



Drone Volt

Aerosp. & Defence Equipt. / France

Q4: record sales, though a slight disappointment

Less Aquiline Drones, more diversification in customers - 01/02/2022

Change in EPS

2021 : € -0.01 vs -0.01	ns
2022 : € -0.01 vs 0.00	ns

The FY22 lowered EPS forecast is mainly linked to the postponed contract of the 500 Hercule 20 and 200 Hercule 10 drones from its main customer Aquiline Drones. As the current 600 Hercule 2 contract has been delayed in deliveries, we expect this contract to be the focus for FY22 (with 389 drones to be sold left), hence pushing back the other contract to FY23 at least. There could be potential upside coming from the Hungarian customer or from the success of the commercialisation of the LineDrone, which would be highly lucrative.

Change in NAV

€ 0.18 vs 0.20	-5.60%
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The NAV has been slightly lowered due to the adjusted cash position of Drone Volt at the end of the year. In our previous estimates, the cash received from the sale of 50% of Aerialtronics (€7.5m) had been integrated into the FY21 results. We have now smoothed the cash reception into FY22 and removed some fees from the cash received.

Change in DCF

€ 0.10 vs 0.21	-52.0%
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Due to the delay in the execution of the Aquiline Drones contract, we have pushed back our sales estimates. This has impacted our cash recognition which has impacted our FCF. In addition, the FCF has been lowered in FY21 due to rising inventories as the components for the 600 Hercules 2 contract have already been acquired. Nevertheless, we are still expecting a positive FCF by FY23.

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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

Buy	Upside : 28.4%
Target Price (6 months)	€ 0.10
Share Price	€ 0.08
Market Cap. €M	29.6
Price Momentum	UNFAVORABLE
Extremes 12Months	0.06 ▶ 0.31
Bloomberg	ALDRV FP Equity
Reuters	ALDRV.PA

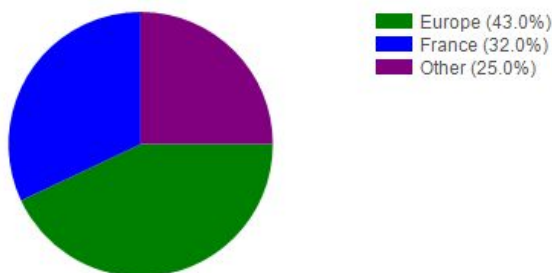
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PERF	1w	1m	3m	12m
Drone Volt	22.9%	22.5%	-40.3%	-67.7%
Aerospace-Defence	2.23%	0.92%	-1.47%	21.4%
SXXR Index	2.75%	-3.83%	-1.17%	21.0%

Last updated: 01/02/2022	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	-3.14	-20.9	-11.7	-17.0
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-13.0	-39.3	-23.5	4.65
Adjusted EPS (€)	-0.05	-0.01	-0.01	0.00
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	5,836	8,723	12,273	16,227
Other margin (%)	33.2	50.0	58.9	68.2
Attributable net profit (€th)	-6,393	3,839	-2,494	-1,733
ROE (after tax) (%)	-47.6	14.9	-7.26	-4.98
Gearing (%)	8.95	-26.2	-47.9	-50.9

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

Sales by Geography



Consolidated P&L Accounts

		12/20A	12/21E	12/22E
Sales	€th	5,836	8,723	12,273
Change in sales	%	-17.9	49.5	40.7
Change in staff costs	%	-5.12	5.40	17.0
EBITDA	€th	-2,065	-1,321	-152
EBITDA(R) margin	%	-35.4	-15.1	-1.24
Depreciation	€th			
Underlying operating profit	€th	-4,189	-4,663	-3,629
Operating profit (EBIT)	€th	-8,181	-3,963	-3,923
Net financial expense	€th	-673	-341	-266
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th		6,500	
Corporate tax	€th	2,209	1,074	1,045
Equity associates	€th			
Minority interests	€th	252	569	650
Adjusted attributable net profit	€th	-6,393	-2,661	-2,494
NOPAT	€th	-2,932	-3,264	-2,541

Cashflow Statement

		12/20A	12/21E	12/22E
EBITDA	€th	-2,065	-1,321	-152
Change in WCR	€th	1,685	-138	397
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	2,209	1,074	1,045
Exceptional items	€th			
Other operating cash flows	€th	-991	-286	-302
Total operating cash flows	€th	838	-670	988
Capital expenditure	€th	-1,810	-1,995	-1,955
Total investment flows	€th	-8,992	1,055	545
Net interest expense	€th	-673	-341	-266
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	8,590	13,995	0.00
Total financial flows	€th	13,967	10,354	1,734
Change in cash position	€th	5,812	10,740	3,267
Free cash flow (pre div.)	€th	-1,645	-3,006	-1,233

Per Share Data

		12/20A	12/21E	12/22E
No. of shares net of treas. stock (year...	Th	198,523	380,228	380,228
Number of diluted shares (average)	Th	131,321	290,492	381,345
Benchmark EPS	€	-0.05	-0.01	-0.01
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 0.10	35%	● KUKA
NAV/SOTP per share	€ 0.18	20%	
EV/Ebitda	€ 0.07	20%	
P/E	€ 0.04	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.15	5%	
TARGET PRICE	€ 0.10	100%	

NAV/SOTP Calculation

Balance Sheet

		12/20A	12/21E	12/22E
Goodwill	€th	152	150	149
Total intangible	€th	5,477	5,591	5,763
Tangible fixed assets	€th	743	773	804
Financial fixed assets	€th			
WCR	€th	1,360	1,498	1,101
Other assets	€th	7,656	7,120	6,622
Total assets (net of short term liab.)	€th	19,985	21,090	20,703
Ordinary shareholders' equity	€th	17,640	34,047	34,628
Quasi Equity & Preferred	€th			
Minority interests	€th	-129	-100	-99.0
Provisions for pensions	€th		0.00	0.00
Other provisions for risks and liabilities	€th	244	195	203
Total provisions for risks and liabilities	€th	244	195	203
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	4,141	2,899	3,189
Net debt (cash)	€th	-1,911	-15,951	-17,217
Total liab. and shareholders' equity	€th	19,985	21,090	20,703

Capital Employed

		12/20A	12/21E	12/22E
Capital employed after depreciation	€th	7,580	7,862	7,667

Profits & Risks Ratios

		12/20A	12/21E	12/22E
ROE (after tax)	%	-47.6	14.9	-7.26
ROCE	%	-38.7	-41.5	-33.1
Gearing (at book value)	%	8.95	-26.2	-47.9
Adj. Net debt/EBITDA(R)	x	0.93	12.1	113
Interest cover (x)	x	-6.22	-13.7	-13.6

Valuation Ratios

		12/20A	12/21E	12/22E
Reference P/E (benchmark)	x	-3.14	-20.9	-11.7
Free cash flow yield	%	-5.41	-4.12	-4.22
P/Book	x	1.72	2.14	0.84
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/20A	12/21E	12/22E
Market cap	€th	30,389	72,882	29,201
+ Provisions	€th	244	195	203
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	-2,172	-16,225	-17,505
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th	2,034	5,220	8,614
+ Minority interests (fair value)	€th	387	300	297
= EV	€th	26,814	51,933	3,583
EV/EBITDA(R)	x	-13.0	-39.3	-23.5
EV/Sales	x	4.59	5.95	0.29

Analyst : Romain Pierredon, Changes to Forecasts : 01/02/2022.