

**Voltaia**

Price EUR9.21

**A new deal in Morocco, to the profit of group's strategy**

Fair Value EUR13 (+41%)

BUY

Bloomberg	MLVLT FP
Reuters	MLVLT.PA
12-month High / Low (EUR)	10.8 / 8.2
Market Cap (EURk)	241,348
Ev (BG Estimates) (EURk)	408,525
Avg. 6m daily volume (000)	2.90
3y EPS CAGR	14.0%

According to Reuters, Voltaia has inked its first private contract in Morocco with 40MW hydro power plant projects, in line with its strategy to balance its sales exposure outside France and Brazil, and to reduce its direct exposure to wind farms. No details were unveiled at this stage, yet we already integrated such a project in our model. Buy confirmed, with FV unchanged at EUR13/share.

**ANALYSIS**

- **What is in the news?** According to Reuters, the French renewable power plants operator Voltaia has inked its first private contract in Morocco with a **40MW** hydro power plants projects (*four hydro plants*). The local unit of the group, **Volta Maroc**, has been carrying out operations in Morocco for last couple of months, and aims at participating in the projects that are being developed by the country's agency for solar energy Masen, including the final photovoltaic phase of the **Noor solar power complex in Ouarzazate**. No financial details were unveiled on the hydro project, or on the potential solar project.
- **In line with group's strategy:** If confirmed, this project is clearly in line with group's strategy to **1/** balance its direct exposure outside of France and outside of Brazil, **2/** to reduce its direct exposure to wind farms in % of total installed capacities, while **3/** raising its total installed capacities to the profit of its **1GW** 2022 installed capacity target. Remember that at end 2015, Voltaia had **376MW** of installed capacities (vs. **133MW** at end 2014), o/w **75%** wind and o/w **63%** is Brazil.
- **Conclusion:** We view this type of project positively, as it is clearly in line with group's strategy. Developing renewable capacities in Morocco clearly makes sense as most of the green technologies are already "grid to parity" and as power demand is continuing to expand at higher pace than the rest of the world. **In our model, we were already valuing in our FV of EUR13/share the development of a 35MW project in Morocco. We hope to get more details soon to refine our estimates.**

	1 M	3 M	6 M	31/12/15
Absolute perf.	-2.5%	-9.8%	-11.4%	-9.1%
Utilities	0.4%	-9.0%	-11.8%	-7.0%
DJ Stoxx 600	0.1%	-13.3%	-15.3%	-10.1%

YEnd Dec. (EURk)	2014	2015e	2016e	2017e
Sales	27,609	59,455	98,246	133,664
% change		115.3%	65.2%	36.0%
EBITDA	12,536	37,158	59,509	85,702
EBIT	6,736	17,979	31,642	51,553
% change		NM	76.0%	62.9%
Net income	4,495	6,934	4,368	9,531
% change		54.3%	-37.0%	118.2%

	2014	2015e	2016e	2017e
Operating margin	45.4	62.5	60.6	64.1
Net margin	NM	NM	NM	NM
ROE	NM	NM	NM	NM
ROCE	NM	NM	NM	NM
Gearing	NM	NM	NM	NM

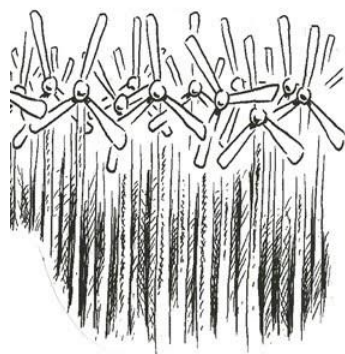
(EUR)	2014	2015e	2016e	2017e
EPS	0.25	0.26	0.17	0.36
% change	-	7.7%	-37.0%	118.2%
P/E	37.5x	34.8x	55.2x	25.3x
FCF yield (%)	NM	NM	NM	36.8%
Dividends (EUR)	0.00	0.00	0.00	0.00
Div yield (%)	NM	NM	NM	NM
EV/Sales	15.5x	6.9x	6.3x	4.1x
EV/EBITDA	34.1x	11.0x	10.4x	6.4x
EV/EBIT	63.5x	22.7x	19.6x	10.6x

**VALUATION**

- At current share price the stock is trading at 10.4x its 2016e EBITDA
- Buy, FV @ EUR13/share

**NEXT CATALYSTS**

- February 24<sup>th</sup> 2016: 2015 earnings



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