

Arverne

Outperform → | Target Price : € 10.0 vs € 7.00 ↗

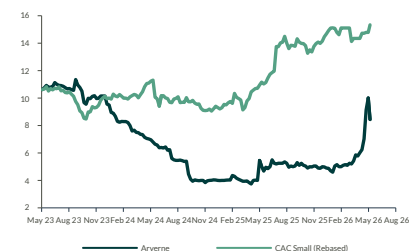
Price (04/06/2026) : € 8.44 | Upside : 18%

Revision	12/26e	12/27e
EPS	ns	ns

Attractive timing buoyed by Dual Flow

Publication date: 05/06/2026 07:52

Writing date: 05/06/2026 07:39



Sources : ODDO BHF Securities, SIX

Share data

ARVEN FP ARVEN.PA	
Market Cap (€m)	313
Enterprise value (€m)	471
Extrema 12 months (€)	4.58 - 11.00
Free Float (%)	17.7

Performance (%)	1m	3m	12m
Absolute	37.0	62.3	67.1
Perf. rel. Country Index	33.5	65.4	48.2
Perf. rel. CAC Small	29.9	59.9	22.8

P&L	12/26e	12/27e	12/28e
Sales (€m)	20.4	41.4	54.6
EBITDA (€m)	-18.4	-8.5	20.9
Current EBIT (€m)	-25.3	-36.2	-43.3
Attr. net profit (€m)	-24	-40	-54
Adjusted EPS (€)	-0.64	-1.09	-1.45
Dividend (€)	0.00	0.00	0.00

P/E (x)	ns	ns	ns
P/B (x)	2.5	3.1	4.6
Dividend Yield (%)	0.0	0.0	0.0
FCF yield (%)	ns	ns	ns
EV/Sales (x)	23.06	16.83	19.38
EV/EBITDA (x)	ns	ns	50.6
EV/Current EBIT (x)	ns	ns	ns
Gearing (%)	27	247	ns
Net Debt/EBITDA (x)	-2.0	-30.8	29.9

Next Events

23/09/2026 H1 Results

Improved operational visibility supporting valuation

With key catalysts approaching, we are raising our TP to € 10 (from € 7) and maintaining our Outperform rating. Arverne is positioned on two key structural trends (low-carbon heat and lithium), with operational visibility now enhanced by the Dual Flow plan. This plan provides greater granularity by activity, justifying the revision to our estimates and the adoption of a SOTP approach. Despite the share's recent rebound, there are still many catalysts to come (validation of the DLE, DFS results, FID, construction of the power plant). We expect a gradual rerating for the share with the newsflow over 2026-2027.

Foothold in fast-growing markets

Arverne is positioned in two structurally fast-growing markets at the heart of sovereignty and the energy transition. In geothermal energy, the decarbonisation of heat is becoming a strategic priority, driven by the gas crisis (unstable macroeconomic context, price volatility) and a favourable regulatory environment (PPE3 multi-year energy plan, geothermal energy plan). As for lithium, the rapid electrification of the European car fleet is fuelling sustainable demand for lithium, against a backdrop of dependence on imports, reinforcing the importance of local sourcing. This dual momentum gives Arverne a unique position in growing markets offering high visibility.

Dual Flow: a structured and visible growth trajectory

Arverne's strategy is based on the Dual Flow plan (announced in March 2026), combining vertical integration and long-term contracts, with a production target of 4 TWh of heat and 27 kt of lithium carbonate by 2031-2033, for an EBITDA margin >50%. The implementation phase will begin in 2026, with a gradual ramp-up. The business model is based on 3 complementary pillars: 1/ drilling & works, ensuring operational control; 2/ heating & cooling, a visible and profitable growth driver via long-term contracts (~30 years); and 3/ critical metals: Lithium de France project is the main driver of value creation driven by high profitability (>75% of EBITDA).

Rapid ramp-up supported by high operating leverage

The Dual Flow plan above all significantly improves the short-term profitability profile: the gradual ramp-up of drilling operations over 2026-2027 and improved operational visibility are supporting margins, with 2026 EBITDA revised upwards to -€ 18m (vs -€ 26m). Capex is concentrated in 2027-2031, totalling € 2.5bn (likely to be financed through the capital markets). In the long term, the trajectory is becoming clearer: ramp-up of heating & cooling as of 2027 and lithium as of 2029, representing a 40x increase in revenue by 2036, positive EBIT from 2029, and a margin of around 40% in the long term.

TP adjusted to € 10 (vs € 7) – Outperform rating maintained

The Dual Flow plan provides greater granularity, allowing us to adopt a SOTP approach that is better suited to the specific characteristics of each business segment (heating & cooling and critical metals). We are adjusting our forecasts (in line with management's plan + a more conservative lithium price of -20% vs spot price). The update to our model gives us an NPV of € 10 (vs € 7). The group is laying the groundwork for its future growth (DLE validation, DFS results, FID, power plant construction). Provided it secures financing for the significant upcoming capex to support its strong growth, the group offers attractive potential in a promising market (vehicle electrification, geothermal heating). We maintain our Outperform recommendation on the stock from a long-term perspective.

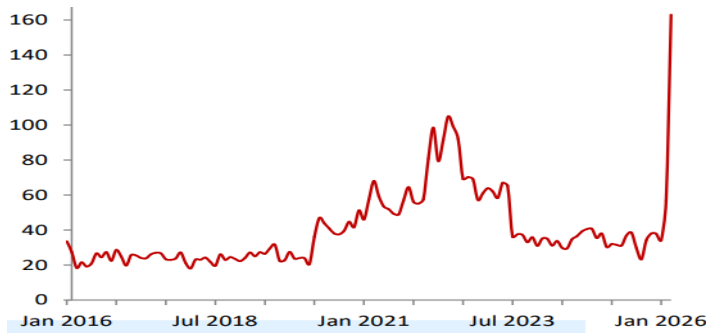
Amira Manai (Analyst)
+33 (0)1 40 17 53 77
amira.manai@oddo-bhf.com



Foothold in fast-growing markets

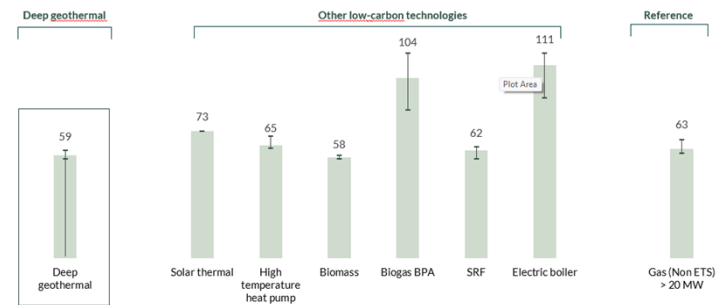
Where geothermal energy is concerned, the decarbonisation of heat is becoming a strategic challenge in a context of high energy dependency (~60% of gas imported into France, including 17% from Russia), with heat accounting for 45% of energy consumption in France. In this environment, geothermal energy appears to be a key solution, offering local energy that is independent of supply chains. It is also an attractive economic lever, with a stable cost (~€ 59/MWh) in the face of highly volatile gas prices, enabling manufacturers to secure their energy expenditure while meeting decarbonisation targets.

