TP ICAP MIDCAP

Document produced on
16 June 2026 at 9:01am CET
Document published on
16 June 2026 at 9:08am CET

EQUITY RESEARCH

ARVERNE GROUP ACT

BUY

NEWS
Company call

TP 9.5€
Up/Downside: 8%

Founder reinforcing stake and partnership with RGREEN to support the €70m ORANE issuance

The founder of Arverne plans to increase his stake and partner with RGREEN (INFRAGREEN) through a joint holding company. The transaction includes a €70m ORANE issuance aimed at securing financing. It helps stabilise the shareholder base, anchor an infrastructure investor and improve visibility in a still capital-intensive phase.

Entry of RGREEN: anchoring a long-term infrastructure partner and reshaping the capital structure. Pierre Brossollet has signed a memorandum of understanding with RGREEN INVEST (INFRAGREEN), an infrastructure fund dedicated to the energy transition (€3.6bn invested since 2010, latest fund >€900m). The transaction involves the creation of a joint holding company, Geogreen, through which RGREEN takes a stake in Arverne. In parallel, the founder is acquiring stakes from historical shareholders (pre-IPO). The transaction is priced at €4 per share, which also serves as the reference price for contributions to Geogreen. Arosco will be replaced by Geogreen as the holding vehicle.

A structured financing built around ORANE instruments
The transaction is part of a €70m ORANE issuance. Geogreen (founder + RGREEN) is committing €37m, with the remainder provided by existing investors (Bpifrance, ADEME, Eiffel, etc.). The €4 price should be viewed within this broader framework: it accompanies a significant financing commitment and should not be interpreted as a standalone valuation point.

A positive signal on project credibility from a reference investor
RGREEN's profile (sector expertise, strong capital commitment, long-term horizon) reinforces the credibility of the project at a stage that remains cash-consuming. The transaction improves visibility on short- to mid-term financing and reflects an evolution of the model, with greater reliance on infrastructure partners alongside listed investors.

Toward a structuring of future financing
Beyond geothermal energy, which remains the core of the model, we believe this transaction is preparing the next stages of financing. It indirectly strengthens the group's capacity to fund its projects — notably Lithium de France — in a context where access to capital remains a key constraint.

Research partially paid by the Issuer

Key data	
Price (€)	8.8
Industry	Utilities
Ticker	ARVEN-FR
Shares Out (m)	42.076
Market Cap (m €)	370.3
Next event	RS1-26 = sept 2026

Source: FactSet

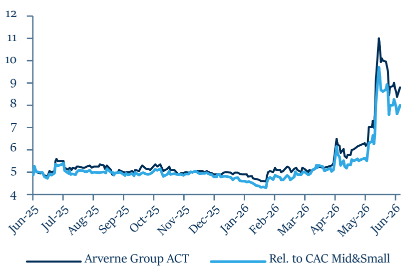
Ownership (%)	
ex-associés d'Arverne+Fondateurs	55.9
ADEME Investissement	9.3
Renault7.8%+Hydro5.3%+BPI4.1	17.2
Free float	17.6

Source: TPICAP Midcap estimates

EPS (€)	12/25e	12/26e	12/27e
Estimates	-0.59	-0.65	-0.40
Change vs previous estimates (%)	na	na	na

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	5.0	25.4	79.6
Rel CAC Mid&Small	4.9	26.8	71.6



Source: FactSet

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e
Sales (m €)	14.1	18.0	18.0	35.0
Current Op Inc (m €)	-20.8	-25.7	-25.8	-15.1
Current op. Margin (%)	na	na	na	na
EPS (€)	-0.29	-0.59	-0.65	-0.40
DPS (€)	0.00	0.00	0.00	0.00
Yield (%)	0.0	0.0	0.0	0.0
FCF (m €)	-35.3	-56.3	-71.3	-150.2

Valuation Ratio	12/25e	12/26e	12/27e
EV/Sales	18.8	na	14.2

Source: TPICAP Midcap

Consensus FactSet - Analysts:na	12/25e	12/26e	12/27e
Sales	22.2	34.6	76.7
EBIT	-28.4	-30.2	-35.3
Net income	-26.3	-28.3	-33.0

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FINANCIAL DATA

Income Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Sales	10.7	10.1	14.1	18.0	18.0	35.0
Changes (%)	-15.0	-5.8	40.2	27.2	0.0	94.4
Gross profit	10.9	13.6	19.7	26.7	27.5	42.8
% of Sales	102.2	134.8	139.1	148.4	152.9	122.3
EBITDA	**-0.7**	**-11.9**	**-17.7**	**-20.0**	**-20.8**	**-9.5**
% of Sales	-6.5	-118.2	-125.3	-110.9	-115.6	-27.2
Current operating profit	**-2.7**	**-15.1**	**-20.8**	**-25.7**	**-25.8**	**-15.1**
% of Sales	-24.9	-149.8	-146.8	-142.6	-143.4	-43.2
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-2.7	-15.1	-20.8	-25.7	-25.8	-15.1
Net financial result	-0.1	4.1	4.2	1.7	0.6	-0.6
Income Tax	-0.0	1.0	0.2	1.5	1.6	1.0
Tax rate (%)	-1.0	0.0	25.0	25.0	na	na
Net profit, group share	**-1.6**	**-53.3**	**-10.0**	**-20.7**	**-22.7**	**-13.9**

