

Française de l'Energie SA

France - Utilities



HAUCK
AUFHÄUSER
INVESTMENT BANKING

Buy (old: Buy)

Price target: EUR 71.00 (old: EUR 67.00)

Price: EUR 56.60 **Next result:** FY 2021/22 21.07.22
Bloomberg: FDE FP **Market cap:** EUR 278.9 m
Reuters: FDE.PA **Enterprise Value:** EUR 313.1 m

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Shedding more light on the Cryo Pur opportunity, chg.

FDE recently held a **capital markets day**. The **key topic was the acquisition of Cryo Pur**: a potential game changer and an incremental vertical, leaving the profitable legacy business intact. We also fine-tuned the model as we transferred coverage.

Cryo Pur designs, manufactures, markets and services a range of equipment to upgrade different biogases to liquefied bio-methane ("LBG") and liquefied bio-CO₂. With this acquisition, **FDE broadens its capabilities to capture gases and transform them into valuable products**, hence avoiding harmful emissions.

The technology's unique-selling proposition is manifold: 1. It is **energy efficient**; 2. The liquefaction process is **highly versatile and scalable**: the technology is applicable to biogas, landfill gas, flare gas and abandoned mine methane. It is suitable for projects with a wide range of input gas flows, hence making it possible to exploit resources that would otherwise simply be wasted; 3. It delivers **high purity grades** (Methane: 99% readily injectable into the grid; and CO₂ 99.9% usable in a broad range of applications); 4. It offers **attractive monetization** opportunities for the CO₂ by-product: 2.5t are easily transformed in to 1t of dry ice sold for 400€/t, to be used in the food industry, for example.

LBG is widely accepted as a clean fuel solution and used, for example, in heavy truck and vessels, together responsible for c. 6.5% of CO₂ emissions globally. The European shipping industry will join the EUTS mechanism in 2023, vastly accelerating the migration towards cleaner fuel and resulting in higher demand for LBG (see graph on page 3).

FDE's **strategy** is, first, to scale up equipment production. The idea is then to develop, operate and maintain own projects. The current pipeline of seven projects, resulting in potential sales of € 35m, includes only equipment projects. Assuming a targeted EBIT margin of 30%, would yield in a **c. 33% upside to EBIT 2022/2023E estimates**, currently not in our numbers.

Remains a BUY with a PT of € 71 (€ 67) based on DCF. There is more upside coming from the Lorraine 6.7bn m³ coal seam gas, not included in our estimates, and which is valued at a **NAV of € 318m**. **Cryo Pur is also not included in our estimates**, as we expect a more detailed business plan to come with FY 2021 figures on July 21st. Peer WAGA Energy is valued currently at ca. 30x 2022E revenues, implying a rough incremental **potential upside of € 30 per FDE share**.

Y/E 30.6 (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
Sales	6.7	7.9	7.9	10.2	29.9	58.5	66.3
Sales growth	81 %	19 %	-1 %	30 %	192 %	96 %	13 %
EBITDA	-0.7	2.3	1.1	2.9	14.9	37.4	41.1
EBIT	-2.8	1.4	-0.1	1.4	11.6	31.4	32.2
Net income	-1.3	0.8	0.0	0.3	7.5	22.0	22.6
Net debt	9.8	12.3	19.5	25.0	34.3	36.2	31.6
Net gearing	18.5 %	22.8 %	35.9 %	45.2 %	54.6 %	42.7 %	29.5 %
Net Debt/EBITDA	-13.6	5.4	18.5	8.6	2.3	1.0	0.8
EPS pro forma	-0.25	0.16	0.01	0.05	1.45	4.25	4.37
CPS	-0.45	0.33	0.03	0.89	1.81	4.33	5.36
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	40.3 %	55.6 %	49.9 %	58.7 %	59.6 %	69.0 %	66.5 %
EBITDA margin	-10.9 %	28.8 %	13.4 %	28.6 %	49.8 %	64.0 %	62.0 %
EBIT margin	-41.8 %	17.7 %	-1.8 %	13.9 %	38.7 %	53.6 %	48.6 %
ROCE	-4.2 %	2.0 %	-0.2 %	1.7 %	11.5 %	25.0 %	21.3 %
EV/sales	43.3	36.7	37.9	29.7	10.5	5.4	4.7
EV/EBITDA	-398.3	127.6	282.1	103.9	21.0	8.4	7.6
EV/EBIT	-103.6	207.9	-2,069.0	214.3	27.0	10.0	9.6
PER	-216.8	329.9	8,188.8	1,017.7	37.2	12.7	12.4
Adjusted FCF yield	-0.3 %	0.6 %	0.4 %	0.8 %	3.7 %	8.9 %	9.9 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 06.05.2022

