

EQUITY RESEARCH

FRANÇAISE DE L'ENERGIE

RESULTS REVIEW

Company call

BUY

TP 55.0€

Up/Downside: 63%

Heading in the Right Direction

Although FDE faces short-term headwinds from unfavorable electricity prices and administrative constraints, the horizon for a virtuous circle of growth with strong profitability appears to be approaching, driven by the launch of key projects into production from mid-2026.

High Profitability Maintained Despite a Challenging Price Environment

Final FY25 revenue (€30.4M) exceeded the figure published at the end of July by €1.2M, driven by stronger contributions from Alltec. EBITDA stood at €17.3M (including €2.8M from the Bosnian subsidiary), representing a margin of 57%, above expectations. Excluding IFRS impacts related to stock-based compensation, the margin rises to 62%. This performance is particularly notable as it incorporates the consolidation of Greenstat and Alltec, whose combined contribution of €8.8M to revenue was accompanied by an increase in G&A expenses of €2.9M. Net income was affected by higher financial costs linked to three new loans, with an average cost of debt of 5.17%.

Solid Balance Sheet Supporting the 2030 Roadmap

FDE maintains a strong financial structure, with cash of €62.6M (+€15M) and a net financial requirement of €62.4M, despite a significant acceleration in Capex (+€20.3M, including €7.5M for 4 CHP units, €7.9M for RNG/Renewable Natural Gas projects in Stavanger, and €4.9M for green hydrogen in Norway). This includes the payment for the Alltec acquisition (€2.4M) and share buybacks (€1.1M).

End of the Electricity Price Hedging Program

FDE remains attentive to market developments and confirms its objective of hedging ~50% of production over a 12-month horizon, while exploring new options in a low electricity price environment. New CHP units will benefit from the regulated purchase tariff, except in the event of a price increase above €80/MWh.

Key Projects Entering Production from Mid-2026, Driving 2030 Growth

Growth in the current fiscal year is expected to be driven by the commissioning of 4 CHP units, including 2 imminent (Angres and Rouvignies), and by contributions from Alltec, whose well-filled pipeline is expected to generate ~€9M in revenue. Three RNG projects in Norway and the hydrogen project in Agder are scheduled to enter production from June 2026, each with an estimated revenue potential of ~€15M per year, forming key pillars of the 2030 plan. Investments are significant but well-managed: FDE plans €120-130M of Capex across all ongoing projects, financed through the Rothschild green bond and structured bank financing, with a leverage range of 75-90% (90% for the CHP units). FDE also benefits from substantial public subsidies in Norway, for both RNG and hydrogen.

Finally, we will update our figures and adjust our scenario if necessary, following the results presentation, scheduled for the webcast on 28/10 at 11:00.

TP ICAP Midcap Estimates	06/24	06/25e	06/26e	06/27e	Valuation Ratio	06/25e	06/26e	06/27e
Sales (m €)	31.4	29.2	40.0	76.8	EV/Sales	7.4	5.7	3.4
Current Op Inc (m €)	15.8	11.9	17.5	32.4	EV/EBITDA	13.4	10.6	6.1
Current op. Margin (%)	50.1	40.6	43.7	42.2	EV/EBIT	18.1	13.0	8.2
EPS (€)	1.86	1.25	2.12	4.10	PE	26.9	15.9	8.2
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	3.1	6.1	-2.8	-105.6				

Research partially paid by the Issuer

Key data

Price (€)	33.8
Industry	Utilities
Ticker	FDE-FR
Shares Out (m)	5.272
Market Cap (m €)	177.9
Average trading volumes (k shares / day)	32.668
Next event	RA 24-25: : 23/10/25

Source: FactSet

Ownership (%)

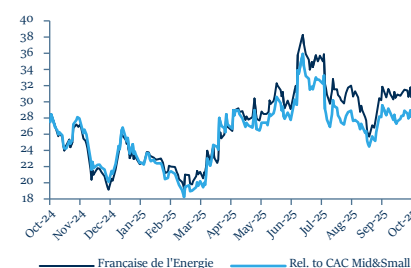
Julien Moulin	15.3
Autres (>3% du capital)	25.0
Auto-contrôle	3.6
Free float	56.1

Source: TPICAP Midcap estimates

EPS (€)	06/25e	06/26e	06/27e
Estimates	1.25	2.12	4.10
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	2.4	10.3	42.7
Rel CAC Mid&Small	2.1	7.8	26.4



