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Arverne Buy

France | Utilities

MCap: EUR326.3M

Target Price:	EUR7.30
Current Price:	EUR8.80
Up/downside:	-17.0%
Market data:	15 June 2026

Bloomberg: ARVEN FP	Reuters: ARVEN.PA
Free float	
Avg. daily volume (EURm)	0.1
YTD abs performance	79.6%
52-week high/low (EUR)	11.00/4.58

New financing

Key points:

- Arverne announced a project under which founder-CEO Pierre Brossollet would strengthen his stake in the company and then partner with INFRAGREEN V (a fund managed by RGREEN INVEST) to support Arverne's growth strategy.
- Thanks to this transaction and the ORANE announced on March 27, 2026, the group has secured financing of EUR70m.

Arverne secures a strong long-term shareholder and financing partner

- Arverne announced a project under which founder-CEO Pierre Brossollet would strengthen his stake in the company and then partner with INFRAGREEN V (a fund managed by RGREEN INVEST) to support Arverne's growth strategy.
- The transaction would first involve the purchase of minority stakes from certain historical shareholders, allowing them to exit while enabling Brossollet to reinforce his position as the company's reference shareholder.
- The partnership would be structured through Geogreen, a holding company into which Brossollet would transfer his Arverne shares. INFRAGREEN V would then invest in Geogreen, while Brossollet would remain the majority owner.
- If completed, Geogreen would become the largest subscriber to Arverne's planned ORANE issuance, investing EUR37m and increasing the total size of the financing operation to EUR70m (including previously announced Bpifrance, Eiffel Essentiel, ADEME Investissement, and Crédit Mutuel Equity).
- The transaction is expected to close by 17 July 2026, with Arosco (Brossollet's holding company) and INFRAGREEN V acting in concert while keeping Geogreen's stake below 30% of shares and voting rights.
- Management presents the transaction as a key financing step for the "Dual Flow" strategic plan, aimed at accelerating the deployment of geothermal energy projects in France and supporting energy sovereignty, decarbonization, and industrial competitiveness.

Company description

Arverne is a French industrial group driving the energy transition through the sustainable valorisation of subsoil resources. Leveraging its deep expertise in drilling and subsurface engineering, the company develops innovative geothermal and lithium projects to provide renewable heat and low-carbon materials essential for the decarbonisation effort.

Management

Pierre Brossollet, CEO & Chairman
Thierry Trouyet, Deputy CEO
Emeline Othax, CFO

Key shareholders

Free float	
Arosco (P. Brossolet)	20.03%
Eiffel Essential	9.85%
ADEME	9.27%

Investment case

- Arverne is an industrial player specialised in the valorisation of subsoil resources. The group is focused on three units: 1) geothermal heat and cooling, 2) Lithium de France (geothermal heat and lithium), and 3) Arverne Drilling Services (drilling operations).
- Its main competitive advantage stems from the synergy potential among its three entities, with drilling being crucial for the successful development of any geothermal activity.
- We see Arverne as a high-risk, high-reward story. Indeed, its development strategy relies exclusively on the development of geothermal energy and lithium, and to date, these activities generate no sales.

Catalysts

- Production of the first geothermal heating plant (2027)
- Production of the first lithium tonnes (2028)
- Announcement of a subsidy.

Valuation methodology

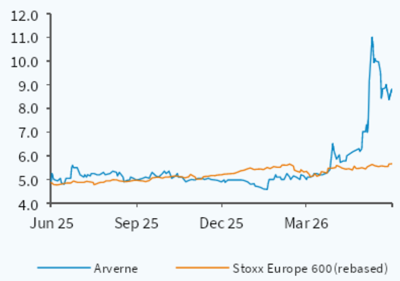
- We value Arverne using a sum-of-the-parts method to separate the geothermal, lithium, and drilling activities.
- The geothermal and the lithium activities are valued using a DCF and the drilling activities are valued with a FY 2026E EV/sales target multiple (1.0x).

