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Integration of the 2017 accounts

A big bet on the Grand Paris development project. - 31/05/2018

Change in Target Price

€ 0.09 vs 0.08 **+6.61%**

The integration of the 2017 accounts amounts to recording the carrying cost of an asset which no longer generates a rental stream ahead of its redevelopment. Note that the risks associated with the theoretical value of this redevelopment are those of a very long-term calendar.

Change in DCF

€ 0.06 vs 0.04 **+40.5%**

The DCF valuation which is highly theoretical at present is naturally very sensitive to the redevelopment calendar. The nearer we get to redevelopment (our anchorage point is the realisation of the Grand Paris Express project), the DCF automatically benefits. This metric is liable to be called into question at any time.



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Buy

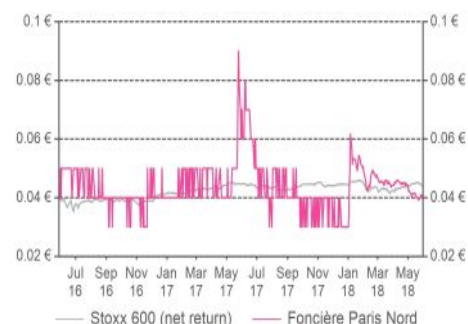
Upside : 120%

Target Price (6 months)	€ 0.09
Share Price	€ 0.04
Market Cap. €M	8.80
Price Momentum	NEGATIVE
Extremes 12Months	0.03 ▶ 0.08
Bloomberg	FPN FP Equity
Reuters	FPN.PA



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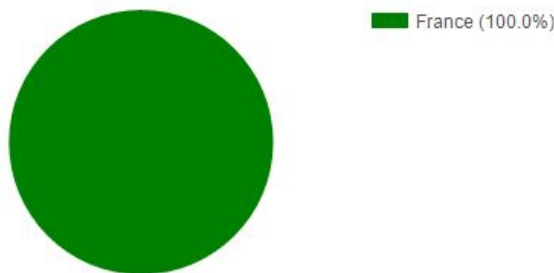


PERF	1w	1m	3m	12m
Foncière Paris Nord	0.00%	-9.09%	-15.3%	-33.3%
Property	0.43%	-0.54%	8.33%	5.09%
SXXR Index	-1.68%	0.74%	3.17%	1.47%

Last updated: 31/05/2018	12/16A	12/17A	12/18E	12/19E
Adjusted P/E (x)	-7.93	-7.57	-4.35	-6.06
Dividend yield (%)	21,905	0.00	0.00	0.00
EV/EBITDA(R) (x)	-3.99	-4.30	-5.26	-17.1
Adjusted EPS (€)	-0.01	-0.01	-0.01	-0.01
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	9.00	0.00	0.00	0.00
Sales (€th)	496	201	1.00	1.00
EBIT margin (%)	ns	ns	ns	ns
Attributable net profit (€th)	-2,443	-3,364	-5,320	-3,820
ROE (after tax) (%)	-97.6	-841	-100	-45.3
Gearing (%)	545		29.5	-15.3

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

Sales by Geography



Consolidated P&L Accounts

		12/17A	12/18E	12/19E
Sales	€th	201	1.00	1.00
Change in sales	%	-59.4	-99.5	0.00
Change in staff costs	%	-94.8	3,900	0.00
EBITDA	€th	-3,253	-4,000	-1,500
EBITDA(R) margin	%	ns	ns	ns
Depreciation	€th	-739	-500	-500
Underlying operating profit	€th	-3,210	-4,350	-1,850
Operating profit (EBIT)	€th	-3,202	-4,350	-1,850
Net financial expense	€th	-162	-970	-1,970
of which related to pensions	€th	0.00	-0.80	-0.81
Exceptional items & other	€th	0.00	0.00	0.00
Corporate tax	€th	0.00	0.00	0.00
Equity associates	€th	0.00	0.00	0.00
Minority interests	€th	0.00	0.00	0.00
Adjusted attributable net profit	€th	-3,364	-5,320	-3,820
NOPAT	€th	-2,241	-3,044	-1,294

Cashflow Statement

EBITDA	€th	-3,253	-4,000	-1,500
Change in WCR	€th	-2,722	2,240	1,000
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	0.00	0.00	0.00
Exceptional items	€th	0.00		
Other operating cash flows	€th	5,944		
Total operating cash flows	€th	-31.0	-1,760	-500
Capital expenditure	€th	-5.00	-2,100	-2,100
Total investment flows	€th	-5.00	-2,100	-2,100
Net interest expense	€th	-162	-970	-1,970
Dividends (parent company)	€th	0.00	0.00	0.00
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	200	17,750	
Total financial flows	€th	12.0	15,987	-1,969
Change in cash position	€th	-24.0	12,127	-4,569
Free cash flow (pre div.)	€th	-198	-4,830	-4,570

Per Share Data

No. of shares net of treas. stock (year...	Th	81,129	578,830	578,830
Number of diluted shares (average)	Th	576,002	578,853	578,830
Benchmark EPS	€	-0.01	-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
NAV/SOTP per share	€ 0.10	75%	Deutsche Wohnen
DCF	€ 0.06	25%	Vonovia
TARGET PRICE	€ 0.09	100%	Nexity

NAV/SOTP Calculation

- Covivio
- Gecina
- Icade

Balance Sheet

		12/17A	12/18E	12/19E
Goodwill	€th	0.00		
Total intangible	€th	0.00	0.00	0.00
Tangible fixed assets	€th	18,090	20,600	20,600
Financial fixed assets	€th	217	0.00	0.00
WCR	€th	-760	-3,000	-4,000
Other assets	€th	0.00		
Total assets (net of short term liab.)	€th	17,547	17,600	16,600
Ordinary shareholders' equity	€th	-607	11,212	5,645
Quasi Equity & Preferred	€th	0.00		
Minority interests	€th	0.00		
Provisions for pensions	€th	0.00	37.7	35.7
Other provisions for risks and liabilities	€th	619	1,000	1,000
Total provisions for risks and liabilities	€th	619	1,038	1,036
Tax liabilities	€th	7,716	8,500	8,500
Other liabilities	€th	47.0		
Net debt (cash)	€th	9,771	-3,150	1,419
Total liab. and shareholders' equity	€th	17,546	17,600	16,600

Capital Employed

Capital employed after depreciation	€th	17,547	17,600	16,600
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Profits & Risks Ratios

ROE (after tax)	%	-841	-100	-45.3
ROCE	%	-12.8	-17.3	-7.80
Gearing (at book value)	%		29.5	-15.3
Adj. Net debt/EBITDA(R)	x	-3.00	0.79	-0.95
Interest cover (x)	x	-19.8	-4.49	-0.94

Valuation Ratios

Reference P/E (benchmark)	x	-7.57	-4.35	-6.06
Free cash flow yield	%	-5.52	-20.9	-19.7
P/Book	x	-5.91	2.07	4.10
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	3,588	23,153	23,153
+ Provisions	€th	619	1,038	1,036
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	9,771	-3,150	1,419
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th	0.00		
+ Minority interests (fair value)	€th	0.00		
= EV	€th	13,978	21,041	25,608
EV/EBITDA(R)	x	-4.30	-5.26	-17.1
EV/Sales	x	69.4	ns	ns

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 31/05/2018.