Source: FactSet

Consensus FactSet - Analysts:4	06/25e	06/26e	06/27e
Sales	31.0	57.4	100.6
EBIT	15.0	27.8	40.7
Net income	8.0	15.8	22.2

Analyst

Veneta Nikolova
veneta.nikolova@tpicap.com
+33173030972





FINANCIAL DATA

Income Statement	06/22	06/23	06/24	06/25e	06/26e	06/27e
Sales	26.2	39.2	31.4	29.2	40.0	76.8
Changes (%)	156.2	49.6	-19.8	-7.1	37.0	91.9
Gross profit	20.3	35.1	25.4	21.9	33.8	63.0
% of Sales	77.6	89.4	80.9	75.0	84.5	82.1
EBITDA	15.1	26.7	19.7	16.0	21.6	43.3
% of Sales	57.6	67.9	62.7	54.8	54.0	56.4
Current operating profit	14.3	24.1	15.8	11.9	17.5	32.4
% of Sales	54.4	61.5	50.1	40.6	43.7	42.2
Non-recurring items	-1.1	-8.1	0.0	0.0	0.0	0.0
EBIT	13.1	16.0	15.8	11.9	17.5	32.4
Net financial result	-4.6	-1.8	-2.7	-4.0	-4.0	-4.0
Income Tax	-2.5	-2.5	-2.8	-1.6	-2.8	-7.1
Tax rate (%)	25.7	19.4	20.0	20.4	20.8	25.0
Net profit, group share	7.3	10.8	11.0	6.4	10.8	20.8
EPS	1.41	2.31	1.86	1.25	2.12	4.10
Financial Statement	06/22	06/23	06/24	06/25e	06/26e	06/27e
Goodwill	5.8	4.6	9.7	12.7	12.7	12.7
Tangible and intangible assets	99.3	101.9	113.3	128.9	176.2	203.8
Right of Use	0.0	0.0	0.0	0.0	1.0	2.0
Financial assets	1.8	1.8	9.7	8.9	8.2	8.9
Working capital	-3.7	-3.4	-1.9	-10.6	-34.5	-15.3
Other Assets	1.7	3.8	4.1	4.1	4.1	4.1
Assets	104.8	108.7	134.8	143.9	167.6	216.2
Shareholders equity group	63.3	74.0	82.5	87.9	97.7	108.7
Minorities	-0.2	-0.3	7.9	7.9	7.9	7.9
LT & ST provisions and others	3.5	3.2	4.0	4.0	4.0	4.0
Net debt	31.8	25.1	33.5	37.3	50.1	86.8
Other liabilities	6.4	6.7	6.9	6.9	7.9	8.9
Liabilities	104.8	108.7	134.8	143.9	167.6	216.2
Net debt excl. IFRS 16	31.8	25.1	33.5	37.3	50.1	86.8
Gearing net	0.5	0.3	0.4	0.4	0.5	0.7
Leverage	2.1	0.9	1.7	2.3	2.3	2.0
Cash flow statement	06/22	06/23	06/24	06/25e	06/26e	06/27e
CF after elimination of net borrowing costs and taxes	9.2	14.7	13.7	16.4	24.0	38.0
Δ WCR	-4.0	-0.3	-1.4	8.7	23.8	-19.2
Operating cash flow	5.2	14.3	12.3	25.1	47.9	18.8
Net capex	-10.9	-10.2	-9.2	-19.0	-50.7	-124.4
FCF	-5.6	4.1	3.1	6.1	-2.8	-105.6
Acquisitions/Disposals of subsidiaries	-2.1	0.0	-13.5	-3.0	0.0	0.0
Other investments	-3.2	1.7	-16.4	-3.0	0.0	0.0
Change in borrowings	22.9	8.1	4.2	15.0	15.0	42.0
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	-3.2	2.7	0.0	0.0	0.0
Others	0.0	-0.1	-0.2	0.0	1.0	2.0
Change in net cash over the year	14.0	10.6	-6.7	18.1	12.2	-63.6
ROA (%)	5.1%	7.9%	5.7%	2.9%	4.0%	6.5%
ROE (%)	11.4%	14.6%	11.8%	6.4%	10.2%	19.1%
ROCE (%)	31.2%	24.6%	24.1%	17.5%	27.5%	110.7%

