



Drone Volt

Aerosp. & Defence Equipt. / France

From product to service.

05/04/2023

Change in Opinion

Add vs Buy

Change in EPS

2022 : € -0.05 vs -0.01	ns
2023 : € 0.00 vs -0.01	ns

The downgrade to our EPS FY22 reflects the kitchen sinking of the business associated with Aquiline amortization of all receivables, as well as 2/3rd of the Aquiline Drone shares (€1.7m), which led to a net result of -€26m far below our estimates (-€3.4m). Forward looking, our eps forecasts reflect breakeven at the Ebit level from 2024.

Change in NAV

€ 0.07 vs 0.12 **-39.9%**

The drop in the NAV valuation comes mainly from writing down the value of the 10% stake in Aquiline to zero from €8.5m. We also assume that the 50% in Aerialtronics is likely to be worth 50% less than the valuation booked when 50% was sold to Aquiline. The distribution segment valuation has been raised to €21m.

Change in DCF

€ 0.03 vs 0.03 **-22.3%**

The FCF has taken a hit as the FY 2022 confirmed that the Aquiline contract had in effect been cancelled to be (hopefully) replaced by a less ambitious commercial agreement. Still, the unexpected €20m+ order for the distribution segment will be a backstop for 2023. Distribution may become a driver for the coming years, along with the new business of Drone as a Service, which books record margins (80?).

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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

Add	Upside : 22.9%
Target Price (6 months)	€ 0.03
Share Price	€ 0.02
Market Cap. €M	13.2
Price Momentum	GOOD
Extremes 12Months	0.01 ▶ 0.05
Bloomberg	ALDRV FP Equity
Reuters	ALDRV.PA

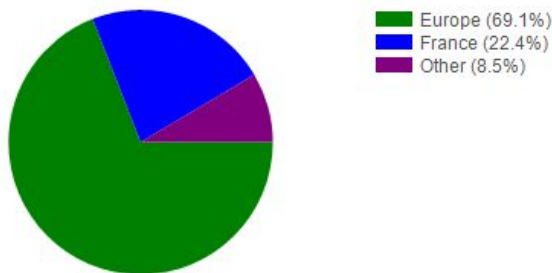
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PERF	1w	1m	3m	12m
Drone Volt	-28.4%	-11.7%	126%	-58.3%
Aerospace-Defence	2.34%	2.24%	15.3%	23.9%
SXXR Index	2.99%	-1.14%	4.52%	1.55%

Last updated: 05/04/2023	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	ns	-0.72	-4.69	-16.5
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-86.6	-8.53	-17.6	23.7
Adjusted EPS (€)	0.00	-0.05	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)	8,617	13,736	29,000	31,516
Other margin (%)	48.9	20.1	16.5	21.2
Attributable net profit (€th)	5,551	26,358	-2,511	-794
ROE (after tax) (%)	19.5	-96.7	-16.7	-5.83
Gearing (%)	-6.87	2.98	24.0	22.5

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

Sales by Geography



Consolidated P&L Accounts

		12/21A	12/22E	12/23E
Sales	€th	8,617	13,736	29,000
Change in sales	%	47.7	59.4	111
Change in staff costs	%	-9.54	61.1	2.00
EBITDA	€th	-808	-3,023	-1,072
EBITDA(R) margin	%	-9.38	-22.0	-3.70
Depreciation	€th			
Underlying operating profit	€th	-3,115	-5,184	-3,344
Operating profit (EBIT)	€th	-2,705	-22,263	-3,130
Net financial expense	€th	172	-108	-201
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th	6,630		
Corporate tax	€th	1,276	-4,174	624
Equity associates	€th			
Minority interests	€th	178	187	196
Adjusted attributable net profit	€th	-1,079	-22,158	-2,511
NOPAT	€th	-2,336	-3,888	-2,508

Cashflow Statement

		12/21A	12/22E	12/23E
EBITDA	€th	-808	-3,023	-1,072
Change in WCR	€th	-5,747	712	1,039
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	1,532	-4,174	624
Exceptional items	€th			
Other operating cash flows	€th	-763	100	100
Total operating cash flows	€th	-5,786	-6,385	691
Capital expenditure	€th	-3,067	-3,159	-2,527
Total investment flows	€th	-7,359	-1,359	1,223
Net interest expense	€th	172	-108	-201
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	13,206	0.00	0.00
Total financial flows	€th	13,311	856	199
Change in cash position	€th	167	-6,888	2,112
Free cash flow (pre div.)	€th	-8,681	-9,652	-2,038

Per Share Data

		12/21A	12/22E	12/23E
No. of shares net of treas. stock (year...)	Th	365,758	491,308	616,465
Number of diluted shares (average)	Th	283,258	429,650	555,004
Benchmark EPS	€	0.00	-0.05	0.00
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 0.03	35%	
NAV/SOTP per share	€ 0.07	20%	
EV/Ebitda	€ 0.00	20%	
P/E	€ 0.01	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.04	5%	
TARGET PRICE	€ 0.03	100%	

NAV/SOTP Calculation

Balance Sheet

		12/21A	12/22E	12/23E
Goodwill	€th	152	166	164
Total intangible	€th	6,371	6,913	7,143
Tangible fixed assets	€th	923	1,006	1,036
Financial fixed assets	€th			
WCR	€th	4,085	3,373	2,334
Other assets	€th	7,850	2,497	2,572
Total assets (net of short term liab.)	€th	35,751	20,621	18,427
Ordinary shareholders' equity	€th	39,151	15,375	14,676
Quasi Equity & Preferred	€th			
Minority interests	€th	-1,155	-1,143	-1,132
Provisions for pensions	€th		0.00	0.00
Other provisions for risks and liabilities	€th	101	105	121
Total provisions for risks and liabilities	€th	101	105	121
Tax liabilities	€th	0.00	0.00	0.00
Other liabilities	€th	1,122	1,900	2,090
Net debt (cash)	€th	-3,468	4,384	2,672
Total liab. and shareholders' equity	€th	35,751	20,621	18,427

Capital Employed

		12/21A	12/22E	12/23E
Capital employed after depreciation	€th	11,379	11,292	10,513

Profits & Risks Ratios

		12/21A	12/22E	12/23E
ROE (after tax)	%	19.5	-96.7	-16.7
ROCE	%	-20.5	-34.4	-23.9
Gearing (at book value)	%	-6.87	2.98	24.0
Adj. Net debt/EBITDA(R)	x	4.29	-1.45	-2.49
Interest cover (x)	x	18.1	-48.0	-16.6

Valuation Ratios

		12/21A	12/22E	12/23E
Reference P/E (benchmark)	x	ns	-0.72	-4.69
Free cash flow yield	%	-12.4	-52.7	-15.6
P/Book	x	1.79	1.19	0.89
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/21A	12/22E	12/23E
Market cap	€th	70,109	18,306	13,069
+ Provisions	€th	101	105	121
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	-3,659	4,183	2,461
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th	44.0	242	208
+ Minority interests (fair value)	€th	3,465	3,430	3,430
= EV	€th	69,972	25,783	18,873
EV/EBITDA(R)	x	-86.6	-8.53	-17.6
EV/Sales	x	8.12	1.88	0.65

Analyst : Mickael Daponte, Changes to Forecasts : 05/04/2023.