

EQUITY RESEARCH

FRANÇAISE DE L'ENERGIE

RESULTS REVIEW

Company call

BUY

TP 70.0€

Up/Downside: 212%

Imminent commissioning of 2 new cogeneration units

The key surprise in this publication lies in the acquisition of the necessary authorizations to connect four new cogeneration units !

H1 Revenue in Line with Expectations for the Year

H1 2024/25 revenue declined by -11% to €15.5M (Drin Energija, 49.5% owned by Greenstat, under full consolidation), following a sequential increase of 21.4% to €8.5M in Q2 revenue (-8.6% YoY). Gas-related revenue, limited to only two months due to the unavailability of the GRTgaz transport network, amounted to €3.1M (vs. €4M over four months last year). Legal proceedings are underway to address damages incurred since 2019. Revenue from electricity (cogeneration, including 10 units in France and 5 in Belgium, as well as 15 MW of solar plants in France) reached €7M (compared to €13M in H1 2023/24). The group has optimized future prices, securing a significant portion of its annual production at €150/MWh (compared to €140/MWh the previous year). External growth contributed €4.1M (including €1.8M from photovoltaic plant construction projects and €3.3M from solar energy production in Bosnia).

Authorization for New Cogeneration Units

The group has obtained prefectural orders for the connection of two cogeneration units already installed in Angres, with a total electricity production capacity of 3 MW, and two others in Rouvignies (3 MW). These cogeneration units will operate under a purchase obligation scheme (at approximately €82/MWh) and are expected to contribute around €4M in annual revenue.

Growth Acceleration Expected from H2 2025

In line with our scenario, the first significant revenue contributions from Norwegian activities (renewable natural gas production in Stavanger/100 GWh by late 2025 and Halså/120 GWh in 2026, coupled with the production of 14,200 tons of liquid Bio-CO₂ and 165,000 tons of organic fertilizer annually) should materialize by FY 2025/26. Notably, one-third of the feedstock is already secured. The Agder site is on track to begin renewable hydrogen production by late 2026. The group also reiterates its 2030 targets (revenue >€175M, EBITDA >€85M), with financing already secured.

Particularly Attractive Valuation

With the necessary authorizations obtained, the commissioning of cogeneration units in France is imminent. We reaffirm our scenario of strong growth acceleration starting FY 2025/26, driven by the ramp-up and diversification of energy sources (bio-LNG, bio-CO₂, solar PV, and decarbonized hydrogen). Sustained operational efficiency should support high margins. The stock, which offers significant upside potential, is trading at EV/EBITDA multiples of 7.6x for 2025 and 4.9x for 2026, not reflecting the group's credible medium-term ambitions. BUY recommendation confirmed.

TP ICAP Midcap Estimates	06/23	06/24e	06/25e	06/26e	Valuation Ratio	06/24e	06/25e	06/26e
Sales (m €)	39.2	31.4	36.2	78.5	EV/Sales	4.8	4.6	2.8
Current Op Inc (m €)	24.8	16.6	17.2	33.7	EV/EBITDA	7.6	7.6	4.9
Current op. Margin (%)	63.3	52.9	47.5	42.9	EV/EBIT	9.0	9.7	6.5
EPS (€)	2.45	2.13	2.35	4.40	PE	10.6	9.5	5.1
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	5.1	3.9	-10.4	-91.0				

Research partially paid by the Issuer

Key data

Price (€)	22.5
Industry	Utilities
Ticker	FDE-FR
Shares Out (m)	5.183
Market Cap (m €)	116.3
Next event	CA S1 24-25 : 23/01/25

Source: FactSet

Ownership (%)

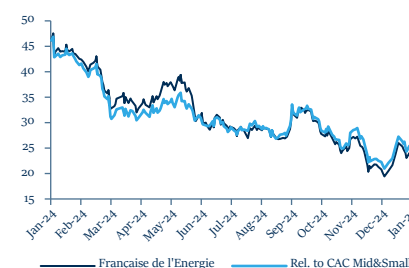
Julien Moulin	15.3
Autres (>3% du capital)	25.0
Auto-contrôle	3.6
Free float	56.1

Source: TPICAP Midcap estimates

EPS (€)	06/24e	06/25e	06/26e
Estimates	2.13	2.35	4.40
Change vs previous estimates (%)	-1.41	-0.59	-1.92

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.4	17.3	-5.1
Rel CAC Mid&Small	0.8	11.9	-6.9