Risks to our rating

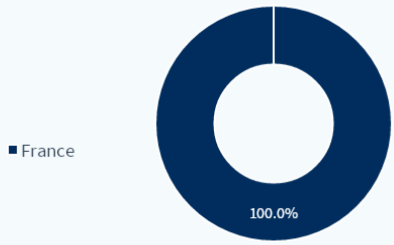
- Our valuation is highly dependent on the company’s ability to scale up successfully.
- The group's growth will be capital-intensive. The group expects to obtain subsidies for 35% of this envelope. Lower-than-expected subsidies should therefore generate the need for dilutive financing.
- Potential delay in the democratisation of geothermal energy

Key data charts

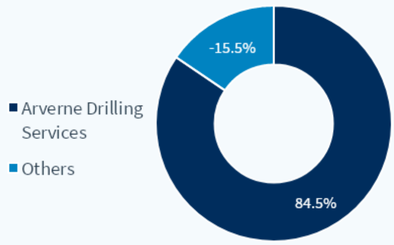
Price performance



Sales split by region



Sales split by division



SWOT analysis

Strengths

- Provides local, low-carbon, renewable energy.
- Business model offering strong synergies.
- Deep know-how in drilling activities.

Weaknesses

- The group has no track record.
- Tensions regarding financing.
- Small cap with limited free float

Opportunities

- Greater democratisation of geothermal heat.
- Increasing public aid to develop geothermal heat.
- International expansion.

Threats

- Ambitious business plan: execution risk.
- Slower democratisation of EVs.
- Increased competition in these nascent markets.

Valuation table

Last model update: 28 April 2026

FY to 31/12 (EUR)	na	na	na	12/22	12/23	12/24	12/25	12/26E	12/27E	12/28E
Per share data (EUR)										
EPS adjusted	na	na	na	-0.11	-2.20	-0.34	-0.58	-0.78	-1.15	-0.77
% Change	na	na	na		-1,902.8%	84.6%	-69.9%	-34.7%	-48.3%	33.3%
EPS adjusted and fully diluted	na	na	na	-0.11	-2.34	-0.29	-0.56	-0.78	-1.15	-0.77
% Change	na	na	na		-2,027.3%	87.7%	-95.2%	-38.5%	-48.6%	33.3%
EPS reported	na	na	na	-0.11	-2.20	-0.34	-0.58	-0.78	-1.15	-0.77
% Change	na	na	na		-1,902.8%	84.6%	-69.9%	-34.7%	-48.3%	33.3%
EPS Consensus	na	na	na					-0.6	-1.1	-1.1
Cash flow per share	na	na	na	-0.09	-0.76	-0.24	-0.38	-0.76	-0.84	-0.22
Book value per share	na	na	na	-0.18	7.44	4.88	4.30	3.42	2.19	1.34
DPS	na	na	na	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of shares, YE (m)	na	na	na	27.0	24.0	34.8	36.9	37.1	37.1	37.1
Nbr of shares, fully diluted, YE (m)	na	na	na	27.0	24.0	34.8	36.9	37.1	37.1	37.1
Share price										
Latest price / year end	na	na	na	9.9	9.5	4.0	4.9	8.8	8.8	8.8
52 week high	na	na	na	10.0	11.5	9.7	5.6	11.0		
52 week low	na	na	na	9.6	8.8	3.8	3.7	4.6		
Average price (YTD)	na	na	na	9.9	9.8	6.4	4.7	8.8	8.8	8.8
Enterprise value (EURm)										
Market capitalisation	na	na	na	266	234	222	172	326	326	326
Net financial debt	na	na	na	2	-132	-109	-64	69	152	262
Pension provisions	na	na	na	0	1	2	2	2	2	2
IFRS 16 debt	na	na	na	0	0	25	26	26	26	26
Market value of minorities	na	na	na	2	-18	-11	-28	-30	-30	-30
MV of equity affiliates (net of tax)	na	na	na	0	0	0	0	0	0	0
Others	na	na	na	0	0	0	0	0	0	0
Enterprise value	na	na	na	270	86	128	108	394	477	587
Valuation										
P/E adjusted	na	na	na	nm	nm	nm	nm	nm	nm	nm
P/E adjusted and fully diluted	na	na	na	nm	nm	nm	nm	nm	nm	nm
P/E consensus	na	na	na					nm	nm	nm
P/BV	na	na	na	nm	1.3	1.3	1.1	2.6	4.0	6.6
P/CF	na	na	na	nm	nm	nm	nm	nm	nm	nm
Dividend yield (%)	na	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield preference shares (%)	na	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Share buybacks over market cap (%)	na	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Attributable FCF yield (%)	na	na	na	-1.3%	-14.9%	-7.4%	-31.4%	-45.4%	-70.9%	-79.1%
ROE (%)	na	na	na	False	-64.7%	-5.7%	-12.6%	-20.2%	-41.1%	-43.6%
ROIC (%)	na	na	na	False	-1,174.7%	-55.4%	-43.6%	-22.6%	-19.4%	-9.7%
EV/Sales	na	na	na	25.98	8.53	9.03	6.01	25.85	11.89	5.40
EV/EBITDA adj.	na	na	na	nm	nm	nm	nm	nm	nm	nm
EV/EBIT adj.	na	na	na	nm	nm	nm	nm	nm	nm	nm
EV/NOPAT	na	na	na	nm	nm	nm	nm	nm	nm	nm
EV/IC	na	na	na	nm	5.5	3.1	2.3	2.6	2.5	2.2
ROIC/WACC	na	na	na		nm	nm	nm	nm	nm	nm
EV/IC over ROIC/WACC	na	na	na	nm	nm	nm	nm	nm	nm	nm