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 54.40 / 19.50
Price/Book Ratio: 4.4
Relative performance (SDAX):
3 months 66.1 %
6 months 114.1 %
12 months 152.5 %

Changes in estimates

		Sales	EBIT	EPS
2021	old:	29.9	11.6	1.49
	Δ	-	-	-2.2%
2022	old:	58.5	31.4	4.35
	Δ	-	-	-2.2%
2023	old:	66.3	32.2	4.47
	Δ	-	-	-2.2%

Key share data:

Number of shares: (in m pcs) 5.2
Authorised capital: (in € m) -
Book value per share: (in €) 12.2
Ø trading volume: (12 months) 250,000

Major shareholders:

Free Float 51.0 %
Historical Shareholders 24.0 %
Management & Employees 12.0 %
Financière Arbevel 6.6 %
SQUAD Aguja 6.4 %
Opportunities

Company description:

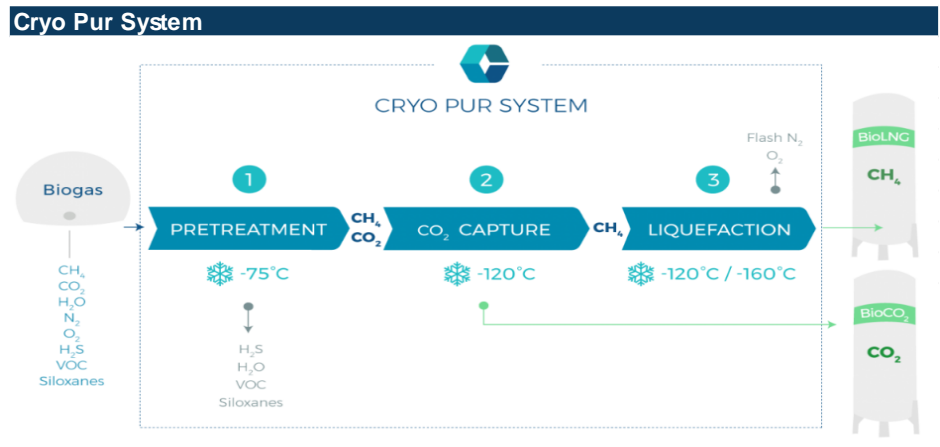
FDE owns concessions in three coal-mining areas to extract methane gas and to commercialize it via selling gas or electricity as well as heat. Certified gas reserves (2P) amount to 11.6bn m³.

The Cryo Pur opportunity

Cryo Pur in a nut-shell

Cryo Pur was founded in 2015 by Denis Clodic, co-winner of the Nobel Peace Prize in 2007 for his contributions to the IPCC works (Intergovernmental Group of Experts on climate change). It designs, manufactures, markets and services a range of equipment to upgrade different biogases to liquefied bio-methane and liquefied bio-CO₂.