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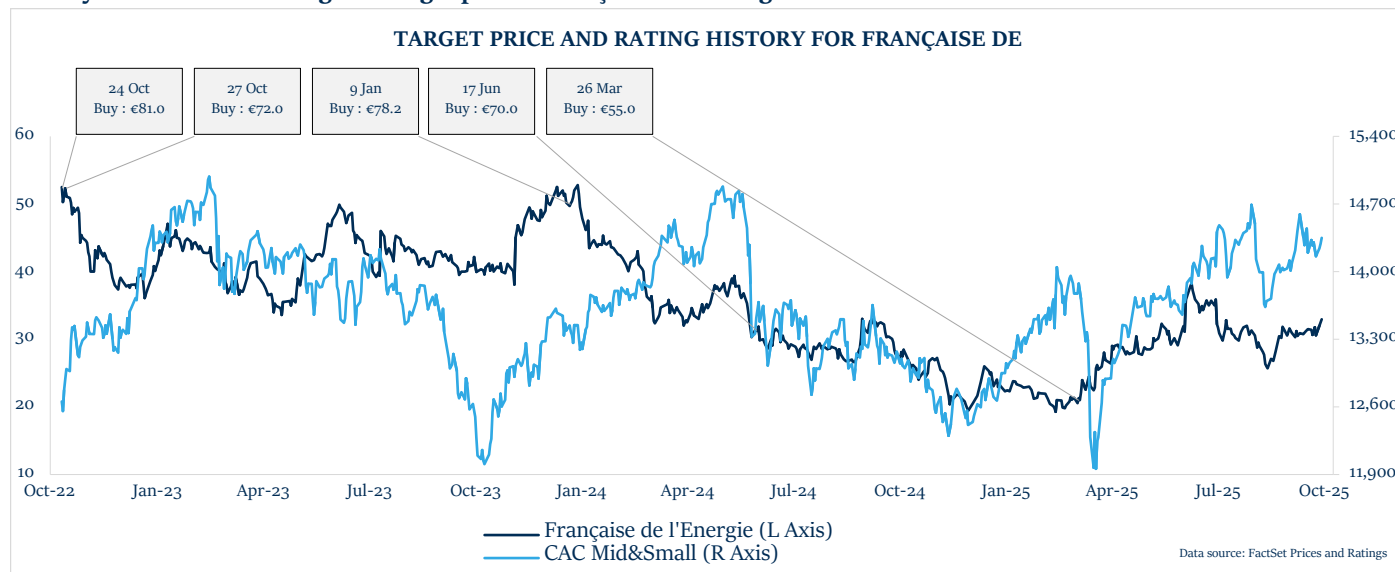
Methodology

This Report may mention evaluation methods defined as follows:

1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
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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History of investment rating and target price – Française de l'Energie

Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
26 Aug 25 - 07:08:22	Veneta Nikolova	€ 55.00	€ 55.00	€ 30.55	Achat	Buy
23 Jul 25 - 06:26:29	Veneta Nikolova	€ 55.00	€ 55.00	€ 35.85	Achat	Buy
27 Jun 25 - 06:50:48	Veneta Nikolova	€ 55.00	€ 55.00	€ 35.80	Achat	Buy
18 May 25 - 22:47:24	Veneta Nikolova	€ 55.00	€ 55.00	€ 27.90	Achat	Buy
27 Apr 25 - 18:06:32	Veneta Nikolova	€ 55.00	€ 55.00	€ 29.00	Achat	Buy
10 Apr 25 - 08:58:41	Veneta Nikolova	€ 55.00	€ 55.00	€ 25.70	Achat	Buy
26 Mar 25 - 06:43:45	Veneta Nikolova	€ 70.00	€ 55.00	€ 21.30	Achat	Buy
18 Feb 25 - 07:38:33	Veneta Nikolova	€ 70.00	€ 70.00	€ 21.35	Achat	Buy
23 Jan 25 - 06:53:07	Veneta Nikolova	€ 70.00	€ 70.00	€ 22.45	Achat	Buy
24 Oct 24 - 23:11:09	Veneta Nikolova	€ 70.00	€ 70.00	€ 27.50	Achat	Buy
24 Oct 24 - 08:07:54	Veneta Nikolova	€ 70.00	€ 70.00	€ 27.50	Achat	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	78%	68%
Hold	17%	62%
Sell	3%	25%
Under review	3%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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