Income statement

Last model update: 28 April 2026

FY to 31/12 (EUR)	na	na	na	12/22	12/23	12/24	12/25	12/26E	12/27E	12/28E
Sales	na	na	na	**10**	**10**	**14**	**18**	**15**	**40**	**109**
Sales % Change	na	na	na		*-3.0%*	*40.2%*	*27.0%*	*-15.2%*	*163.3%*	*171.3%*
Gross profit	na	na	na	9	9	13	16	14	36	98
Gross profit margin (%)	na	na	na	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*
EBITDA reported	na	na	na	-2	-16	-18	-21	-23	-29	-1
EBITDA adjusted	na	na	na	**-2**	**-16**	**-18**	**-21**	**-23**	**-29**	**-1**
EBITDA margin (%)	na	na	na	**-19.4%**	**nm**	**nm**	**nm**	**nm**	**-71.9%**	**-1.2%**
EBITDA adjusted % Change	na	na	na		*-693.4%*	*-14.7%*	*-14.3%*	*-8.4%*	*-26.7%*	*95.5%*
Depreciation and amortisation	na	na	na	-2	-2	-2	-5	-7	-15	-28
Goodwill impairment	na	na	na	0	0	0	0	0	0	0
Other financial result and associates	na	na	na	0	-48	0	0	0	0	0
EBIT reported	na	na	na	-4	-65	-21	-26	-30	-44	-29
EBIT adjusted	na	na	na	**-4**	**-65**	**-21**	**-26**	**-30**	**-44**	**-29**
EBIT margin (%)	na	na	na	**-38.3%**	**nm**	**nm**	**nm**	**nm**	**nm**	**-27.1%**
EBIT adjusted % Change	na	na	na		*-1,541.1%*	*68.3%*	*-23.8%*	*-15.8%*	*-47.1%*	*32.6%*
Net financial items	na	na	na	0	4	11	2	-2	-2	-2
Associates	na	na	na	0	0	0	0	0	0	0
Others	na	na	na	1	2	-2	-1	0	0	0
Earnings before tax	na	na	na	-3	-59	-11	-25	-32	-46	-32
Tax	na	na	na	0	1	0	2	0	0	0
Tax rate (%)	na	na	na	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
Net profit from continuing op.	na	na	na	-3	-58	-11	-24	-32	-46	-32
Net profit from disc. activities	na	na	na	0	0	0	0	0	0	0
Net profit before minorities	na	na	na	-3	-58	-11	-24	-32	-46	-32
Minorities	na	na	na	0	2	1	3	3	3	3
Net profit reported	na	na	na	**-3**	**-56**	**-10**	**-21**	**-29**	**-43**	**-29**
Adjustments	na	na	na	0	0	0	0	0	0	0
Net profit adjusted	na	na	na	**-3**	**-56**	**-10**	**-21**	**-29**	**-43**	**-29**
Net profit margin (%)	na	na	na	**-28.5%**	**nm**	**-70.6%**	**nm**	**nm**	**nm**	**-26.2%**
Net profit adjusted % Change	na	na	na		*-1,792.0%*	*82.2%*	*-107.3%*	*-39.0%*	*-48.6%*	*33.3%*
EPS reported (EUR)	na	na	na	-0.11	-2.20	-0.34	-0.58	-0.78	-1.15	-0.77
EPS adjusted (EUR)	na	na	na	-0.11	-2.20	-0.34	-0.58	-0.78	-1.15	-0.77
EPS adj. and fully diluted (EUR)	na	na	na	-0.11	-2.34	-0.29	-0.56	-0.78	-1.15	-0.77
EPS adj. and fully diluted % Change	na	na	na		-2,027.3%	87.7%	-95.2%	-38.5%	-48.6%	33.3%
DPS (EUR)	na	na	na	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DPS % Change	na	na	na							
Payout ratio (%)	na	na	na	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
DPS preference shares (EUR)	na	na	na	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consensus Sales (EURm)	na	na	na					19	41	109
Consensus EBITDA (EURm)	na	na	na					-20	-9	21
Consensus EBIT (EURm)	na	na	na					-28	-40	-30
Consensus EPS (EUR)	na	na	na					-0.6	-1.1	-1.1