After 20 years of R&D Mr. Clodic and his team developed a process of integrated refrigeration cascades to separate the bio-methane and bio-CO₂ out of the biogas. The input gas is treated and cooled down in three different steps that are included in one single system. **The outputs are liquefied bio-methane and liquefied bio-CO₂. This unique technique, which is highly energy efficient, is based on 7 major families of international patents.**

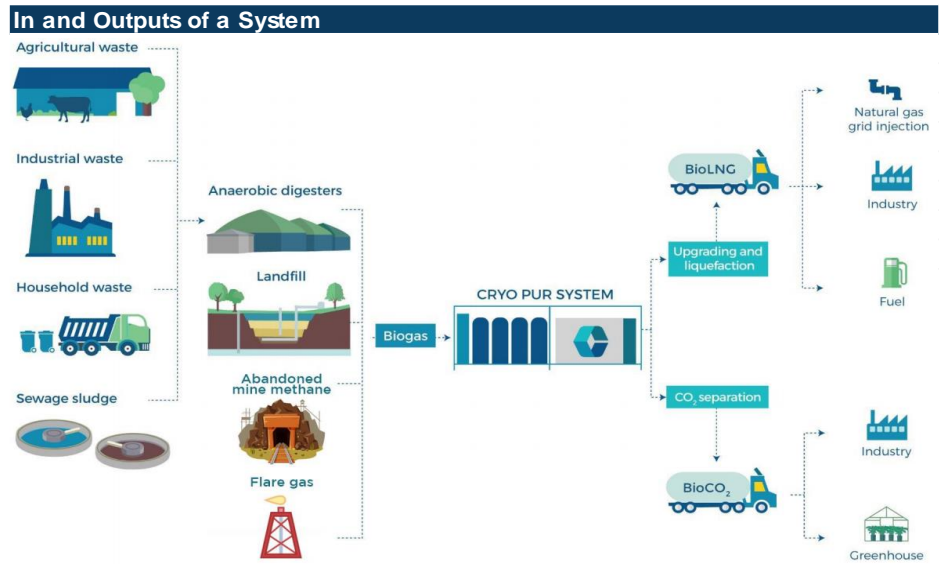


Source: Company Data; HAIB

Competitive and business quality sound-bites...

Due to the thermodynamic synergies inside the system, the electricity consumption is optimized and the **output gases are of an outstanding quality**. The bio-methane is more than 99% pure and the bio-CO₂ reaches a purity level of even 99.9% and complies with the norm of the European Industrial Gases Association (EIGA), which in turn makes it usable in several industries.

A major advantage of this process is the **wide range of possible input gases**. The system can produce liquefied bio-methane and bio-CO₂ out of biogas, flare gas, landfill gas and from abandoned mine methane.



Source: Company Data; HAIB

The bio-methane can either be used as a fuel, as input product for industry processes or injected into the natural gas grid. The bio-CO₂ is a valuable byproduct of the bio-methane production process. It can be used as a fertilizer in greenhouses or as input for industry processes. **An interesting opportunity is the production of dry ice. One ton of dry ice is produced of 2.5 tons of CO₂ and sold for 400€/t.**

The use of abandoned mine methane as an “eligible” input gas opens up new opportunities for FDE’s legacy business. Thus, before installing a new CHP unit, they will have the option of choosing between installing a Cryo Pur system or a new CHP, depending on where the higher profitability is.

The ability to tap a wide range of input gases not only means more flexibility for FDE, it is also **a major competitive advantage over its competitor Waga Energy**, which can use only landfill gas as an input gas. Furthermore, Waga is not able to liquefy the methane, thus limiting their kind of installations to production sites that are close to a grid injection point.

In many countries, **small-scale methane production sites face the challenge of not being able to connect to the gas grid, mainly due to accessibility.** Cryo Pur can offer installations of different sizes that can deal with a gas inflow from 250 Nm³/h up to 2000 Nm³/h and is therefore a compelling solution for such methane production sites.

