

EQUITY RESEARCH

FRANÇAISE DE L'ENERGIE

RESULTS REVIEW Company call

TP 70.0€ Up/Downside: 155%

BUY

Compelling vision, strategy and execution

While the stock has significantly and persistently underperformed, the operational rigor, encouraging outlook, and valuation now incorporating a "worst-case scenario" compel us to maintain our BUY recommendation. Our expectations lead us to a target price of €70.

Strong resilience: solid results in a deteriorated environment

For FY24, revenue published in July was revised down from $\epsilon_{34.2}$ m to $\epsilon_{31.4}$ m, as the assets in Bosnia (a 45 MW photovoltaic plant) acquired from Greenstat have been accounted for under the equity method (not meeting the conditions for full consolidation). Their contribution to EBITDA ($\epsilon_{1.9}$ m) remains intact, resulting in an EBITDA of $\epsilon_{19.7}$ m, which is below consensus ($\epsilon_{20.9}$ m) but aligns with our forecasts. Despite deflationary price and volume effects, all operational metrics demonstrate excellent control: EBITDA margin at 63% (-5 points, but already far exceeding the 2030 target of 49%), EBIT margin at 51% (a gain of 10 points), and a stable net margin at 31%.

Financial resources aligned with ambitions

With the ability to raise debt (green bonds, impact loans) at favorable rates and a gross cash position of ϵ 47.6 m (financial leverage at 1.7x), the group is well-positioned to support the development of its extensive project pipeline (detailed in the focus from June 17) and seize opportunities for external growth.

Rich project pipeline securing growth and positive newsflow

The outlook remains attractive due to the rapid deployment capability of cogeneration, although it is somewhat marred in the short term by delays in obtaining permits, particularly in France. This exogenous factor constrains management's ability to provide medium-term visibility, with their objectives now pushed out to 2030: revenue $\geq \epsilon_{175}$ m, EBITDA ϵ_{85} m. Nonetheless, the flow of news appears abundant, whether from the hydrogen sector (subsidies; partnerships likely to provide valuation) or M&A (with interesting opportunities, particularly as their German competitor STEAG seems open to selling its cogeneration assets).

Solid profile and prospects but a valuation hard to justify

FDE features, on one hand, a strong growth and results history, a secured project portfolio poised to more than quintuple its size, robust financial health, and recurring cash flows. On the other hand, its market valuation is completely disconnected from its fundamental value (derived from DCF), reflected in significantly discounted multiples. Therefore, our strong conviction in the BUY recommendation is reiterated.

TP ICAP Midcap Estimates	06/23	06/24e	06/25e	06/26e	
Sales (m €)	39.2	34.2	36.2	79-5	
Current Op Inc (m €)	24.8	15.9	16.9	33.9	
Current op. Margin (%)	63.3	46.5	46.7	42.7	
EPS (ϵ)	2.45	2.16	2.36	4.49	
DPS (ϵ)	0.00	0.00	0.00	0.00	
Yield (%)	0.0	0.0	0.0	0.0	
FCF (m €)	5.1	4.4	-8.8	-83.7	

Valuation Ratio	06/24e	06/25e	06/26e
EV/Sales	5.3	5.4	3.6
EV/EBITDA	9.5	9.1	6.3
EV/EBIT	11.3	11.6	8.3
PE	12.8	11.6	6.1

Research partially paid by the Issuer

Key data	
Price (ϵ)	27.5
Industry	Utilities
Ticker	FDE-FR
Shares Out (m)	5.183
Market Cap (m €)	142.5
Next event	RA FY 2023-24: : 23 10 24
Source: FactSet	

Ownership (%)

Julien Moulin	15.3
Autres (>3% du capital)	25.0
Auto-contrôle	3.3
Free float	56.4
Source, TRICAR Midean estimates	

Source: TPICAP Midcap estimates

EPS (€)	06/24e	06/25e	06/26e
Estimates	2.16	2.36	4.49
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	ıM	YTD
Price Perf	-2.1	-11.1	-46.3
Rel CAC Mid&Small	-1.6	-9.9	-44.1