European reference price for natural gas (€/MWh)



Sources: European reference price for natural gas - Dutch TTF hub, ADEME

Current heat costs (€/MWh)



The European car market is undergoing a rapid shift in the powertrain mix. Self-charging hybrids (HEVs) are now the leading powertrain (34% in 2025 vs 13% in 2020), followed by 100% electric vehicles (BEVs) (19% vs 7%) and plug-in hybrids (PHEVs) (10% vs 6%). This transformation is underpinned by a favourable environment combining public support, accelerated roll-out of charging infrastructure and steadily falling battery costs. Conversely, combustion engines are losing ground (diesel 8% in 2025 vs 26% in 2020; petrol 26% in 2025 vs 49% in 2020), reflecting a far-reaching transition towards electrification. By 2030, sales of BEVs in Europe are expected to reach around 11 million units, with 1.3 million PHEVs. By 2035, BEVs are expected to reach 15 million and PHEVs 0.7 million.

European trends by powertrain (2020 - 2025)

Powertrain	Market share 2020	Market share 2025	Trend
HEV (hybrid)	13%	34% ▲	#1 in Europe
BEV (100% electric)	7%	19% ▲	Sustained growth
PHEV (plug-in hybrid)	6%	10% ▲	Stable growth
Diesel	26%	8% ▼	Structural decline
Petrol	49%	26% ▼	Steady erosion

Sources: company, ODDO BHF Securities

Geographically, Germany has established itself as the leading European market in terms of BEV penetration (21%), ahead of the UK (18%) and France (13%).

Global overview: BEV penetration rate

Market	BEV penetration	BEVs sold in 2025 (millions)	Chg. 2025	Driver	Pace
Europe	18%	3	+31%	Regulations	Moderate
Germany	21%	0.5	-	Subsidies + standards	Moderate
UK	18%	0.4	-	Subsidies + standards	Moderate
France	13%	0.3	-	Subsidies + standards	Moderate
China	32%	8	+26%	Competitiveness	Very fast
US	7%	1	-6%	Tax incentives	Slow

Sources: company, ODDO BHF Securities

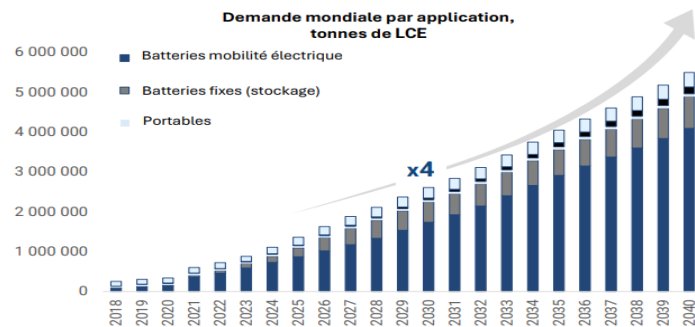
The transition to electric vehicles will lead to an automatic increase in demand for lithium (~8 kg per vehicle, ~4 Mt by 2040), against a backdrop of heavy European dependence on imports (>80%, with China dominating refining). In this context, Arverne enjoys a key geographical advantage, with its projects positioned close to European consumer basins, contributing to the



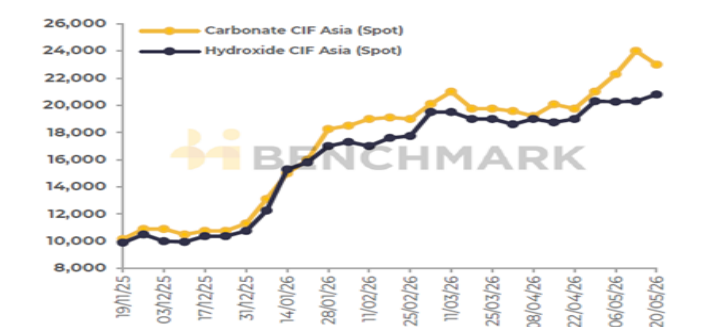
relocation of supply chains. Ultimately, the group is aiming to produce enough to meet the needs of around 800,000 EVs a year.

In this environment, lithium prices have rebounded strongly, gaining +100%, reflecting the market recovery from \$ 10,000/tonne to over \$ 22,000/tonne. This dynamic confirms the market's sensitivity to supply/demand imbalances and reinforces the strategic importance of local, secure supplies.

World demand for lithium by application (tonnes of LCE)



Lithium price trend (\$/tonne)



Sources: European reference price for natural gas - Dutch TTF hub, ADEME

Arverne operates in a favourable regulatory environment, combining support for geothermal energy with the structuring of the lithium industry in Europe. For geothermal energy, the multi-year energy plan (PPE3) provides for a sharp acceleration in geothermal energy in France (twofold increase by 2030 and fourfold by 2035), reinforced at the European level by an action plan expected in 2026 targeting ~250 GW of capacity by 2040 (~44 GW today). For lithium, European measures on batteries and raw materials create real barriers to entry (accelerated permitting, "Made in Europe" preference, traceability requirements), favouring local players. Against this backdrop, despite a slight easing of the 2035 targets (90% zero emissions), regulatory pressure in terms of electrification remains high, sustainably supporting demand for lithium and reinforcing the strategic importance of local low-carbon sourcing.

