



Drone Volt

Aersp. & Defence Equipt. / France

Eurosatory takeways

Latest - 26/06/2024

Analysis

Drone Volt announced that the number of prospects reached around 100 at Eurosatory, a major European Defense exhibition, which is “significantly more” than at previous similar events. 90% of them come from international customers, probably mostly European, which is good news for the geographical expansion of the company and might suggest that the European-built Drone Volt Kobra is finding its market.

On top of this, Marc Courcelle met the current Armies Minister, Sébastien Lecornu, and Drone Volt is a signatory of the Drone Pact, which streamlines relationships between the drone industry and the State. These two elements are major step-ups, as the company was struggling to build relations with buyers within the state despite good relations with potential end-users (such as policemen). Although Sébastien Lecornu will probably not remain Minister after the general elections next week, the program released by the far-right RN indicates support for the growth trajectory in Defense spending. Therefore, we do not think there will be a change in the recognition of the importance of drones in the next government.

Impact

These elements bode well for future revenue growth and we reiterate our Buy recommendation on the stock.

**Alexandre DESPREZ**

aerospacedefence@alphavalue.eu

+33 (0) 1 70 61 10 50

www.alphavalue.com

This research has been commissioned and paid for by the company and does therefore not constitute an inducement caught by the prohibition under MiFID II

Buy	Upside: 170%
Target Price (6 months)	€ 0.02
Share Price	€ 0.01
Market Cap. €M	12.4
Price Momentum	NEGATIVE
Extremes 12Months	0.01 ▶ 0.01
Sustainability score	5.1 /10
Credit Risk	CC ↗
Bloomberg	ALDRV FP Equity
Reuters	ALDRV.PA

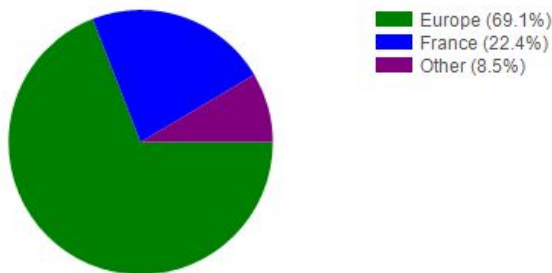
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PERF	1w	1m	3m	12m
Drone Volt	-2.74%	-13.4%	-6.58%	-38.3%
Aerospace-Defence	-3.27%	-7.77%	-6.64%	38.6%
STOXX 600	0.52%	-0.55%	1.54%	14.2%

Last updated: 29/01/2024	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	-0.76	-4.69	ns	4.07
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-9.95	-8.67	29.8	2.92
Adjusted EPS (€)	-0.05	0.00	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)	13,736	23,865	29,050	35,736
Other margin (%)	21.1	14.4	19.0	24.0
Attributable net profit (€th)	-25,484	-2,893	-129	3,052
ROE (after tax) (%)	-89.5	-14.2	-0.56	13.0
Gearing (%)	0.36	3.91	-8.77	-12.5

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

Sales by Geography



Consolidated P&L Accounts

	12/22A	12/23E	12/24E
Sales	€th 13,736	23,865	29,050
Change in sales	% 59.4	73.7	21.7
Change in staff costs	% 61.1	20.0	4.68
EBITDA	€th -2,799	-2,810	536
EBITDA(R) margin	% -20.4	-11.8	1.84
Depreciation	€th		
Underlying operating profit	€th -4,960	-4,648	-1,439
Operating profit (EBIT)	€th -22,039	-4,434	-1,200
Net financial expense	€th -108	-215	-202
of which related to pensions	€th	0.00	0.00
Exceptional items & other	€th		
Corporate tax	€th -4,174	876	351
Equity associates	€th		
Minority interests	€th 837	879	923
Adjusted attributable net profit	€th -21,284	-2,893	-129
NOPAT	€th -3,720	-3,486	-1,080