Source: FactSet

Consensus FactSet - Analysts:4	06/24e	06/25e	06/26e
Sales	35.7	45.7	69.6
EBIT	16.5	20.2	34.8
Net income	10.0	13.5	24.1





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FINANCIAL DATA

Sale 10.2 26.2 29.4 31.4 36.3 95.3 Changes (%) 30.3 86.2 49.6 -2.3 5.31 10.31 Gross profit 6.3 20.3 3.31 30.1 3.2.6 65.2 % of Sales 81.6 77.6 80.4 81.4 90.0 2.6.6 44.48 % of Sales 81.4 97.6 69.7 35.5 99.7 54.4 Current operating profit 1.1 44.3 24.8 65.3 46.5 44.7 Mor recurring items -0.1 -1.1 81.1 0.0 0.0 0.0 Income Tox 0.1 7.3 74.6 1.8.7 7.3 -7.3 Tax rate (%) -32.1 25.7 17.0 20.0 22.4 25.0 Financial Statement 06/24 06/24 06/32 06/32 06/32 06/32 06/32 0.6 2.4 25.0 Financial Statement 0.0 0.0 0.0	Income Statement	06/21	06/22	06/23	06/24e	06/25e	06/26e
Gross profit6.37.037.049.049.019.059.059.01 dSales7.037.044.048.059.059.059.059.01 dSales7.037.044.046.034.054.077.039.01 dSales7.037.044.044.034.054.074.07Non-recurring items7.014.044.044.054.074.03Norter (1)7.044.044.054.074.034.044.034.04 <t< td=""><td>Sales</td><td>10.2</td><td>26.2</td><td>39.2</td><td>34.2</td><td>36.2</td><td>79.5</td></t<>	Sales	10.2	26.2	39.2	34.2	36.2	79.5
Gross profit6.37.037.049.049.019.059.059.01 dSales7.037.044.048.059.059.059.059.01 dSales7.037.044.046.034.054.077.039.01 dSales7.037.044.044.034.054.074.07Non-recurring items7.014.044.044.054.074.03Norter (1)7.044.044.054.074.034.044.034.04 <t< td=""><td>Changes (%)</td><td>30.3</td><td>156.2</td><td>49.6</td><td>-12.8</td><td>5.8</td><td>119.6</td></t<>	Changes (%)	30.3	156.2	49.6	-12.8	5.8	119.6
9 of Sales 6.6 77.4 8.9.4 8.1.4 99.0 8.4.4 BHTDA 2.0 1.5.4 2.7.3 19.0 1.4.4 9 of Sales 0.03 3.4.4 6.0.4 3.5.5 4.0.7 3.5.5 1.5.7 Non-recurring items 0.01 1.1.1 4.4.1 0.4.3 4.7.5 1.0.0 0.00 0.00 ENT 4.4 0.3.1 4.7.5 1.5.2 2.4.2.3 2.4.3 2.4.3 2.3.3 2.4.3 2.4.3 2.3.3 2.4.3 2.4.3 2.3.3 3.3.3 3.3.3 3.3.3 3.3.3 3.3.3 3.3.3 3.3.3 3.3.3 3.3.3 3.3.3		6.3	20.3	35.1	29.1	32.6	65.2
% of Sales 38.2 57.4 67.7 55.5 99.7 74.4 Current operating profit 1.1 14.4 24.8 19.5 46.9 33.9 % of Sales 0.0 54.4 6.0.5 46.5 46.7 42.7 Non-recurring items -0.4 -1.4 6.8 4.0.3 4.3 3.3 Income Tax 0.3 2.55 2.35 7.70 2.0.0 2.0.7 Tax rate (%) -3.21 2.77 7.70 2.0.0 2.0.6 4.4 Financial Statement 06/32 06/32 06/32 0.6.2 2.0.6 2.0.6 Condwill -0.0 0.0 0.0 0.0 2.0.6 2.0.6 Tangble and intangible asets 8.90 9.93 1.0.6 1.0.8 1.0.8 1.0.8 Tangble and intangible asets 1.0 0.0 0.0 0.0 0.0 0.0 1.0.8 1.0.8 Tangble and intangible asets 1.0 1.0.7 3.8 3.8 </td <td></td> <td>61.6</td> <td>77.6</td> <td></td> <td>85.1</td> <td>90.2</td> <td></td>		61.6	77.6		85.1	90.2	