Overview of regulations

Regulations	Date	Maturity	What changes	Impact Arverne
Geothermal energy				
PPE3	2026	2035	Geothermal production at 16 TWh in 2030 and 28 TWh in 2035 vs 7 TWh in 2023	Extension of the addressable market: Arverne aims to meet 50% of PPE3 targets by 2031-2033
European geothermal plan	2026		250 GW installed in 2040, i.e. x6 vs today	Enhanced long-term visibility for the industry
Lithium				
CRMA: Critical Raw Materials Act	2024	2030	Battery chain security: 10% extraction / 40% refining / 25% lithium recycling in Europe	Arverne moves from 'project' to 'asset under construction' in the models
IAA: Industrial Accelerator Act	2026	2029	70% local content to qualify for subsidies, then 50% local critical components	Local sourcing
Battery Booster	2027	2031	Mandatory traceability of the origin and carbon footprint of batteries. Lithium recycling rate 50% (2027), 80% (2031)	Stimulates demand for local lithium + potential price premium

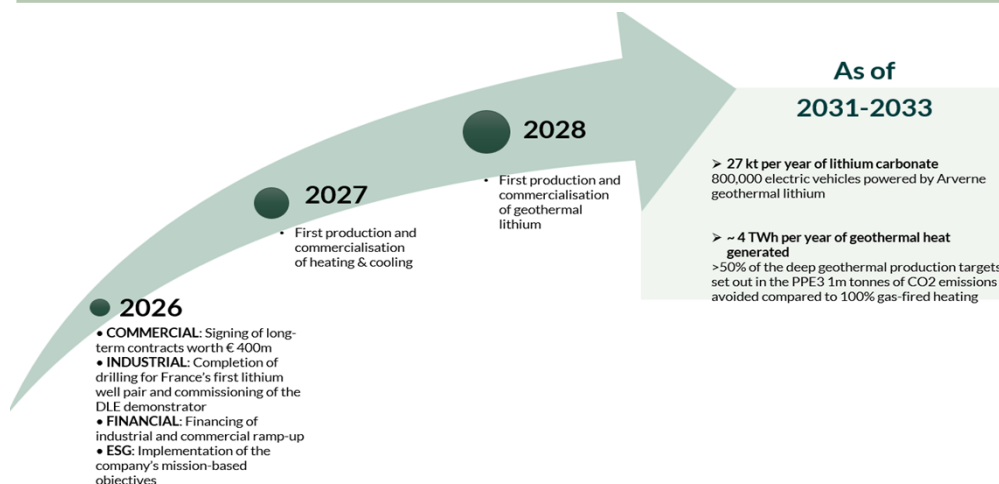
Sources: company, ODDO BHF Securities



Dual Flow: a structured and visible growth trajectory

Arverne's strategy is built around the Dual Flow plan (announced in March 2026), combining vertical integration and long-term contracts ensuring high visibility. By 2031-2033, the group is aiming for a capacity of ~4 TWh/year of heat and 27 kt/year of lithium carbonate with an EBITDA margin >50%, supported by a pipeline of ~€ 400m of geothermal contracts in 2026. Implementation will begin in earnest in 2026, with a gradual ramp-up (heat revenues in 2027, lithium revenues in 2028).

Operational and commercial road map



Sources: company, ODDO BHF Securities

Drilling & works, currently the main contributor to revenues (94% of revenues), this business segment is performing strongly (+21% in 2025). Oriented towards the group's internal needs, it is based on a proprietary fleet (three deep drilling rigs today, 5 by 2031). This vertical integration gives Arverne a key operational advantage through better control of costs, lead times and execution risks. Pending the ramp-up of the heat and lithium businesses, Arverne is adding value to this capacity by providing services to third parties (EBITDA 10-15%), offering a source of revenue. Commercial traction is reflected in emblematic projects (Safran, ADP, Bonneuil) and a market share of around 50% in deep geothermal energy, reinforcing its industrial credibility with its partners.

For our part, we anticipate revenues of € 20m for 2026, with an EBITDA margin of 15% and capex of around € 7m. By 2031, the deep-drilling fleet will be expanded from three to five rigs. Beyond that, we estimate that the size of the fleet will reach cruising speed, implying a normalisation of capex, essentially maintenance, at around € 5m per year.

Drilling & works - ODDO BHF estimates

€ m	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e
Number of rigs	3	4	4	4	5	5	5	5	5	5	5
Number of doublets	3	7	8	13	14	15	15	15	15	15	15
Production for third parties	50%	30%	20%	15%	15%	15%	15%	15%	15%	15%	15%
Revenues	20	27	19	24	25	27	27	27	27	27	27
EBITDA margin	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capex	7	7	7	7	7	5	5	5	5	5	5

Sources: company, ODDO BHF Securities

Heating & cooling, still marginal (~5% of revenues), this business is a key growth driver, driven by long contracts (~30 years) offering visibility and high profitability (EBITDA 40-50%). Arverne is targeting ~30 projects in production by 2031-2033 (~2 TWh), with a pipeline that can be extended to 50 projects over 10 years. The SPV model speeds up deployment and limits risk, as illustrated by the JV with Banque des Territoires (€ 45m for five projects). The portfolio is already well advanced (17 projects at the agreement stage, 24 in negotiation, 62 in development).



For our part, we expect business to start up in 2027, with the launch of three projects generating estimated revenues of € 15m (~225,000 MWh; price € 65/MWh). By 2032, we estimate that Arverne could increase its portfolio to around thirty projects (2.2 TWh), generating sales of € 146m, before reaching almost 45 projects by 2036 (3.4 TWh), representing potential sales of € 219m. The development cost per project is estimated at around € 25m. Over the full trajectory, profitability should remain high, with a stable EBITDA margin of around 50%, reflecting the high visibility and recurring nature of revenues.

Heating & cooling - ODDO BHF estimates

€ m	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e
Number of projects	0	3	7	12	18	25	30	34	37	40	45
Production per project GWh/project	75	75	75	75	75	75	75	75	75	75	75
Revenues	0	15	34	59	88	122	146	166	180	195	219
EBITDA margin		52%	52%	52%	52%	52%	52%	52%	52%	52%	52%
Capex	0	75	100	125	150	175	125	100	75	75	125

Sources: company, ODDO BHF Securities

Critical metals (Lithium de France), main driver of value creation, positioning Arverne as France's leading producer of geothermal lithium. Implementation accelerated in 2026 with the launch of work at Schwabwiller, validating the geological model and reducing the upstream risk. The next key stages (first doublet and DLE demonstrator) will be decisive in confirming industrial viability. At maturity, LDF is targeting 27 kt per year of lithium and 2.2 TWh of heat, representing revenues of around € 450m and an EBITDA margin of ~75%, supported by an offtake with Renault (25,000 tonnes over five years), a partnership with Primeo Energie and competitive DLE technology (<€ 4,500/t).