Product	Nominal biogas flowrate (Nm ³ /h)	Minimal biogas flowrate (Nm ³ /h)	Maximal biogas flowrate (Nm ³ /h)	Nominal bio-LNG production (t/d)	Nominal bio-CO ₂ production
CP 250	250	125	300	2.3	4.7
CP 500	500	250	600	4.6	9.4
CP 800	800	400	960	7.4	15.1
CP 1000	1000	500	1200	9.2	18.9
CP 1500	1500	750	1800	13.8	28.4
CP 2000	2000	1000	2400	18.5	37.4

Source: Company Data; HAIB

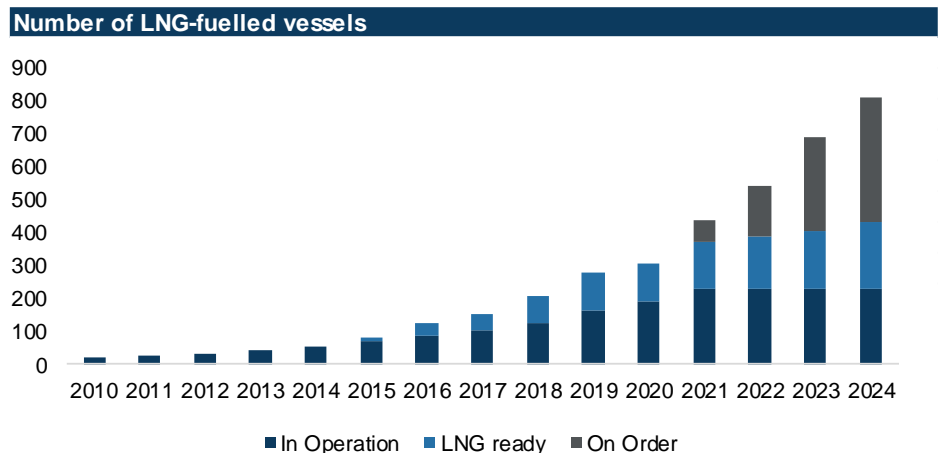
Strategy and Outlook

For now, Cryo Pur is a pure equipment producer. **FDE aims to scale-up the business and accelerate its commercial rollout.** In parallel, FDE aims to expand Cryo Pur’s business model and **control the whole value-chain** down the road. The objective is to build and operate installations and to therefore profit from the sale of bio-methane and bio-CO₂. FDE has by now a proven track record in carrying out development projects and monetizing gas assets.

FDE is **currently negotiating 7 projects** with a revenue potential of € 35m and sent out proposals for 21 further projects. Furthermore, first contacts and/or pre-feasibility studies are ongoing for **160 projects of which 85% are located in Europe, highlighting that Cryo Pur is a potential game changer for FDE.**

The shipping industry example

The **transportation sector is looking for a solution to reduce greenhouse gases and LBG, alongside LNG, plays a crucial role** as it can be used as fuel for heavy trucks and vessels. In 2023, the European shipping industry will join the EUTS mechanism, which should further accelerate the migration towards cleaner fuel. We can already see that the shipping industry is increasing the LNG fueled vessel fleet, which implies higher demand for LNG and LBG down the road.



Source: SEA-LNG; HAIB

Financials

Profit and loss (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
Sales	6.7	7.9	7.9	10.2	29.9	58.5	66.3
Sales growth	80.9 %	19.0 %	-0.7 %	30.3 %	192.2 %	95.5 %	13.3 %
Cost of sales	4.0	3.5	3.9	4.2	12.1	18.1	22.2
Gross profit	2.7	4.4	3.9	6.0	17.8	40.3	44.0
Sales and marketing	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General and administration	4.4	3.5	3.2	3.6	3.8	4.1	4.3
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	1.0	1.4	0.4	0.7	0.8	1.2	1.3
Other operating expenses	0.0	0.0	0.1	0.2	0.0	0.0	0.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-0.7	2.3	1.1	2.9	14.9	37.4	41.1
Depreciation	0.6	0.7	1.0	1.3	2.7	5.4	8.2
EBITA	-1.3	1.6	0.1	1.6	12.2	32.0	32.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.5	0.2	0.2	0.2	0.6	0.6	0.7
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-2.8	1.4	-0.1	1.4	11.6	31.4	32.2
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.4	0.5	0.6	1.2	1.6	2.1	2.1
Other financial result	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.4	-0.5	-0.6	-1.2	-1.6	-2.1	-2.1
Recurring pretax income from continuing operations	-3.2	0.9	-0.7	0.2	10.0	29.3	30.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-3.2	0.9	-0.7	0.2	10.0	29.3	30.1
Taxes	-1.9	0.0	-0.8	-0.1	2.5	7.3	7.5
Net income from continuing operations	-1.3	0.8	0.1	0.3	7.5	22.0	22.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-1.3	0.8	0.1	0.3	7.5	22.0	22.6
Minority interest	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Net profit (reported)	-1.3	0.8	0.0	0.3	7.5	22.0	22.6
Average number of shares	5.2	5.2	5.2	5.2	5.2	5.2	5.2
EPS reported	-0.25	0.16	0.01	0.05	1.45	4.25	4.37