Cash flow statement

Last model update: 28 April 2026

FY to 31/12 (EUR)	na	na	na	12/22	12/23	12/24	12/25	12/26E	12/27E	12/28E
Net profit before minorities	na	na	na	-3	-58	-11	-24	-32	-46	-32
Depreciation and amortisation	na	na	na	2	-4	3	4	7	15	28
Goodwill impairment	na	na	na	0	0	0	0	0	0	0
Change in working capital	na	na	na	0	-5	5	3	-5	-2	-7
Others	na	na	na	-1	47	-3	2	2	2	2
Levered post tax CF before capex	na	na	na	**-2**	**-19**	**-7**	**-14**	**-28**	**-31**	**-8**
% Change	na	na	na		*-716.5%*	*64.2%*	*-94.8%*	*-108.3%*	*-10.9%*	*73.9%*
Capex	na	na	na	-1	-16	-10	-41	-120	-200	-250
Capex / Sales (%)	na	na	na	*11.2%*	*154.5%*	*67.2%*	*225.8%*	*787.8%*	*498.6%*	*229.8%*
Free cash flow	na	na	na	**-4**	**-35**	**-16**	**-54**	**-148**	**-231**	**-258**
Free cash flow % Change	na	na	na		*-886.5%*	*53.0%*	*-228.8%*	*-173.9%*	*-56.1%*	*-11.6%*
Acquisitions	na	na	na	0	0	0	0	0	0	0
Divestments	na	na	na	0	0	0	0	0	0	0
Dividend paid	na	na	na	0	0	0	0	0	0	0
Share buy back	na	na	na	0	0	0	0	0	0	0
Capital increases	na	na	na	4	115	1	0	0	0	0
Others	na	na	na	-3	54	-113	-112	-19	63	89
Change in net financial debt	na	na	na	**2**	**-134**	**129**	**167**	**168**	**169**	**170**
Change in cash and cash equiv.	na	na	na	False	140	-19	-46	-133	-83	-110
Attributable FCF	na	na	na	-4	-35	-16	-54	-148	-231	-258
Attributable FCF / Net profit(%)	na	na	na	*119.7%*	*62.4%*	*164.7%*	*261.3%*	*514.8%*	*540.5%*	*904.8%*
Cash flow per share (EUR)	na	na	na	-0.09	-0.76	-0.24	-0.38	-0.76	-0.84	-0.22
% Change	na	na	na		*-764.3%*	*69.0%*	*-59.6%*	*-101.8%*	*-10.7%*	*73.9%*
Attributable FCF per share (EUR)	na	na	na	-0.13	-1.37	-0.56	-1.51	-4.01	-6.24	-6.96
% Change	na	na	na		*-944.3%*	*59.3%*	*-169.4%*	*-165.4%*	*-55.7%*	*-11.6%*