For our part, we expect heat and lithium production to start up at end-2028, followed by a gradual ramp-up to 2033, with target production of 2 TWh and 27 kt respectively. Associated revenues are expected to rise from € 7m (heating) and € 96m (lithium) in 2029 to € 30m and € 419m in 2033 (consolidated revenues of € 449m). The EBITDA margin is expected to be stable at 70% over the period. We estimate capex of around € 1.9bn over 2026-2031, including the deployment of 16 geothermal power plants (€ 15m per unit), 16 DLE units (€ 40m per unit), 5 refining units (€ 120m per unit) and the drilling of doublets (€ 25m per unit).

Critical metals - ODDO BHF estimates

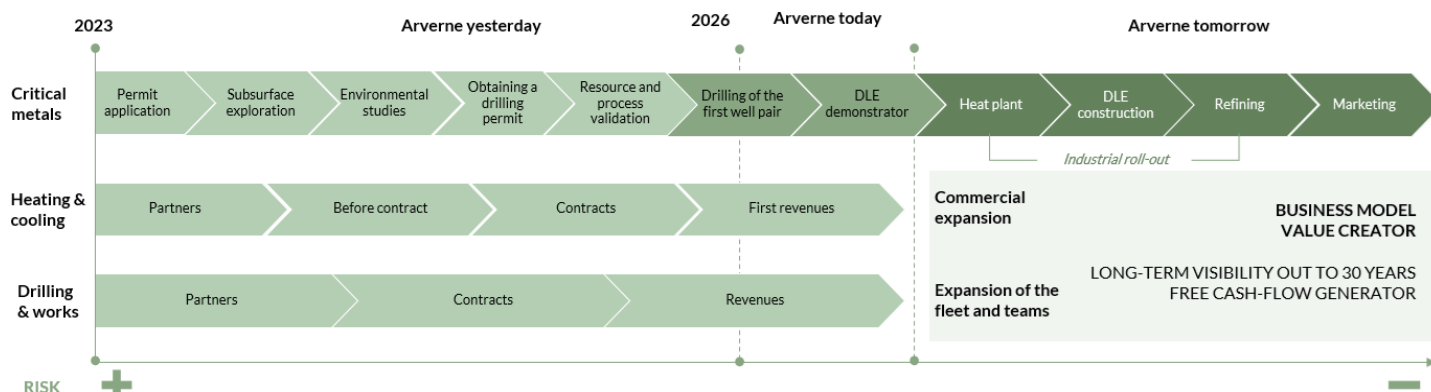
€ m	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e
Heat sales											
Number of projects	0	0	1	6	11	17	25	27	27	27	27
Production per project MWh	0	0	75	75	75	75	75	75	75	75	75
Price (€/MWh)	0	0	30	30	30	30	30	30	30	30	30
Sold production	0%	0%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Heat revenues	0	0	1	7	13	19	28	30	30	30	30
Lithium sales											
LHM production kt (calculated)	0	0	0	6	11	17	25	27	27	27	27
Price of a ton of LHM (€)	23 400	20 500	16 750	15 500	15 500	15 500	15 500	15 500	15 500	15 500	15 500
Lithium revenues	0	0	0	96	177	257	388	419	419	419	419
Total LDF revenues	0	0	1	103	190	276	416	449	449	449	449
EBITDA margin	0%	0%	76%	69%	69%	69%	69%	69%	69%	69%	69%
Capex	52	126	258	256	672	504	120	120	50	50	50

Sources: company, ODDO BHF Securities

We believe that the catalysts expected between 2026 and 2027 could trigger a revaluation of the share, in particular the connection of the DLE demonstrator to the doublet (Q3 2026), the publication of the DFS (Q4 2026) and the trend in the price of lithium. These factors, combined with a favourable market environment, make the current point an attractive entry point.



Road map: most of the decisive steps have already been taken



Sources: company, ODDO BHF Securities

The Dual Flow plan above all significantly improves the short-term profitability profile: the gradual ramp-up of drilling operations over 2026-2027 and improved operational visibility are supporting margins, with 2026 EBITDA revised upwards to -€ 18m (vs -€ 26m). At the same time, Capex, initially expected from 2026, has now been postponed and concentrated in 2029-2031 (heating plant, purification, DLE). In the long term, the trajectory is becoming clearer: ramp-up of heating & cooling (2027, acceleration from 2031 onwards) and lithium (2029, acceleration from 2032 onwards), representing a 40x increase in revenue by 2036, positive EBIT from 2029, and a margin of around 15% in the long term.

10-year P&L - ODDO BHF estimates

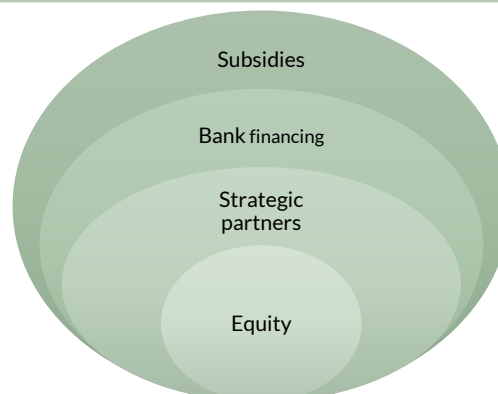
€ m	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e
Revenues	20	41	55	185	303	425	589	642	656	671	695
Chg.	14%	103%	32%	239%	63%	40%	39%	9%	2%	2%	4%
EBITDA	-18	-9	21	105	181	259	368	402	409	417	429
As a % of revenues	-87%	-22%	39%	57%	60%	61%	63%	63%	62%	62%	62%
EBIT	-26	-37	-44	3	-5	21	106	118	111	106	100
As a % of revenues	-125%	-90%	-80%	1%	-2%	5%	18%	18%	17%	16%	14%
Attrib. net income	-14	-25	-33	-11	-26	-17	36	49	56	58	55
Capex	59	208	365	388	829	684	250	225	130	130	180
As a % of revenues	291%	502%	669%	210%	274%	161%	42%	35%	20%	19%	26%

Sources: company, ODDO BHF Securities

A financing model strengthened by strategic partners

Arverne's financing model is based on a hybrid structure that limits the amount of equity required, while securing capital-intensive projects. For the Lithium de France project, investment is estimated at ~€ 1.9bn between now and 2033 (€ 400m over 2026-2028; € 1.4bn over 2029-2031; € 120m over 2032-2033) and will be financed via a mix of subsidies (30% of gross capex), bank financing (60% of net capex), strategic partners and equity. The support of industrial players (Equinor Ventures) and the award of the C3IV (~€ 150m) strengthen the credibility of the financing and the overall profitability of the project.