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

Income Statement	06/21	06/22	06/23	06/24e	06/25e	06/26e
Sales	10.2	26.2	39.2	31.4	36.2	78.5
Changes (%)	30.3	156.2	49.6	-19.8	15.1	117.0
Gross profit	6.3	20.3	35.1	26.8	32.6	64.4
% of Sales	61.6	77.6	89.4	85.4	90.2	82.1
EBITDA	2.9	15.1	27.3	19.7	21.9	44.6
% of Sales	28.2	57.6	69.7	62.7	60.5	56.8
Current operating profit	1.1	14.3	24.8	16.6	17.2	33.7
% of Sales	10.3	54.4	63.3	52.9	47.5	42.9
Non-recurring items	-0.1	-1.1	-8.1	0.0	0.0	0.0
EBIT	1.4	13.1	16.7	16.6	17.2	33.7
Net financial result	-1.2	-4.6	-1.8	-2.7	-2.7	-2.7
Income Tax	0.1	-2.5	-2.5	-2.8	-3.0	-7.8
Tax rate (%)	-32.1	25.7	17.0	20.0	20.4	25.0
Net profit, group share	0.3	7.3	12.7	11.0	12.2	22.8
EPS	0.50	1.41	2.45	2.13	2.35	4.40
Financial Statement	06/21	06/22	06/23	06/24e	06/25e	06/26e
Goodwill	0.0	5.8	4.6	9.7	9.7	9.7
Tangible and intangible assets	89.9	99.3	101.9	112.9	140.6	211.2
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	1.8	1.8	1.8	10.1	10.1	10.1
Working capital	-7.7	-3.7	-3.4	-1.9	-0.1	2.3
Other Assets	2.1	1.7	3.8	3.8	3.8	3.8
Assets	86.2	104.8	108.7	134.6	164.2	237.1
Shareholders equity group	55.3	63.3	74.0	90.5	102.4	125.2
Minorities	-0.0	-0.2	-0.3	0.0	0.0	0.0
LT & ST provisions and others	4.4	3.5	3.2	4.0	4.0	4.0
Net debt	20.1	31.8	25.1	33.5	51.1	101.2
Other liabilities	6.4	6.4	6.7	6.7	6.7	6.7
Liabilities	86.2	104.8	108.7	134.6	164.2	237.1
Net debt excl. IFRS 16	20.1	31.8	25.1	33.5	51.1	101.2
Gearing net	0.4	0.5	0.3	0.4	0.5	0.8
Leverage	7.0	2.1	0.9	1.7	2.3	2.3
Cash flow statement	06/21	06/22	06/23	06/24e	06/25e	06/26e
CF after elimination of net borrowing costs and taxes	2.4	9.2	15.7	14.3	23.0	35.8
Δ WCR	4.4	-4.0	-0.3	-1.5	-1.7	-2.4
Operating cash flow	6.8	5.2	15.3	12.8	21.2	33.4
Net capex	-10.0	-10.9	-10.2	-8.9	-31.6	-124.4
FCF	-3.2	-5.6	5.1	3.9	-10.4	-91.0
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	45.0
Dividends paid	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
Equity Transaction	0.0	0.0	-3.2	0.0	0.0	na
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	32.7	-0.4	-46.0
ROA (%)	0.2%	5.1%	9.2%	5.7%	5.7%	6.8%
ROE (%)	0.5%	11.4%	17.2%	10.7%	11.9%	18.2%
ROCE (%)	3.0%	31.2%	25.7%	21.9%	25.1%	105.5%

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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.

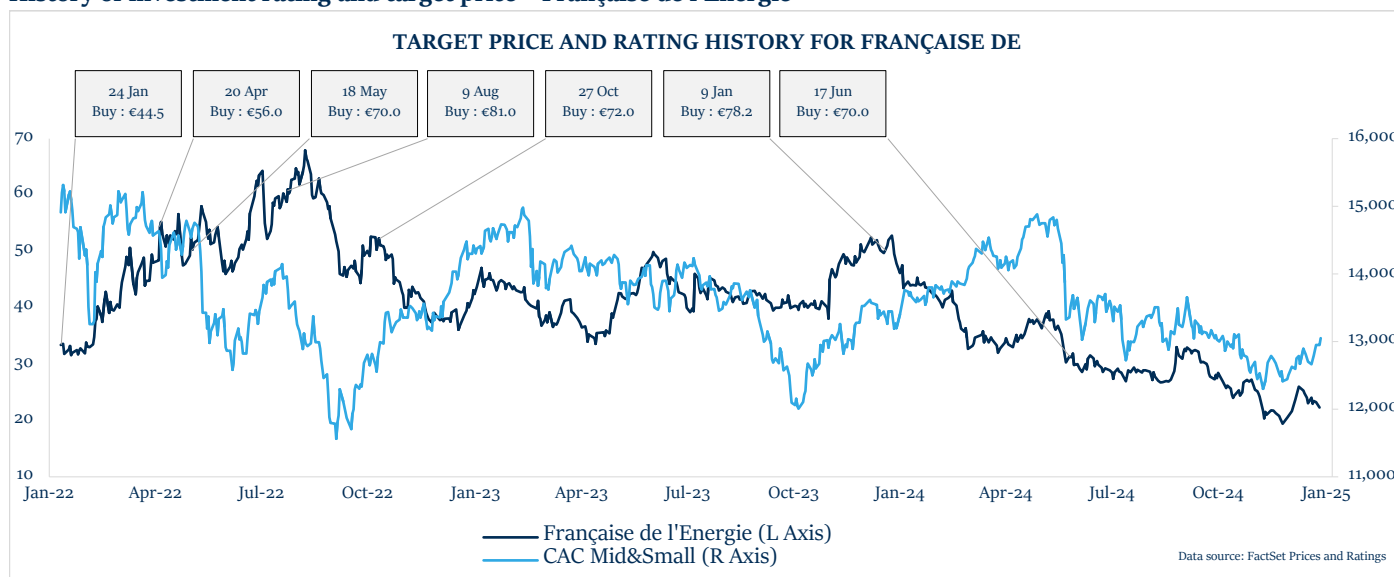
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Hold	14%	71%
Sell	4%	17%
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