Profit and loss (common size)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	59.7 %	44.4 %	50.1 %	41.3 %	40.4 %	31.0 %	33.5 %
Gross profit	40.3 %	55.6 %	49.9 %	58.7 %	59.6 %	69.0 %	66.5 %
Sales and marketing	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
General and administration	65.4 %	44.7 %	40.8 %	34.8 %	12.6 %	7.0 %	6.5 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	14.3 %	17.8 %	5.3 %	6.9 %	2.8 %	2.0 %	2.0 %
Other operating expenses	0.0 %	0.0 %	1.0 %	2.3 %	0.0 %	0.0 %	0.0 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	neg.	28.8 %	13.4 %	28.6 %	49.8 %	64.0 %	62.0 %
Depreciation	8.7 %	8.6 %	12.7 %	12.7 %	9.0 %	9.3 %	12.4 %
EBITA	neg.	20.2 %	0.7 %	15.9 %	40.8 %	54.7 %	49.6 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	22.3 %	2.5 %	2.5 %	2.0 %	2.1 %	1.1 %	1.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	neg.	17.7 %	neg.	13.9 %	38.7 %	53.6 %	48.6 %
Interest income	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	5.8 %	6.3 %	7.2 %	11.8 %	5.3 %	3.6 %	3.2 %
Other financial result	-0.8 %	-0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	neg.	11.1 %	neg.	2.2 %	33.4 %	50.0 %	45.4 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	neg.	11.1 %	neg.	2.2 %	33.4 %	50.0 %	45.4 %
Tax rate	60.2 %	4.2 %	113.3 %	-32.0 %	25.0 %	25.0 %	25.0 %
Net income from continuing operations	neg.	10.7 %	1.2 %	2.9 %	25.1 %	37.5 %	34.0 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	neg.	10.7 %	1.2 %	2.9 %	25.1 %	37.5 %	34.0 %
Minority interest	0.0 %	0.0 %	0.8 %	0.2 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	neg.	10.7 %	0.4 %	2.7 %	25.1 %	37.5 %	34.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
Intangible assets	68.7	69.7	69.8	70.1	69.5	68.9	68.2
Property, plant and equipment	5.9	9.2	10.8	19.8	35.1	55.8	73.5
Financial assets	0.9	0.9	1.3	1.8	1.8	1.8	1.8
FIXED ASSETS	75.6	79.8	81.8	91.7	106.4	126.5	143.5
Inventories	0.3	0.3	0.4	0.6	1.5	2.9	3.3
Accounts receivable	0.9	1.1	0.9	1.4	4.1	8.0	9.1
Other current assets	2.0	2.5	3.3	4.1	4.1	4.1	4.1
Liquid assets	3.7	1.2	3.8	7.0	18.4	34.1	38.7
Deferred taxes	1.3	1.3	2.1	2.1	2.1	2.1	2.1
Deferred charges and prepaid expenses	0.3	0.2	0.1	0.1	0.1	0.1	0.1
CURRENT ASSETS	8.6	6.6	10.6	15.3	30.3	51.4	57.4
TOTAL ASSETS	84.2	86.4	92.4	107.0	136.7	177.9	200.9
SHAREHOLDERS EQUITY	53.3	54.2	54.4	55.3	62.8	84.8	107.3
MINORITY INTEREST	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Long-term debt	12.4	11.0	16.5	25.7	50.7	68.3	68.3
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	3.8	4.5	4.3	4.4	4.4	4.4	4.4
Non-current liabilities	16.2	15.5	20.8	30.0	55.0	72.7	72.7
short-term liabilities to banks	1.2	2.5	6.8	6.3	2.0	2.0	2.0
Accounts payable	2.5	2.4	1.3	2.8	6.0	7.9	8.5
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	4.7	5.4	2.8	6.2	6.2	5.4	5.4
Deferred taxes	6.3	6.3	6.4	6.4	6.2	7.0	7.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	14.6	16.7	17.3	21.7	20.3	22.3	22.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	84.1	86.4	92.4	107.1	138.2	179.7	202.9