Overall project financing model



Sources: company, ODDO BHF Securities



In this context, Arverne relies on a solid, diversified ecosystem of partners covering the entire value chain. It brings together leading manufacturers (Hydro, Equinor, Eren, Sedgman), institutional investors (ADEME, Bpifrance, Crédit Mutuel Equity, Eiffel) and key sector players (AVENIA, BRGM, AFPG). This environment is a strategic advantage, providing expertise, credibility and commercial visibility.

The group's main partners



- Sources: company, ODDO BHF Securities

Arverne reached a new milestone in May 2026 regarding the financing of Lithium de France with the arrangement of up to € 33m in funding in the form of a convertible bond, in partnership with Equinor Ventures, to support the pre-industrial phase of LDF (drilling, DLE demonstrator and FEED studies, with an option to convert into equity). At Arverne, a further milestone is expected via an ORANEs issue worth at least € 33m (to be submitted to the AGM on 17 June), mainly subscribed by Bpifrance, alongside leading investors (ADEME Investissement, Eiffel Investment Group, Crédit Mutuel Equity), confirming Arverne's institutional support and ability to raise financing to support its ramp-up.

In this context, given the intensity of the upcoming investment cycle, the net cash position of € 41m at the end of 2025—even when supplemented by the convertible bonds and ORNANES currently being secured—appears insufficient to cover all requirements, suggesting that the company will likely need to tap the market.

SOTP valuation

The publication of the Dual Flow plan marks a turning point in our valuation approach, providing greater detail on the operational trajectory (scale-up, capex, timeline) and making a DCF approach less relevant in preference to a sum-of-the-parts (SOTP) analysis. This method better reflects the differing risk and maturity profiles between the Heating & Cooling and Lithium de France businesses.

Our SOTP values heating & cooling (100%) and critical metals (74%). The drilling business, while it is currently generating revenue, is set to be deployed primarily in support of the group's internal projects (geothermal and lithium). The portion dedicated to services for third parties, which is by nature more volatile and difficult to foresee, remains secondary in terms of value creation. We therefore see Arverne's valuation driven mainly by the heating & cooling and critical metals: Lithium de France project businesses, which account for the bulk of the long-term growth and profitability potential.

This approach leads to a significant increase in our target price to € 10 (from € 7), with our Outperform recommendation maintained.

SOTP summary		
	WACC	EV (€ m)
Heating & cooling	9%	24
Critical metals	13.1%	502
EV Arverne		526
Reference net debt (2026)		37
Minorities (26% of critical metal minorities)		121
Equity value		368
Number of shares (m)		37.0
Valuation per share (rounded up,€)		10.0

Sources: company, ODDO BHF Securities



We estimate an enterprise value of € 24m for the heating & cooling division.

Heating & cooling - DCF

€ m	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e
Sales	0	15	34	59	88	122	146	166	180	195	219
Chg. y-o-y		-96%	133%	71%	50%	39%	20%	13%	9%	8%	13%
EBITDA	0	8	18	30	45	63	76	86	94	101	114
% of sales	0%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%
D&A	0	-8	-18	-30	-45	-45	-58	-68	-75	-83	-95
EBIT	0	0	0	0	0	18	18	18	19	19	19
% of sales	0%	1%	1%	1%	1%	15%	13%	11%	10%	10%	9%
Tax	0	0	1	2	2	-1	0	-1	-1	-2	-2
Tax rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
NOPAT	0	0	-1	-1	-2	19	19	19	20	20	21
(Change WC)	0	1	1	1	1	2	1	1	1	1	1
Capex	0	-53	-70	-88	-105	-123	-88	-70	-53	-53	-88
% of sales	0%	-359%	-205%	-150%	-120%	-101%	-60%	-42%	-29%	-27%	-40%
FCF	0	-44	-50	-54	-56	-59	-11	16	41	48	25
FCF discounted	0	-42	-44	-44	-41	-40	-7	9	21	23	11

Source: ODDO BHF Securities

We estimate the EV of the critical metals division to be € 502m. The finite nature of lithium brines makes it necessary to abandon the traditional terminal value approach. Geothermal lithium relies on finite reserves (with a projected lifespan through ~2070), ruling out any assumption of perpetual returns.

Critical metals - DCF

€ m	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037-2070e
Sales	0	0	1	103	190	276	416	449	449	449	449	
Chg. y-o-y				9062%	84%	46%	51%	8%	0%	0%	0%	
EBITDA	-21	-21	1	72	132	192	289	312	312	312	312	
% of sales	0%	0%	76%	69%	69%	69%	69%	69%	69%	69%	69%	
D&A	-5	-18	-44	-69	-136	-187	-199	-211	-216	-221	-226	
EBIT	-26	-38	-43	2	-5	5	90	101	96	91	86	
% of sales	0%	0%	-3795%	2%	-2%	2%	22%	23%	21%	20%	19%	
Tax	7	11	13	3	8	9	-15	-21	-23	-23	-22	
Tax rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
NOPAT	-33	-49	-56	-1	-13	-4	105	122	119	114	108	
(Change WCR)	0	0	0	5	4	4	7	2	0	0	0	
Capex	-36	-88	-181	-179	-470	-353	-84	-84	-35	-35	-35	
% of sales	0%	0%	-16053%	-174%	-248%	-128%	-20%	-19%	-8%	-8%	-8%	
FCF	-50	-98	-167	-99	-326	-148	196	209	254	254	255	
FCF discounted	0	-92	-140	-75	-218	-88	104	99	107	95	85	640

Source: ODDO BHF Securities



Barriers to entry and residual risks - what to watch

Arverne's vertical integration is a key operational advantage, ensuring complete control over critical stages (subsurface exploration, drilling) and minimizing reliance on external partners. It helps reduce timelines, costs, and execution risks. This model enhances competitiveness and revenue visibility, with a value chain captured internally. It also relies on high barriers to entry, stemming from rare technical expertise, proprietary industrial facilities, and significant capex – all factors that are tough to replicate in the short term.

The main risk relates to the execution of the Lithium de France project: if the DLE demonstrator's performance falls short of expectations, it could lead to a significant downgrade to the valuation. Financing risk persists, though it is significantly mitigated by support from leading investors. Lastly, the volatility of lithium prices could pose a medium- and long-term risk.

