

9th June 2016

Utilities

Amoéba

Price EUR30.50

Provisional market authorisation schedule for France & Europe delayed by six months

Fair Value EUR35 (+15%)

CORPORATE

| | |
|----------------------------|------------|
| Bloomberg | AMEBA.FP |
| Reuters | AMEBA.PA |
| 12-month High / Low (EUR) | 38.2 / 8.3 |
| Market Cap (EURm) | 183 |
| Avg. 6m daily volume (000) | 15.60 |

| | 1 M | 3 M | 6 M | 31/12/15 |
|----------------|-------|-------|-------|----------|
| Absolute perf. | -3.5% | 11.3% | 9.7% | -11.8% |
| Utilities | 2.7% | 6.2% | -0.8% | -2.3% |
| DJ Stoxx 600 | 3.9% | 2.1% | -5.8% | -5.8% |

| | 2015 | 2016e | 2017e | 2018e |
|---------------|------|-------|-------|-------|
| P/E | NS | NS | 79.5x | 13.2x |
| Div yield (%) | NM | NM | NM | NM |

ANALYSIS

- The French natural biocide producer **Amoeba** has announced a revised schedule for its acquisition of provisional market authorisation for France and Europe. The assessment report required to obtain this MA **was initially scheduled to be delivered in May 2016 and during the first semester, but is now expected to be obtained during the second half of 2016**. As a reminder, the group needs this MA in order to officially sell its natural biocide solution either to its current final end customers (*Dalkia, Arcelor...*) for whom R&D/testing contracts already exist, or to its recently acquired customers (*not yet supplied with the product*).
- As a consequence, the company has indicated that its **projected sales for France and Europe should be delayed by six months relative to the first schedule announced**. The first official sales under the provisional MA are therefore expected at the start of 2017 (*Q1 2017*), whereas we initially anticipated a start in Q4 2016. In our model, we assumed the group would have been able to generate **EUR3m** in total revenues for 2016 (*o/w EURO.5m from subventions*) vs. **EURO.6m** in 2015, thanks to its deployment in France and in Europe and also thanks to its commercial ramp-up in Turkey where MA is not needed. We may have to reduce our estimates for 2016 with no impact at all on 2017-24 metrics. The group will take advantage of this delay to continue optimising its industrial yields, to the profit of operating margin.

VALUATION

- At the current share price, the stock is trading at 13x its 2018e earnings
- Corporate, FV @ EUR35

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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