Balance sheet (common size)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
Intangible assets	81.7 %	80.7 %	75.5 %	65.5 %	50.3 %	38.3 %	33.6 %
Property, plant and equipment	7.1 %	10.6 %	11.6 %	18.5 %	25.4 %	31.1 %	36.2 %
Financial assets	1.1 %	1.1 %	1.4 %	1.7 %	1.3 %	1.0 %	0.9 %
FIXED ASSETS	89.9 %	92.3 %	88.5 %	85.7 %	77.0 %	70.4 %	70.8 %
Inventories	0.3 %	0.4 %	0.4 %	0.6 %	1.1 %	1.6 %	1.6 %
Accounts receivable	1.1 %	1.3 %	1.0 %	1.3 %	3.0 %	4.5 %	4.5 %
Other current assets	2.4 %	2.9 %	3.5 %	3.9 %	3.0 %	2.3 %	2.0 %
Liquid assets	4.4 %	1.3 %	4.1 %	6.5 %	13.3 %	19.0 %	19.1 %
Deferred taxes	1.5 %	1.5 %	2.3 %	2.0 %	1.5 %	1.2 %	1.0 %
Deferred charges and prepaid expenses	0.4 %	0.2 %	0.1 %	0.1 %	0.1 %	0.0 %	0.0 %
CURRENT ASSETS	10.2 %	7.7 %	11.4 %	14.3 %	21.9 %	28.6 %	28.3 %
TOTAL ASSETS	100.1 %	100.0 %	100.0 %	100.0 %	99.0 %	99.0 %	99.1 %
SHAREHOLDERS EQUITY	63.3 %	62.7 %	58.9 %	51.7 %	45.5 %	47.2 %	52.9 %
MINORITY INTEREST	0.0 %	0.0 %	neg.	neg.	neg.	neg.	neg.
Long-term debt	14.7 %	12.8 %	17.8 %	24.0 %	36.7 %	38.0 %	33.7 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	4.6 %	5.2 %	4.7 %	4.1 %	3.2 %	2.4 %	2.2 %
Non-current liabilities	19.3 %	18.0 %	22.5 %	28.1 %	39.8 %	40.4 %	35.8 %
short-term liabilities to banks	1.4 %	2.9 %	7.4 %	5.9 %	1.4 %	1.1 %	1.0 %
Accounts payable	2.9 %	2.8 %	1.4 %	2.7 %	4.3 %	4.4 %	4.2 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	5.6 %	6.3 %	3.0 %	5.8 %	4.5 %	3.0 %	2.7 %
Deferred taxes	7.4 %	7.3 %	6.9 %	6.0 %	4.5 %	3.9 %	3.5 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	17.4 %	19.3 %	18.7 %	20.3 %	14.7 %	12.4 %	11.3 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Française de l'Energie SA