Risks		
Risk	Impact	Mitigation
Disappointing DLE results	Very high	1st well > estimate; DLE technology validated; 5 diversified PERs
LDF drilling cost overruns and delays	Medium	Expertise in drilling for private clients; management team experience
Lithium price decline	High for LDF valuation	Recovery in EV demand + Accelerating demand for energy storage batteries
Shareholder dilution	Medium	ORANE funded by Bpifrance; SPV structure minimizes capital requirements
Regulatory risks	Medium	Texts already voted in and enacted; EU target consistency
Competitive climate	Low-medium	3-5 years ahead of the competition; mining rights secured in Alsace

Sources: company, ODDO BHF Securities



Arverne Renewable Energies France		Outperform					Price 8.44 €	TP 10.0 €	
		Upside	18.48%						
PER SHARE DATA (€)	12/21	12/22	12/23	12/24	12/25	12/26e	12/27e	12/28e	
Adjusted EPS	-123.49	-0.14	-1.16	-0.31	-0.63	-0.64	-1.09	-1.45	
Reported EPS	-123.49	-0.14	-1.40	-0.31	-0.63	-0.64	-1.09	-1.45	
Growth in adjusted EPS	ns	ns	ns	ns	ns	ns	ns	ns	
Net dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FCF to equity per share	-94.25	-0.11	-0.84	-0.34	-1.31	-2.10	-6.05	-9.72	
Book value per share	155.11	-0.37	4.12	3.91	3.34	3.42	2.74	1.85	
Number of shares market cap (m)	0.02	15.20	39.83	39.83	42.08	37.03	37.03	37.03	
Number of diluted shares (m)	0.02	15.20	47.74	39.83	42.08	37.03	37.03	37.03	
VALUATION (€m)	12/21	12/22	12/23	12/24	12/25	12/26e	12/27e	12/28e	
12m highest price (€)	11.93	11.34	12.29	9.65	5.60	11.00			
12m lowest price (€)	10.89	9.57	9.27	3.84	3.74	4.58			
(*) Reference price (€)	11.45	10.39	10.58	6.40	4.67	8.44	8.44	8.44	
Capitalization	0.2	158	422	255	196	313	313	313	
Restated Net debt	4.9	2.0	-131.5	-85.6	-41.0	37.1	263	625	
Minorities (fair value)	0.0	0.0	0.0	0.0	0.0	121	121	121	
Financial fixed assets (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Provisions	0.2	0.0	10.5	8.3	5.9	0.0	0.0	0.0	
Enterprise Value	5.4	160	301	178	161	471	697	1059	
P/E (x)	ns	ns	ns	ns	ns	ns	ns	ns	
P/CF (x)	ns	ns	ns	107	ns	ns	ns	58.3	
Net Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
FCF yield	ns	ns	ns	ns	ns	ns	ns	ns	
P/B incl. GW (x)	0.07	ns	2.57	1.64	1.40	2.46	3.08	4.57	
P/B excl. GW (x)									
EV/Sales (x)	0.42	14.92	29.79	12.57	8.98	23.06	16.83	19.38	
EV/EBITDA (x)	ns	ns	ns	ns	ns	ns	ns	50.6	
EV/Current EBIT (x)	ns	ns	ns	ns	ns	ns	ns	ns	
(*) historical average price									
PROFIT AND LOSS (€m)	12/21	12/22	12/23	12/24	12/25	12/26e	12/27e	12/28e	
Sales	12.6	10.7	10.1	14.1	18.0	20.4	41.4	55	
EBITDA	-2.2	-1.5	-14.7	-25.3	-30.9	-18.4	-8.5	20.9	
Depreciations	-1.6	-2.0	-1.9	-2.4	-4.7	-6.9	-27.6	-64.2	
Current EBIT	-3.8	-3.5	-16.6	-27.7	-35.6	-25.3	-36.2	-43.3	
Published EBIT	-2.4	-2.7	-61.3	-20.8	-25.7	-25.3	-36.2	-43.3	
Net financial income	-0.0	0.8	6.5	11.2	2.7	0.0	-7.5	-15.6	
Corporate Tax	0.0	0.0	1.0	0.2	1.5	6.5	10.7	14.2	
Net income of equity-accounted companies	0.0	0.0	0.0	-1.8	-2.1	0.1	0.6	1.3	
Profit/loss of discontinued activities (after tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Minority interests	-0.1	-0.2	-1.8	-1.1	-2.8	-5.1	-8.1	-10.3	
Attributable net profit	-2.5	-2.1	-55.6	-12.3	-26.4	-23.8	-40.4	-53.6	
Adjusted attributable net profit	-2.5	-2.1	-55.6	-12.3	-26.4	-23.8	-40.4	-53.6	
BALANCE SHEET (€m)	12/21	12/22	12/23	12/24	12/25	12/26e	12/27e	12/28e	
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other intangible assets	0.6	4.5	39.2	53.1	80.5	76.3	64.2	51.9	
Tangible fixed assets	8.3	6.7	19.4	52.3	55.8	103	274	556	
WCR	-1.6	-19.2	-4.6	-16.2	-16.6	-7.5	15.6	48.5	
Financial assets	1.1	5.2	3.4	3.5	4.0	10.6	21.9	37.4	
Ordinary shareholders equity	3.1	-5.6	164	156	141	127	102	68.3	
Minority interests	0.1	0.7	14.3	14.0	18.1	13.0	5.0	-5.4	
Shareholders equity	3.3	-4.9	178	170	159	140	107	63.0	
Non-current provisions	0.2	0.0	10.5	8.3	5.9	5.9	5.9	5.9	
Net debt	4.9	2.0	-131.5	-85.6	-41.0	37.1	263	625	
CASH FLOW STATEMENT (€m)	12/21	12/22	12/23	12/24	12/25	12/26e	12/27e	12/28e	
EBITDA	-2.2	-1.5	-14.7	-25.3	-30.9	-18.4	-8.5	20.9	
Change in WCR	0.0	4.6	3.2	0.0	0.0	0.0	0.0	0.0	
Interests & taxes	0.0	0.8	6.8	7.1	1.7	0.0	-7.5	-15.6	
Others ops cash flow	1.9	-0.3	-7.4	20.5	12.1	0.0	0.0	0.0	
Operating Cash flow	-0.2	3.5	-12.2	2.4	-17.0	-18.4	-16.1	5.4	
CAPEX	-1.7	-5.1	-21.4	-15.9	-38.1	-59.4	-207.9	-365.4	
Free cash-flow	-1.9	-1.6	-33.6	-13.5	-55.1	-77.8	-223.9	-360.0	
Acquisitions / disposals	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net capital increase	3.2	4.4	114.6	0.2	9.9	0.0	0.0	0.0	
Others	-0.6	-0.9	53.5	3.0	-0.3	0.0	0.0	0.0	
Change in net cash	0.7	2.8	135.5	-11.4	-47.9	-77.8	-223.9	-360.0	
GROWTH MARGINS PRODUCTIVITY	12/21	12/22	12/23	12/24	12/25	12/26e	12/27e	12/28e	
Sales growth	ns	-15.0%	-5.8%	40.2%	27.0%	13.6%	ns	32.0%	
Lfl sales growth	-	-	-	-	-	-	-	-	
Current EBIT growth	ns	ns	ns	ns	ns	ns	ns	ns	
Growth in adjusted EPS	ns	ns	ns	ns	ns	ns	ns	ns	
Net margin	-19.8%	-19.4%	ns	-86.7%	ns	ns	-97.5%	-98.1%	
EBITDA margin	-17.3%	-14.4%	ns	ns	ns	-90.4%	-20.6%	38.3%	
Current EBIT margin	-30.2%	-32.8%	ns	ns	ns	ns	-87.4%	-79.2%	
CAPEX / Sales	-13.3%	-48.0%	ns	ns	ns	ns	ns	ns	
WCR / Sales	-12.3%	ns	-45.4%	ns	-92.2%	-36.8%	37.6%	88.8%	
Tax Rate	0.0%	0.0%	1.8%	2.1%	6.5%	25.8%	24.6%	24.2%	
Normative tax rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Asset Turnover	1.4	-27.6	0.4	0.2	0.2	0.1	0.2	0.1	
ROCE post-tax (normative tax rate)	-32.7%	ns	-54.2%	-29.0%	-25.5%	-13.0%	-10.3%	-6.4%	
ROCE post-tax excl GW (normative tax rate)	-32.7%	ns	-54.2%	-29.0%	-25.5%	-13.0%	-10.3%	-6.4%	
ROE	-65.2%	ns	-70.2%	-7.7%	-17.8%	-17.8%	-35.4%	-63.1%	
DEBT RATIOS	12/21	12/22	12/23	12/24	12/25	12/26e	12/27e	12/28e	
Gearing	150%	ns	-74%	-50%	-26%	27%	247%	993%	
Net Debt / Market Cap	21.13	0.01	-0.31	-0.34	-0.21	0.12	0.84	2.00	
Net debt / EBITDA	-2.25	-1.30	8.93	3.39	1.33	-2.01	-30.82	29.90	
EBITDA / net financial charges	362.7	1.9	2.2	3.6	18.0	ns	-1.1	1.3	