96 of Sales aña bás bás <th< td=""><td>EBITDA</td><td>2.9</td><td>15.1</td><td>27.3</td><td>19.0</td><td>21.6</td><td>44.8</td></th<>	EBITDA	2.9	15.1	27.3	19.0	21.6	44.8
% of Sales ind 54.4 63.3 44.5 44.7 42.7 Non-courring items 0.0 1.0 1.0 1.0 1.0 0.0 0.0 EUIT 1.4 10.1 1.0 1.0 1.5 1.6 1.5 1.6 0.0 0.0 1.2 1.2 1.0	% of Sales	28.2	57.6		55.5	59.7	
% of Sales 10.3 54.4 61.3 46.5 40.7 42.7 Norrecurring items -0.1 -1.4 48.1 0.00 0.00 ERT 1.4 43.1 67.0 15.9 61.6 0.30 Net financial result -1.4 -1.4 47.4 1.43 -2.3 -2.3 -2.3 Income Tax .0.1 -2.45 -2.7 7.00 20.44 -2.50 Net profit, group share 0.3 7.73 12.47 11.4 12.3 23.3 Financial Statement 06/22 06/22 06/24 06/24 06/24 Coodwill 0.0 5.8 4.6 18.1 18.1 18.1 Tay tate (%)	Current operating profit	1.1	14.3	24.8	15.9	16.9	33.9
EBIT 14 13.1 16.7 15.9 16.9 33.9 Net financial result 1.2 4.6 1.3.8 2.2.3 2.2.3 Income Tax 0.1 2.5.7 17.00 20.0 20.4 25.00 Net profit, group share 0.3 7.3 2.7.7 1.2.4 2.3.3 23.3 EVS 0.50 1.41 4.45 0.4.6 4.2.5 2.3.6 66/32 66/33 76.4 1.8 <td< td=""><td>% of Sales</td><td>10.3</td><td>54.4</td><td>63.3</td><td>46.5</td><td>46.7</td><td>42.7</td></td<>	% of Sales	10.3	54.4	63.3	46.5	46.7	42.7
Net financial result 1-13 1-46 1-88 1-23 <th1-23< th=""> 1-23 1-23<!--</td--><td>Non-recurring items</td><td>-0.1</td><td></td><td>-8.1</td><td>0.0</td><td>0.0</td><td>0.0</td></th1-23<>	Non-recurring items	-0.1		-8.1	0.0	0.0	0.0
Net financial result 1.3 1.44 1.43 1.44 1.43 1.44 <th1.44< th=""> 1.44 1.44<td>EBIT</td><td>1.4</td><td>13.1</td><td>16.7</td><td>15.9</td><td>16.9</td><td>33.9</td></th1.44<>	EBIT	1.4	13.1	16.7	15.9	16.9	33.9
Income Tax 0.0 -0.2	Net financial result	-1.2	-4.6	-1.8	-2.3	-2.3	
Tax rate (%) -32.1 25.7 17.0 20.0 20.4 35.9 Net profit, group share 0.3 7.3 12.7 11.2 0.3 33.3 EPS 0.50 1.41 0.6/32 06/33 06/24 06/32 06/32 Codwill 0.0 0.58 4.6 18.3 18.1 18.1 Tanglibe and intanglibe assets 89.9 99.3 100.9 0.03 0.0 0.0 Financial assets 1.8 1.8 1.8 1.8 1.8 1.8 1.8 Working capital 7.7 7.27 7.34 1.40 7.8 3.8 3.8 Assets 2.1 1.7 3.8 3.8 3.8 3.8 3.8 Starbolders equity group 55.3 65.3 7.40 85.4 9.72 110.4 Minorities 7.0 7.1 3.8 2.5 3.1 13.8 Det cot intres 4.4 3.5 3.2 3.2 3.2<	Income Tax	0.1		-2.5			-7.9