Cash flow statement (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
Net profit/loss	-1.3	0.8	0.1	0.3	7.5	22.0	22.6
Depreciation of fixed assets (incl. leases)	0.6	0.7	1.0	1.3	2.7	5.4	8.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.5	0.2	0.2	0.2	0.6	0.6	0.7
Others	-0.6	0.8	0.5	2.6	0.0	0.0	0.0
Cash flow from operations before changes in w/c	0.1	2.5	1.8	4.4	10.8	28.0	31.5
Increase/decrease in inventory	0.2	0.0	-0.1	-0.2	-0.9	-1.4	-0.4
Increase/decrease in accounts receivable	-0.7	-0.2	0.2	-0.4	-2.7	-3.9	-1.1
Increase/decrease in accounts payable	0.0	0.0	-1.1	1.6	3.1	2.0	0.6
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-0.4	-0.3	-1.0	0.9	-0.5	-3.3	-0.9
Cash flow from operating activities	-0.2	2.2	0.8	5.3	10.3	24.7	30.6
CAPEX	1.7	4.2	2.4	9.0	18.0	26.2	25.9
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	5.0	0.2	0.0	0.5	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-6.7	-4.4	-2.4	-9.5	-18.0	-26.2	-25.9
Cash flow before financing	-6.9	-2.2	-1.6	-4.2	-7.7	-1.5	4.7
Increase/decrease in debt position	9.9	-0.7	4.6	7.8	20.7	17.6	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.1	0.2	-0.4	-0.5	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	9.8	-0.5	4.2	7.3	20.7	17.6	0.0
Increase/decrease in liquid assets	2.9	-2.7	2.6	3.0	13.0	16.1	4.7
Liquid assets at end of period	3.7	1.0	3.8	6.8	19.8	35.9	40.6

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of Europe	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Company data, Hauck Aufhäuser Investment Banking

Française de l'Energie SA

Key ratios (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
P&L growth analysis							
Sales growth	80.9 %	19.0 %	-0.7 %	30.3 %	192.2 %	95.5 %	13.3 %
EBITDA growth	-69.9 %	-414.8 %	-53.6 %	28.5 %	1310.6 %	1180.0 %	175.8 %
EBIT growth	-3.7 %	-150.3 %	-110.3 %	1.5 %	-	2112.2 %	177.9 %
EPS growth	-44.8 %	-165.7 %	-96.0 %	-67.6 %	21932.4	7911.4 %	200.6 %
Efficiency							
Total operating costs / sales	51.1 %	26.9 %	36.5 %	30.1 %	9.8 %	5.0 %	4.5 %
Sales per employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA per employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Balance sheet analysis							
Avg. working capital / sales	neg.	neg.	neg.	neg.	neg.	1.8 %	2.6 %
Inventory turnover (sales/inventory)	23.3	24.7	24.0	22.0	20.0	20.0	20.0
Trade debtors in days of sales	48.8	52.3	49.0	50.0	50.0	50.0	50.0
A/P turnover [(A/P*365)/sales]	226.4	252.7	200.0	200.0	180.0	160.0	140.0
Cash conversion cycle (days)	-151.4	-167.0	-41.7	-142.7	-84.8	-51.1	-35.6
Cash flow analysis							
Free cash flow	-1.9	-2.0	-1.6	-3.8	-7.7	-1.5	4.7
Free cash flow/sales	-28.5 %	-25.2 %	-20.7 %	-37.0 %	-25.6 %	-2.6 %	7.1 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	neg.	20.8 %
Capex / depre	324.6 %	500.6 %	200.0 %	630.4 %	542.2 %	432.2 %	290.7 %
Capex / maintenance capex	0.0 %	117.3 %	142.9 %	1498.1 %	1791.0 %	1148.7 %	887.8 %
Capex / sales	100.3 %	55.6 %	30.6 %	92.8 %	60.2 %	44.8 %	39.1 %
Security							
Net debt	9.8	12.3	19.5	25.0	34.3	36.2	31.6
Net Debt/EBITDA	-13.6	5.4	18.5	8.6	2.3	1.0	0.8
Net debt / equity	0.2	0.2	0.4	0.5	0.5	0.4	0.3
Interest cover	0.0	2.8	0.0	1.2	7.3	14.9	15.3
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	0.1	0.1	0.1	0.1	0.2	0.4	0.4
Operating assets turnover	1.4	1.0	0.7	0.5	0.9	1.0	0.9
Plant turnover	1.1	0.9	0.7	0.5	0.9	1.0	0.9
Inventory turnover (sales/inventory)	23.3	24.7	24.0	22.0	20.0	20.0	20.0
Returns							
ROCE	-4.2 %	2.0 %	-0.2 %	1.7 %	11.5 %	25.0 %	21.3 %
ROE	-2.4 %	1.6 %	0.1 %	0.5 %	11.9 %	25.9 %	21.0 %
Other							
Interest paid / avg. debt	4.3 %	3.7 %	3.1 %	5.3 %	4.2 %	4.1 %	3.4 %
No. employees (average)	0	0	0	0	0	0	0
Number of shares	5.2	5.2	5.2	5.2	5.2	5.2	5.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.25	0.16	0.01	0.05	1.45	4.25	4.37
Valuation ratios							
P/BV	5.2	5.1	5.1	5.0	4.4	3.3	2.6
EV/sales	43.3	36.7	37.9	29.7	10.5	5.4	4.7
EV/EBITDA	-398.3	127.6	282.1	103.9	21.0	8.4	7.6
EV/EBITA	-221.7	181.9	5320.3	187.1	25.7	9.8	9.4
EV/EBIT	-103.6	207.9	-2069.0	214.3	27.0	10.0	9.6
EV/FCF	-152.0	-145.8	-183.5	-80.2	-40.9	-206.5	66.3
Adjusted FCF yield	-0.3 %	0.6 %	0.4 %	0.8 %	3.7 %	8.9 %	9.9 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