Sources: ODDO BHF Securities, SIX



- **Valuation method**

Our target prices are established on a 12-month timeframe and we use three valuation methods to determine them. First, the discounting of available cash flows using the discounting parameters set by the Group and indicated on ODDO BHF' website. Second, the sum-of-the-parts method based on the most pertinent financial aggregate depending on the sector of activity. Third, we also use the peer comparison method which facilitates an evaluation of the company relative to similar businesses, either because they operate in identical sectors (and are therefore in competition with one another) or because they benefit from comparable financial dynamics. A mixture of these valuation methods may be used in specific instances to more accurately reflect the specific characteristics of each company covered, thereby fine-tuning its evaluation.

- **Sensitivity of the result of the analysis/ risk classification:**

The opinions expressed in the financial analysis are opinions as per a particular date, i.e. the date indicated in the financial analysis. The recommendation (cf. explanation of the recommendation systematic) can change owing to unforeseeable events which may, for instance, have repercussions on both the company and on the whole industry.

- **Our stock market recommendations**

Our stock market recommendations reflect the RELATIVE performance expected for each stock on a 12-month timeframe.

Outperform: performance expected to exceed that of the benchmark index, sectoral (large caps) or other (small and mid caps).

Neutral: performance expected to be comparable to that of the benchmark index, sectoral (large caps) or other (small and mid caps).

Underperform: performance expected to fall short of that of the benchmark index, sectoral (large caps) or other (small and mid caps).

- **The prices of the financial instruments used and mentioned in this document are the closing prices.**

- **All publications by ODDO BHF concerning the companies covered and mentioned in this document are available on the research site: www.securities.oddo-bhf.com/#disclaimer.**

Recommendation and target price changes history over the last 12 months for the company analysed in this report

Date	Reco	Price Target (EUR)	Price (EUR)	Analyst
04/06/26	Outperform	10.00	8.44	Amira Manai
18/07/25	Outperform	7.00	5.25	Amira Manai

In accordance with Article 20 of European Regulation No. 596/2014 (Market Abuse Regulation), a list of all recommendations on any financial instrument or issuer that have been disseminated over the past twelve months is available by clicking on the following link www.securities.oddo-bhf.com/#disclaimer.

Recommendation split

		Outperform	Neutral	Underperform
Our whole coverage	(836)	51%	40%	8%
Liquidity providers coverage	(129)	50%	41%	9%
Research service coverage	(87)	59%	38%	3%
Investment banking services	(40)	73%	23%	5%

Risk of conflict of interest:

Investment banking and/or Distribution	If yes, specify the name of the issuers concerned
Has ODDO BHF SCA or its affiliates managed or co-managed in the last 12 months a public offering of securities for the subject company/ies?	No
Has ODDO BHF SCA or its affiliates received compensation for other investment banking services from the subject company/ies in the last 12 months or expects to receive or intends to seek compensation for other investment banking services from the subject company/ies in the last 12 months?	No
Research contract between ODDO group & the issuer	If yes, specify the name of the issuers concerned
Have ODDO BHF SCA or its subsidiary ABN AMRO – ODDO BHF B.V. and the subject company/ies agreed that ABN AMRO - ODDO BHF B.V. or one of its parent companies will produce and disseminate investment recommendations on the subject company/ies as a service to the the subject company/ies?	No
Liquidity provider agreement and market-making	If yes, specify the name of the issuers concerned
At the date of the distribution of this report does ODDO BHF SCA or its affiliates act as a market maker or has ODDO BHF SCA or its affiliates signed a liquidity provider agreement with the subject company/ies?	No
Significant equity stake	If yes, specify the name of the issuers concerned
Does ODDO BHF SCA or its subsidiary ABN AMRO – ODDO BHF B.V. own 1% or more of any class of common equity securities of the subject company/ies?	No
One or more affiliates of ODDO BHF SCA other than ABN AMRO – ODDO BHF B.V. from time to time may own 1% or more of a class of common equity securities of the subject company/ies.	No
Does ODDO BHF SCA or its subsidiary ABN AMRO – ODDO BHF B.V. own a net long or short position of 0.5% or more of any class of common equity securities of the subject company/ies?	No
Does the subject company beneficially own 5% or more of any class of common equity of ODDO BHF SCA or its subsidiary ABN AMRO – ODDO BHF B.V.?	No
Disclosure to Company	



Has the financial analysis been sent to the issuer for verification prior to publication? No

Have any modifications been made to the conclusions of the analysis following its verification by the issuer? No

Additional material conflicts

Is ODDO BHF SCA or its affiliates aware of any additional material conflict of interest? No

Personal conflicts of interest

Do you buy or sell financial instruments from the issuer(s) concerned by this financial analysis? No

Have those responsible for the drafting of the present document received remuneration directly linked to investment firm service transactions or any other kind of transaction they carry out or any trading commissions they or any legal person who is part of the same group receive? No

Statement of conflict of interests of all companies mentioned in this document may be consulted on ODDO BHF: www.securities.oddo-bhf.com/#disclaimer.