Net profit, group share 0.3 7.3 12.7 11.2 12.3 12.3 EPS 0.50 1.41 2.45 2.66 2.36 4.49 Financial Statement 06/21 06/23 06/24 06/24 06/26 06/26 Goadwill 0.0 5.8 4.6 18.1 18.1 18.1 18.1 Tangible and intangible assets 8.99 9.93 10.0 0.0 0.0 0.0 0.0 Working capital 7.7 7.7 7.4 4.4 0.8 1.88 1.88 1.88 3.8 3.8 Other Assets 2.1 1.7 3.8 3.8 9.73 1.73 1.34 1.74 1.74 1.74 1.74 1.74 1.74 1.74 1.74 1.74 1.75 1.74 1.76 1.74 1.76 1.74 1.76 1.74 1.76 1.74 1.76 1.76 1.76 1.76 1.76 1.76 1.76 1.76 1.76	Tax rate (%)	-32.1	25.7	17.0			
EPS 0.50 1.41 2.45 2.16 2.36 4.49 Financial Statement 06/12 06/23 06/24 06/24 06/26 06/26 Coodwill 0.0 5.8 4.6 18.1 18.3 18.1 Tangble and intangible assets 89.9 99.3 10.9 0.00 0.00 0.00 Financial assets 1.8 1.8 1.8 1.8 1.8 1.8 1.8 Other Assets 1.8 1.8 1.8 1.8 1.8 3.8 3.8 Shareholders equity group 55.3 65.3 74.4 85.1 97.2 10.4 Minoritis -0.0 -0.2 -0.3 3.2 10.2 10.4 LT & ST provisions and others 4.4 3.5 3.2 3.2 3.2 10.2 10.4 LT & ST provisions and others 6.4 6.4 6.4 6.4 6.7 6.7 6.7 Net debt 20.1 3.18 21.3 <					11.2		
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Operating cash flow 6.8 5.2 15.3 13.3 22.8 407 Net capex -10.0 -10.9 -10.2 -89 -31.6 -124.4 FCF -3.2 -5.6 5.1 4.4 -8.8 -83.7 Acquisitions/Disposals of subsidiaries -0.1 -2.1 0.0 -13.5 0.0 0.0 Other investments 0.5 -3.2 1.7 -13.5 0.0 0.0 Change in borrowings 7.3 22.9 8.1 42.3 10.0 35.0 Dividends paid 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Repayment of leasing debt 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Others 0.0 <td< td=""><td>CF after elimination of net borrowing costs and taxes</td><td>2.4</td><td>9.2</td><td>15.7</td><td>15.7</td><td>23.0</td><td>36.3</td></td<>	CF after elimination of net borrowing costs and taxes	2.4	9.2	15.7	15.7	23.0	36.3
Net capex -10.0 -10.9 -10.2 -8.9 -31.6 -124.4 FCF -3.2 -5.6 5.1 4.4 -8.8 -83.7 Acquisitions/Disposals of subsidiaries -0.1 -2.1 0.0 -13.5 0.0 0.0 Other investments 0.5 -3.2 1.7 -13.5 0.0 0.0 Change in borrowings 7.3 22.9 8.1 42.3 10.0 35.0 Dividends paid 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Repayment of leasing debt 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Others 0.0 <t< td=""><td></td><td>4.4</td><td>-4.0</td><td>-0.3</td><td>-2.4</td><td>-0.2</td><td>4.5</td></t<>		4.4	-4.0	-0.3	-2.4	-0.2	4.5
FCF-3.2-5.65.14.4-8.8-83.7Acquisitions/Disposals of subsidiaries-0.1-2.10.0-13.50.00.0Other investments0.5-3.21.7-13.50.00.0Change in borrowings7.322.98.142.310.035.0Dividends paid0.00.00.00.00.00.0Repayment of leasing debt0.00.00.00.00.0Change in net cash over the year4.514.011.633.21.2ROA (%)0.2%5.1%9.2%6.6%5.7%5.6%ROE (%)0.5%11.4%17.2%13.1%12.6%19.3%	Operating cash flow	6.8	5.2	15.3	13.3	22.8	40.7