Balance sheet

Last model update: 28 April 2026

FY to 31/12 (EUR)	na	na	na	12/22	12/23	12/24	12/25	12/26E	12/27E	12/28E
Cash and cash equivalents	na	na	na	3	143	124	78	-55	-139	-249
Inventories	na	na	na	0	0	2	3	2	4	11
Accounts receivable	na	na	na	0	3	8	6	3	8	22
Other current assets	na	na	na	9	14	14	16	16	16	16
Current assets	na	na	na	**12**	**161**	**147**	**102**	**-35**	**-111**	**-200**
Tangible assets	na	na	na	7	19	52	56	169	354	576
Goodwill	na	na	na	0	1	2	3	4	5	6
Other Intangible assets	na	na	na	4	39	53	80	80	80	80
Financial assets	na	na	na	0	0	0	0	0	0	0
Other non-current assets	na	na	na	0	3	3	3	3	3	3
Non-current assets	na	na	na	**11**	**63**	**110**	**142**	**256**	**443**	**665**
Short term debt	na	na	na	3	2	2	2	2	2	2
Accounts payable	na	na	na	1	4	10	13	3	8	22
Other short term liabilities	na	na	na	22	18	27	23	41	191	341
Current liabilities	na	na	na	**26**	**24**	**39**	**37**	**45**	**200**	**364**
Long term debt	na	na	na	2	10	12	12	12	12	12
Pension provisions	na	na	na	0	1	2	2	2	2	2
IFRS16 Debt	na	na	na	0	0	25	26	26	26	26
Other long term provisions	na	na	na	0	1	2	3	4	5	5
Other long term liabilities	na	na	na	0	9	8	6	5	5	5
Non-current liabilities	na	na	na	**2**	**22**	**49**	**49**	**50**	**51**	**51**
Shareholders' equity	na	na	na	-5	178	170	159	127	81	50
Minority interests	na	na	na	0	0	0	0	0	0	1
Total equity	na	na	na	**-5**	**178**	**170**	**159**	**127**	**81**	**51**
Balance sheet total	na	na	na	**23**	**224**	**258**	**245**	**222**	**332**	**465**
% Change	na	na	na		860.1%	15.3%	-5.1%	-9.4%	49.7%	40.1%
Book value per share (EUR)	na	na	na	-0.18	7.44	4.88	4.30	3.42	2.19	1.34
% Change	na	na	na		+chg	-34.4%	-12.0%	-20.4%	-36.1%	-38.9%
Net financial debt	na	na	na	2	-132	-109	-64	69	152	262
IFRS16 Debt	na	na	na	0	0	25	26	26	26	26
Pension provisions	na	na	na	0	1	2	2	2	2	2
Others	na	na	na	0	0	0	0	0	0	0
Net debt	na	na	na	2	-131	-83	-36	97	181	291
Net fi. debt (+IFRS16) / EBITDA (x)	na	na	na	-1.0	8.2	4.6	1.8	-4.2	-6.2	-222.0
Trade working capital	na	na	na	-1	-1	0	-4	2	4	11
Net working capital	na	na	na	-14	-5	-14	-11	-23	-170	-314
NWC/Sales	na	na	na	-134.3%	-47.6%	-96.6%	-61.0%	-150.5%	-424.9%	-288.2%
Inventories/sales	na	na	na	0.0%	4.1%	15.6%	15.2%	10.0%	10.0%	10.0%
Invested capital	na	na	na	-7	16	41	48	150	188	268
Net fin. debt / FCF (x)	na	na	na	-0.6	3.8	6.6	1.2	-0.5	-0.7	-1.0
Gearing (%)	na	na	na	nm	-74.0%	-64.4%	-40.6%	54.3%	187.6%	518.5%
Goodwill / Equity (%)	na	na	na	0.0%	0.6%	1.2%	1.9%	3.2%	6.2%	11.9%

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Unless otherwise stated, all prices are aligned with the "Market Data date" on the front page of this report.

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Company Name	ISIN	Disclosure
Arverne	FR001400JWR8	KEPLER CHEUVREUX and the issuer have agreed that KEPLER CHEUVREUX will produce and disseminate investment research on the said issuer as a service to the issuer

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Name of the Research Analyst(s): Auguste Deryckx

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Kepler Cheuvreux rating split as of 16 June 2026

Rating Breakdown	A	B
Buy	0%	0%
Hold	0%	0%
Reduce	0%	0%
Not Rated/Under Review/Accept Offer	100%	100%
Total	100%	100%

Source: Kepler Cheuvreux
A: % of all research recommendations
B: % of issuers to which material services of investment firms are supplied

12 months rating history

The below table shows the history of recommendations and target prices changes issued by KEPLER CHEUVREUX research department (Equity and Credit) over a 12 months period.

Company Name	Date	BusinessLine	Rating	Target Price	Close Price
Arverne (EUR)	22/04/2026 06:31	Equity Research	Buy	7.3	5.72

Credit research does not issue target prices. Left intentionally blank.

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Equity research

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