--------|--------|--------|
| Drone Volt | -14.3% | -7.04% | -15.4% | -44.5% |
| Aerospace-Defence | -1.03% | -1.23% | -5.41% | 36.9% |
| SXXR Index | 0.45% | 1.61% | 3.83% | 15.6% |

| Last updated: 16/07/2024 | 12/23A | 12/24E | 12/25E | 12/26E |
|-------------------------------|--------|--------|--------|--------|
| Adjusted P/E (x) | -2.55 | -2.97 | -6.93 | 12.3 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| EV/EBITDA(R) (x) | -12.0 | -32.2 | 17.8 | 4.94 |
| Adjusted EPS (€) | -0.01 | 0.00 | 0.00 | 0.00 |
| Growth in EPS (%) | n/a | n/a | n/a | n/a |
| Dividend (€) | 0.00 | 0.00 | 0.00 | 0.00 |
| Sales (€th) | 23,993 | 42,327 | 46,046 | 51,019 |
| Other margin (%) | 15.3 | 12.6 | 16.8 | 22.2 |
| Attributable net profit (€th) | -5,329 | -4,054 | -2,048 | 1,154 |
| ROE (after tax) (%) | -26.3 | -17.8 | -9.29 | 5.19 |
| Gearing (%) | 16.1 | 21.6 | 33.7 | 30.4 |

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

Sales by Geography



Consolidated P&L Accounts

| | | 12/23A | 12/24E | 12/25E |
|---|------------|---------------|---------------|---------------|
| Sales | €th | 23,993 | 42,327 | 46,046 |
| Change in sales | % | 74.7 | 76.4 | 8.79 |
| Change in staff costs | % | 29.6 | 2.00 | 12.2 |
| EBITDA | €th | -2,245 | -721 | 1,423 |
| EBITDA(R) margin | % | -9.36 | -1.70 | 3.09 |
| Depreciation | €th | | | |
| Underlying operating profit | €th | -4,816 | -3,684 | -1,801 |
| Operating profit (EBIT) | €th | -5,286 | -4,168 | -2,300 |
| Net financial expense | €th | -211 | -201 | -278 |
| of which related to pensions | €th | | 0.00 | 0.00 |
| Exceptional items & other | €th | | | |
| Corporate tax | €th | -544 | -432 | -255 |
| Equity associates | €th | | | |
| Minority interests | €th | 712 | 748 | 785 |
| Adjusted attributable net profit | €th | -5,329 | -4,054 | -2,048 |
| NOPAT | €th | -3,612 | -2,763 | -1,350 |

Cashflow Statement

| | | 12/23A | 12/24E | 12/25E |
|---|------------|---------------|---------------|---------------|
| EBITDA | €th | -2,245 | -721 | 1,423 |
| Change in WCR | €th | -1,792 | -1,931 | 668 |
| Actual div. received from equity holdi... | €th | 0.00 | 0.00 | 0.00 |
| Paid taxes | €th | 534 | -432 | -255 |
| Exceptional items | €th | | | |
| Other operating cash flows | €th | -844 | 100 | 100 |
| Total operating cash flows | €th | -4,347 | -2,985 | 1,935 |
| Capital expenditure | €th | -4,351 | -3,916 | -3,524 |
| Total investment flows | €th | -5,088 | -3,916 | -3,524 |
| Net interest expense | €th | -211 | -201 | -278 |
| Dividends (parent company) | €th | | | |
| Dividends to minorities interests | €th | 0.00 | 0.00 | 0.00 |
| New shareholders' equity | €th | 5,889 | 4,625 | 0.00 |
| Total financial flows | €th | 8,629 | 6,782 | 1,722 |
| Change in cash position | €th | -806 | -118 | 133 |
| Free cash flow (pre div.) | €th | -8,909 | -7,102 | -1,867 |

Per Share Data

| | | 12/23A | 12/24E | 12/25E |
|---|----------|--------------|-------------|-------------|
| No. of shares net of treas. stock (year...) | Th | 1,501,676 | 2,151,866 | 2,151,866 |
| Number of diluted shares (average) | Th | 999,287 | 1,826,771 | 2,151,866 |
| Benchmark EPS | € | -0.01 | 0.00 | 0.00 |
| Restated NAV per share | € | | | |
| Net dividend per share | € | 0.00 | 0.00 | 0.00 |