**Disclaimer :****Disclaimers for Distribution by ODDO BHF SCA to Non-United States Investors:**

This research publication is produced by the Investment Bank of ODDO BHF SCA ("ODDO BHF"), which is licensed by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the Autorité des Marchés Financiers ("AMF").

The research, when distributed outside of the U.S., is intended exclusively for non-U.S. customers of ODDO BHF and cannot be divulged to a third-party without prior written consent of ODDO BHF. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. This research has been prepared in accordance with regulatory provisions designed to promote the independence of investment research. "Chinese walls" (information barriers) have been implemented to avert the unauthorized dissemination of confidential information and to prevent and manage situations of conflict of interest. This research has been prepared in accordance with French regulatory provisions designed to promote the independence of investment research. The recommendation presented in this document is reviewed and updated at least quarterly following each Quarterly Report published by the issuer that is the subject of this Research Report.

At the time of publication of this document, ODDO BHF and/or one of its subsidiaries may have a conflict of interest with the issuer(s) mentioned. While all reasonable effort has been made to ensure that the information contained is not untrue or misleading at the time of publication, no representation is made as to its accuracy or completeness, and it should not be relied upon as such. Past performances offer no guarantee as to future performances. All opinions expressed in the present document reflect the current context which is subject to change without notice. The views expressed in this Research Report accurately reflect the analyst's personal views about the subject securities and/or issuers and no part of his compensation was, is, or will be directly or indirectly related to the specific views contained in the Research Report. This Research Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice.

This Research Report is for institutional investors only. It may not contain information necessary for others to make investment decisions. Consult your financial adviser or an investment professional if you are not an institutional investor.

Disclaimers for Distribution by ODDO BHF New York Corporation to United States Investors:

This Research Report is produced by the Investment Bank of ODDO BHF SCA ("ODDO BHF"). This research is distributed to U.S. investors exclusively by ODDO BHF New York Corporation ("ONY"), MEMBER: FINRA/SIPC, and is intended exclusively for U.S. customers of ONY and cannot be divulged to a third-party without prior written consent of ONY. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. This research has been prepared in accordance with regulatory provisions designed to promote the independence of investment research. "Chinese walls" (information barriers) have been implemented to avert the unauthorized dissemination of confidential information and to prevent and manage situations of conflict of interest. This research has been prepared in accordance with French regulatory provisions designed to promote the independence of investment research. The recommendation presented in this document is reviewed and updated at least quarterly following each Quarterly Report published by the issuer that is the subject of this Research Report.

At the time of publication of this document, ODDO BHF, and/or one of its subsidiaries may have a conflict of interest with the issuer(s) mentioned. While all reasonable effort has been made to ensure that the information contained is not untrue or misleading at the time of publication, no representation is made as to its accuracy or completeness, and it should not be relied upon as such. Past performances offer no guarantee as to future performances. All opinions expressed in the present document reflect the current context which is subject to change without notice. The views expressed in this Research Report accurately reflect the analyst's personal views about the subject securities and/or issuers and no part of his compensation was, is, or will be directly or indirectly related to the specific views contained in the Research Report. This Research Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice.

This Research Report is for institutional investors only. It may not contain information necessary for others to make investment decisions. Consult your financial adviser or an investment professional if you are not an institutional investor.

Disclosures Required by United States Laws and Regulations:

Rule 15a-6 Disclosure: Under Rule 15a-6(a)(3), any transactions conducted by ODDO BHF, and/or one of its subsidiaries with U.S. persons in the securities described in this foreign research must be effected through ONY. As a member of FINRA, ONY has reviewed this material for distribution to U.S. persons as required by FINRA Rules 2241(h) applicable to dissemination of research produced by its affiliate ODDO BHF.

FINRA Disclosures:

- Neither ONY, ODDO BHF beneficially owns 1% or more of any class of common equity securities of the subject company.
- The research analyst of ODDO BHF, at the time of publication of this research report, is not aware, nor does he or she know or have reason to know of any actual, material conflict of interest of himself or herself, ODDO BHF or ONY, except those mentioned in the paragraph entitled "Risks of Conflicts of Interest."
- ODDO BHF may receive or seek compensation for investment banking services in the next 3 months from the subject company of this Research Report, but ONY would not participate in those arrangements.
- Neither ONY or ODDO BHF has received compensation from the subject company in the past 12 months for providing investment banking services except those mentioned in the paragraph of "Risks of Conflict of Interest".
- Neither ONY or ODDO BHF, has managed or co-managed a public offering of securities for the subject company in the past 12 months except those mentioned in the paragraph of "Risk of Conflict of Interest".
- ONY does not make (and never has made) markets and, accordingly, was not making a market in the subject company's securities at the time that this research report was published.

Regulation AC:

ONY is exempt from the certification requirements of Regulation AC for its distribution to a U.S. person in the United States of this Research Report that is prepared by an ODDO BHF research analyst because ODDO BHF has no officers or persons performing similar functions or employees in common with ONY and ONY maintains and enforces written policies and procedures reasonably designed to prevent it, any controlling persons, officers or persons performing similar functions, and employees of ONY from influencing the activities of the third party research analyst and the content of research reports prepared by the third party research analyst.

Contact Information of firm distributing research to U.S. investors: ODDO BHF New York Corporation, MEMBER: FINRA/SIPC, is a wholly owned subsidiary of ODDO BHF SCA; Louis paul ROGER, President (louis-paul.roger@ny.oddo-bhf.com) 150 East 52nd Street New York, NY 10022 646-286-2137

Statement of conflict of interests of all companies mentioned in this document may be consulted on Oddo BHF [research site](#).