Cashflow Statement

	12/22A	12/23E	12/24E
EBITDA	€th -2,799	-2,810	536
Change in WCR	€th -508	-861	1,139
Actual div. received from equity holdi...	€th 0.00	0.00	0.00
Paid taxes	€th -4,167	876	351
Exceptional items	€th		
Other operating cash flows	€th 3,188	100	100
Total operating cash flows	€th -4,286	-2,695	2,126
Capital expenditure	€th -3,350	-4,000	-3,960
Total investment flows	€th -5,087	-3,800	-3,960
Net interest expense	€th -108	-215	-202
Dividends (parent company)	€th		
Dividends to minorities interests	€th 0.00	0.00	0.00
New shareholders' equity	€th 0.00	12,100	2,476
Total financial flows	€th 3,737	12,037	3,075
Change in cash position	€th -5,636	5,542	1,241
Free cash flow (pre div.)	€th -7,744	-6,910	-2,036

Per Share Data

	12/22A	12/23E	12/24E
No. of shares net of treas. stock (year...)	Th 495,781	1,502,259	1,749,884
Number of diluted shares (average)	Th 431,887	1,000,137	1,627,189
Benchmark EPS	€ -0.05	0.00	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	€ 0.02	20%	
EV/Ebitda	€ 0.01	20%	
P/E	€ 0.01	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.01	5%	
TARGET PRICE	€ 0.02	100%	

NAV/SOTP Calculation

Balance Sheet

	12/22A	12/23E	12/24E
Goodwill	€th 685	678	698
Total intangible	€th 7,726	8,039	8,487
Tangible fixed assets	€th 1,549	1,595	1,643
Financial fixed assets	€th		
WCR	€th 1,483	2,344	1,205
Other assets	€th 3,986	4,106	4,229
Total assets (net of short term liab.)	€th 19,761	19,608	19,127
Ordinary shareholders' equity	€th 17,818	23,067	22,971
Quasi Equity & Preferred	€th		
Minority interests	€th -1,992	-1,972	-1,952
Provisions for pensions	€th 65.0	0.00	0.00
Other provisions for risks and liabilities	€th 92.0	106	122
Total provisions for risks and liabilities	€th 157	106	122
Tax liabilities	€th 0.00	0.00	0.00
Other liabilities	€th 182	200	220
Net debt (cash)	€th 3,597	-1,793	-2,234
Total liab. and shareholders' equity	€th 19,762	19,608	19,127

Capital Employed

	12/22A	12/23E	12/24E
Capital employed after depreciation	€th 10,758	11,979	11,335

Profits & Risks Ratios

	12/22A	12/23E	12/24E
ROE (after tax)	% -89.5	-14.2	-0.56
ROCE	% -34.6	-29.1	-9.52
Gearing (at book value)	% 0.36	3.91	-8.77
Adj. Net debt/EBITDA(R)	x -1.29	0.64	-4.17
Interest cover (x)	x -45.9	-21.6	-7.14

Valuation Ratios

	12/22A	12/23E	12/24E
Reference P/E (benchmark)	x -0.76	-4.69	ns
Free cash flow yield	% -41.9	-33.9	-16.4
P/Book	x 1.04	0.88	0.54
Dividend yield	% 0.00	0.00	0.00

EV Calculation

	12/22A	12/23E	12/24E
Market cap	€th 18,473	20,402	12,424
+ Provisions	€th 157	106	122
+ Unrecognised actuarial losses/(gains)	€th 0.00	0.00	0.00
+ Net debt at year end	€th 3,475	-1,921	-2,368
+ Leases debt equivalent	€th 0.00	0.00	0.00
- Financial fixed assets (fair value)	€th 242	208	177
+ Minority interests (fair value)	€th 5,976	5,976	5,976
= EV	€th 27,839	24,354	15,977
EV/EBITDA(R)	x -9.95	-8.67	29.8
EV/Sales	x 2.03	1.02	0.55

Analyst : Alexandre Desprez, Changes to Forecasts : 29/01/2024.