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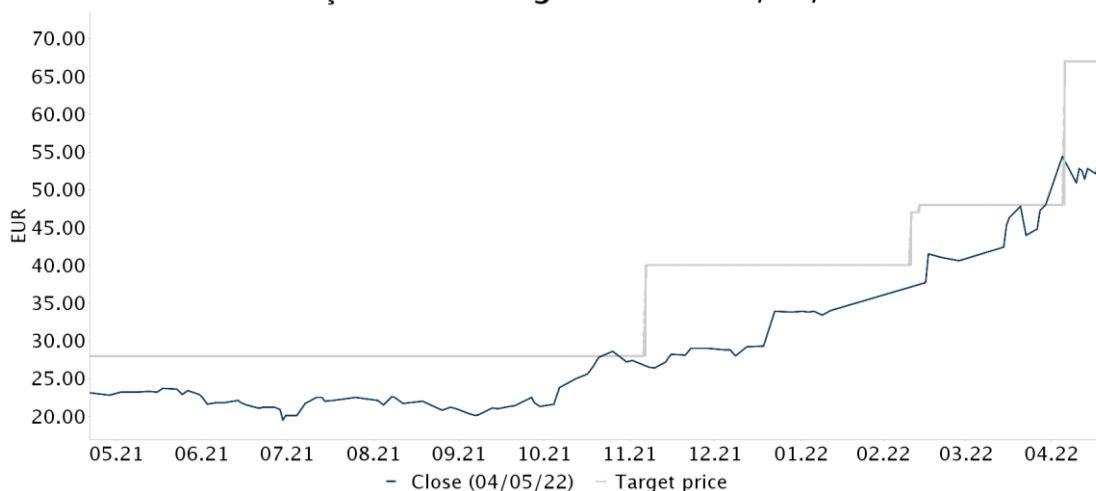
Company	Disclosure
Française de l'Energie SA	2, 3, 5b, 8

Historical target price and rating changes for Française de l'Energie SA in the last 12 months

Price and Rating History Française de l'Energie SA as of 06/05/22

Initiation coverage

17-February-20



Company	Date	Analyst	Rating	Target price	Close
Française de l'Energie SA	21.04.2022	Breiter, Henning	Buy	EUR 67,00	EUR 54,40
	01.03.2022	Breiter, Henning	Buy	EUR 48,00	EUR 34,00
	01.03.2022	Breiter, Henning	Buy	EUR 48,00	EUR 34,00
	01.03.2022	Breiter, Henning	Buy	EUR 48,00	EUR 34,00
	01.03.2022	Breiter, Henning	Buy	EUR 48,00	EUR 34,00
	23.11.2021	Breiter, Henning	Buy	EUR 40,00	EUR 26,50

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