Valuation Summary

| Benchmarks | Value | Weight | Largest comparables |
|--------------------|--------|--------|---------------------|
| DCF | € 0.02 | 35% | |
| NAV/SOTP per share | € 0.02 | 20% | |
| EV/Ebitda | € 0.00 | 20% | |
| P/E | € 0.00 | 10% | |
| Dividend Yield | € 0.00 | 10% | |
| P/Book | € 0.01 | 5% | |
| TARGET PRICE | € 0.01 | 100% | |

NAV/SOTP Calculation

Balance Sheet

| | | 12/23A | 12/24E | 12/25E |
|--|------------|---------------|---------------|---------------|
| Goodwill | €th | 685 | 706 | 727 |
| Total intangible | €th | 9,918 | 10,453 | 11,017 |
| Tangible fixed assets | €th | 1,342 | 1,382 | 1,424 |
| Financial fixed assets | €th | | | |
| WCR | €th | 1,736 | 3,667 | 2,999 |
| Other assets | €th | 5,403 | 5,565 | 5,732 |
| Total assets (net of short term liab.) | €th | 24,106 | 26,834 | 26,999 |
| Ordinary shareholders' equity | €th | 22,706 | 22,945 | 21,164 |
| Quasi Equity & Preferred | €th | | | |
| Minority interests | €th | -2,704 | -2,677 | -2,650 |
| Provisions for pensions | €th | 63.0 | 0.00 | 0.00 |
| Other provisions for risks and liabilities | €th | 292 | 336 | 386 |
| Total provisions for risks and liabilities | €th | 355 | 336 | 386 |
| Tax liabilities | €th | 0.00 | 0.00 | 0.00 |
| Other liabilities | €th | 23.0 | 25.3 | 27.8 |
| Net debt (cash) | €th | 3,728 | 6,204 | 8,071 |
| Total liab. and shareholders' equity | €th | 24,108 | 26,834 | 26,999 |

Capital Employed

| | | 12/23A | 12/24E | 12/25E |
|-------------------------------------|-----|--------|--------|--------|
| Capital employed after depreciation | €th | 12,996 | 15,502 | 15,440 |

Profits & Risks Ratios

| | | 12/23A | 12/24E | 12/25E |
|--------------------------------|---|--------------|--------------|--------------|
| ROE (after tax) | % | -26.3 | -17.8 | -9.29 |
| ROCE | % | -27.8 | -17.8 | -8.75 |
| Gearing (at book value) | % | 16.1 | 21.6 | 33.7 |
| Adj. Net debt/EBITDA(R) | x | -1.66 | -8.60 | 5.67 |
| Interest cover (x) | x | -22.8 | -18.3 | -6.48 |

Valuation Ratios

| | | 12/23A | 12/24E | 12/25E |
|----------------------------------|----------|--------------|--------------|--------------|
| Reference P/E (benchmark) | x | -2.55 | -2.97 | -6.93 |
| Free cash flow yield | % | -43.7 | -50.0 | -13.1 |
| P/Book | x | 0.90 | 0.62 | 0.67 |
| Dividend yield | % | 0.00 | 0.00 | 0.00 |

EV Calculation

| | | 12/23A | 12/24E | 12/25E |
|---|----------|--------------|--------------|-------------|
| Market cap | €th | 20,394 | 14,202 | 14,202 |
| + Provisions | €th | 355 | 336 | 386 |
| + Unrecognised actuarial losses/(gains) | €th | 0.00 | 0.00 | 0.00 |
| + Net debt at year end | €th | 3,676 | 6,150 | 8,014 |
| + Leases debt equivalent | €th | 0.00 | 0.00 | 0.00 |
| - Financial fixed assets (fair value) | €th | 208 | 177 | |
| + Minority interests (fair value) | €th | 2,704 | 2,704 | 2,704 |
| = EV | €th | 26,921 | 23,215 | 25,306 |
| EV/EBITDA(R) | x | -12.0 | -32.2 | 17.8 |
| EV/Sales | x | 1.12 | 0.55 | 0.55 |

Analyst : Alexandre Desprez, Changes to Forecasts : 16/07/2024.