Acquisitions/Disposals of subsidiaries-0.1-2.10.0-13.50.00.0Other investments0.5-3.21.7-13.50.00.0Change in borrowings7.322.98.142.310.035.0Dividends paid0.00.00.00.00.00.0Repayment of leasing debt0.00.00.00.00.0Equity Transaction0.00.00.00.00.0Others0.00.00.00.00.0Change in net cash over the year4.514.011.633.21.2ROA (%)0.2%5.1%9.2%6.6%5.7%5.6%ROE (%)0.5%11.4%17.2%13.1%12.6%19.3%	-	-10.0	-10.9	-10.2	-8.9	-31.6	-124.4
Other investments 0.5 -3.2 1.7 -13.5 0.0 0.0 Change in borrowings 7.3 22.9 8.1 42.3 10.0 35.0 Dividends paid 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Repayment of leasing debt 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Equity Transaction 0.0		-3.2	-5.6	5.1	4.4	-8.8	-83.7
Change in borrowings 7.3 22.9 8.1 42.3 10.0 35.0 Dividends paid 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Repayment of leasing debt 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Equity Transaction 0.0 0.0 -3.2 0.0 0.0 0.0 Others 0.0 0.0 0.0 -0.1 0.0 0.0 0.0 Change in net cash over the year 4.5 14.0 11.6 33.2 1.2 -48.7 ROA (%) 0.2% 5.1% 9.2% 6.6% 5.7% 5.6% ROE (%) 0.5% 11.4% 17.2% 13.1% 12.6% 19.3%	Acquisitions/Disposals of subsidiaries	-0.1	-2.1	0.0	-13.5	0.0	0.0
Dividends paid 0.0		0.5	-3.2	1.7	-13.5	0.0	0.0
Repayment of leasing debt 0.0 <td>5</td> <td>7.3</td> <td>22.9</td> <td>8.1</td> <td>42.3</td> <td>10.0</td> <td>35.0</td>	5	7.3	22.9	8.1	42.3	10.0	35.0
Equity Transaction 0.0 0.0 -3.2 0.0 0.0 na Others 0.0	Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others 0.0 0.0 -0.1 0.0 0.0 0.0 Change in net cash over the year 4.5 14.0 11.6 33.2 1.2 -48.7 ROA (%) 0.2% 5.1% 9.2% 6.6% 5.7% 5.6% ROE (%) 0.5% 11.4% 17.2% 13.1% 12.6% 19.3%	Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year 4.5 14.0 11.6 33.2 1.2 -48.7 ROA (%) 0.2% 5.1% 9.2% 6.6% 5.7% 5.6% ROE (%) 0.5% 11.4% 17.2% 13.1% 12.6% 19.3%	1 ·	0.0	0.0	-3.2	0.0	0.0	na
ROA (%) 0.2% 5.1% 9.2% 6.6% 5.7% 5.6% ROE (%) 0.5% 11.4% 17.2% 13.1% 12.6% 19.3%		0.0	0.0	-0.1	0.0	0.0	0.0
ROE (%) 0.5% 11.4% 17.2% 13.1% 12.6% 19.3%	Change in net cash over the year	4.5	14.0	11.6	33.2	1.2	-48.7
	ROA (%)	0.2%	5.1%	9.2%	6.6%	5.7%	5.6%
ROCE (%) 3.0% 31.2% 25.7% 25.0% 28.9% na	ROE (%)	0.5%	11.4%	17.2%	13.1%	12.6%	19.3%
	ROCE (%)	3.0%	31.2%	25.7%	25.0%	28.9%	na



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2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.

3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.

4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

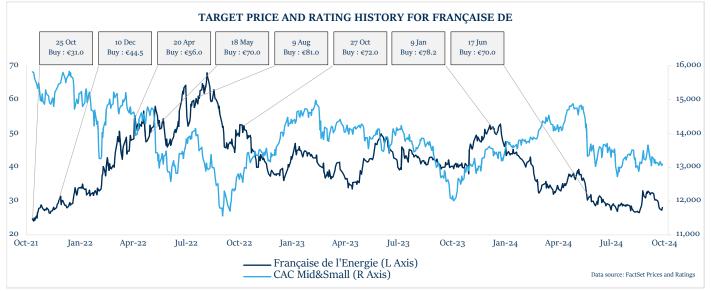
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