

Voltaia

Price EUR8.15

Solid Q3 2016 results and new partnership in Morocco unveiled

Fair Value EUR15,5 (+90%)

BUY

Bloomberg	MLVLT FP
Reuters	MLVLT.PA
12-month High / Low (EUR)	10.3 / 8.0
Market Cap (EURk)	398,885
Ev (BG Estimates) (EURk)	715,590
Avg. 6m daily volume (000)	7.30
3y EPS CAGR	85.6%

Voltaia unveiled its Q3 2016 revenues yesterday. These amounted to EUR33.5m, 2.0x higher than Q3 2015 revenues thanks to new commissioning in Brazil and the first contribution from Martifer Solar. At the same time, the group announced the signature of a new strategic partnership with Green of Energy in Morocco in order to jointly develop 190MW in new solar and wind projects in Morocco and in other European countries. Positive. Buy recommendation and FV of EUR15.5 maintained.

ANALYSIS

	1 M	3 M	6 M	31/12/15
Absolute perf.	-12.4%	-14.2%	-5.2%	-19.5%
Utilities	-7.5%	-11.6%	-11.3%	-15.6%
DJ Stoxx 600	-0.4%	-1.4%	1.1%	-7.5%

YEnd Dec. (EURk)	2015	2016e	2017e	2018e
Sales	58,482	158,938	298,500	354,762
% change		NM	87.8%	18.8%
EBITDA	30,042	62,038	84,928	119,545
EBIT	22,629	36,608	43,138	69,879
% change		61.8%	17.8%	62.0%
Net income	3,889	5,088	5,950	24,861
% change		30.8%	16.9%	NM

	2015	2016e	2017e	2018e
Operating margin	51.4	39.0	28.5	33.7
Net margin	NM	NM	NM	NM
ROE	NM	NM	NM	NM
ROCE	NM	NM	NM	NM
Gearing	NM	NM	NM	NM

(EUR)	2015	2016e	2017e	2018e
EPS	0.08	0.10	0.12	0.51
% change	-	30.8%	16.9%	NM
P/E	NS	78.4x	67.0x	16.0x
FCF yield (%)	NM	NM	NM	NM
Dividends (EUR)	0.00	0.00	0.02	0.08
Div yield (%)	NM	NM	0.2%	0.9%
EV/Sales	12.4x	4.5x	2.9x	2.7x
EV/EBITDA	24.0x	11.5x	10.1x	7.9x
EV/EBIT	31.9x	19.5x	19.9x	13.5x

- French renewable energies company **Voltaia** unveiled yesterday its Q3 2016 revenues, which amounted to **EUR33.5m**, 2.0x higher than Q3 2015 revenues (at EUR16.4m). 9M 2016 revenues reached **EUR79.7m** vs. EUR40.2m over the same period last year. Voltaia particularly benefited from **1/new commissioning in Brazil** (Vila Para, Vamcruz and SMG wind farms and Oiapoque hybrid power plant) and **2/the first contribution from Martifer Solar**, recently acquired by Voltaia, with around **EUR9.5m** of revenues generated in the third quarter and linked with development, construction and operation & maintenance activities. Regarding the integration of Martifer Solar, the group confirmed that **cost and revenue synergies** are likely to be achieved but no financial details have been unveiled.
- Voltaia confirmed its targets for 2019** (unveiled during H1 2016 results) which include **1/1GW** of installed capacities by 2019 (vs. 2022 initially); **2/operation of 3GW** by 2019 (vs. 1GW as of today) including 2GW for third-party clients notably thanks to the acquisition of Martifer Solar **and 3/2019 EBITDA at EUR180m** spurred by both new commissioning and development of third-party services. As a reminder, we stand slightly below, at **EUR178.5m**, but only due to a small discrepancy in the “others/corporate” contribution. As for the energy sales business, our estimates were above Voltaia’s guidance at **EUR168m** (vs. EUR165m).
- At the same time, Voltaia announced the **signature of a new strategic partnership with Green of Africa in Morocco** with the aim of jointly developing wind and solar projects in Morocco and in other African countries. **140MW of wind projects** will be developed in Morocco with a first **14MW** project (for which long-term sales’ contract is already secured) and a second **126MW** project with long-term sales having started to being secured. The partnership also includes **50MW of solar projects** to be developed in Morocco and in other African countries.
- Conclusion:** Q3 2016 revenues were strongly up yoy, as expected, and confirmed that the development in Brazil was a well thought move. **The new partnership in Morocco unveiled is clearly a positive** in our view as we believe Voltaia could find the same opportunities in the country that it has found in Brazil with **1/rising electricity demand** from both retail and business; **2/ a supportive climate** for both wind and solar energies (wind and solar load factors to potentially reach 50-55% and 25%, respectively) and **3/ambitious government policies** with existing stable regulatory framework.
- Buy** recommendation and FV at **EUR15.5** per share maintained.

VALUATION

- At current share price, the stock trades at **11.5x** its 2016e EV/EBITDA multiple.
- Buy, FV @ EUR15.5**

NEXT CATALYSTS

- February/March 2017:** FY16 results



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