Financial Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	11.2	58.2	104.5	135.5	159.1	272.9
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.0	0.0	0.0	0.9	0.9	0.9
Working capital	-2.4	0.2	-7.7	-7.7	-8.5	-25.3
Other Assets	0.0	3.4	3.1	2.6	2.6	2.6
Assets	8.8	61.9	100.0	131.3	154.2	251.2
Shareholders equity group	-5.6	164.1	155.9	140.6	117.9	104.0
Minorities	0.7	14.3	14.0	18.1	15.3	15.3
LT & ST provisions and others	0.0	2.2	2.1	1.8	1.8	1.8
Net debt	13.6	-124.2	-77.4	-32.6	16.0	126.9
Other liabilities	0.0	5.9	6.2	4.2	4.2	4.2
Liabilities	8.8	61.9	100.0	131.3	154.2	251.2
Net debt excl. IFRS 16	13.6	-124.8	-106.3	-61.9	-13.4	97.5
Gearing net	-2.8	-0.7	-0.5	-0.2	0.1	1.1
Leverage	-19.5	10.4	4.4	1.6	-0.8	-13.3

Cash flow statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
CF after elimination of net borrowing costs and taxes	-0.4	-10.3	-10.4	-15.7	-18.5	-8.5
ΔWCR	-3.7	2.6	-7.9	-0.1	-0.8	-16.8
Operating cash flow	-4.0	-7.7	-18.3	-15.8	-19.3	-25.2
Net capex	-5.0	-18.2	-17.1	-40.6	-52.0	-125.0
FCF	-9.0	-25.9	-35.3	-56.3	-71.3	-150.2
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	-1.2	-7.4	0.6	1.4	-35.0	-75.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	-0.1	-0.2	0.0	0.0	0.0	0.0
Equity Transaction	0.0	98.2	0.7	9.9	0.0	0.0
Others	2.8	0.7	4.0	5.0	6.0	7.0
Change in net cash over the year	-7.3	68.3	-30.0	-40.0	-100.3	-218.2

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Analyst certifications

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Methodology

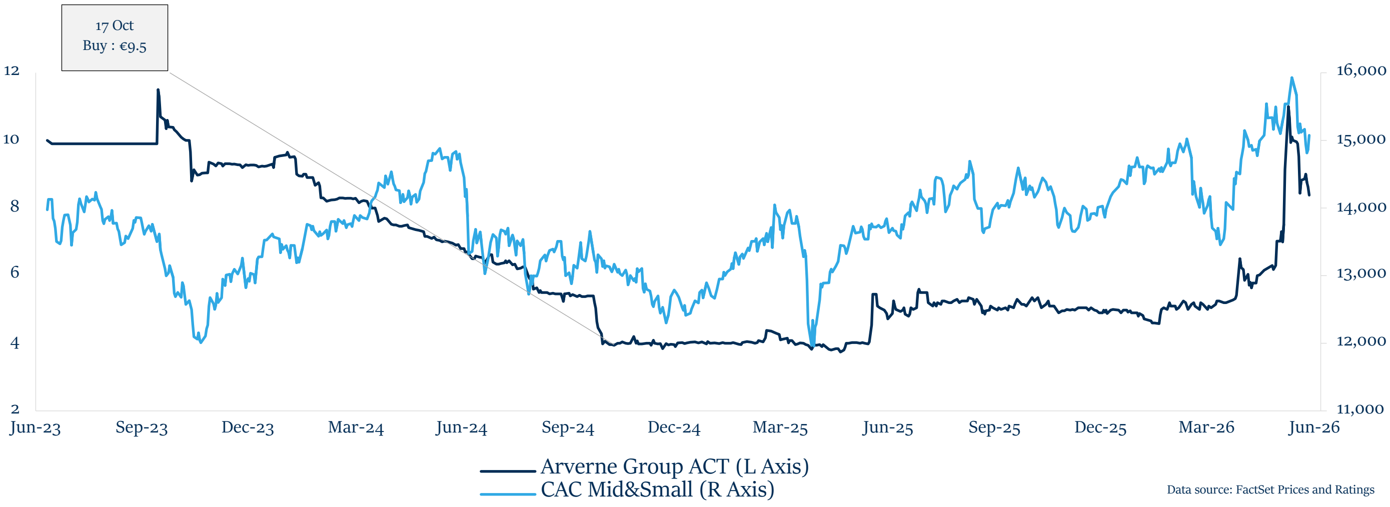
This Report may mention evaluation methods defined as follows:
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Arverne Group ACT

History of investment rating and target price – Arverne Group ACT

TARGET PRICE AND RATING HISTORY FOR ARVERNE GROUP



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
18 May 26 - 22:51:02	Veneta Nikolova	€ 9.50	€ 9.50	€ 7.02	Buy	Buy
10 May 26 - 03:58:24	Veneta Nikolova	€ 9.50	€ 9.50	€ 6.24	Buy	Buy
08 Apr 26 - 08:15:26	Veneta Nikolova	€ 9.50	€ 9.50	€ 5.28	Buy	Buy
26 Mar 26 - 06:48:01	Veneta Nikolova	€ 9.50	€ 9.50	€ 5.20	Buy	Buy
20 Feb 26 - 07:12:59	Veneta Nikolova	€ 9.50	€ 9.50	€ 5.05	Buy	Buy
25 Nov 25 - 06:44:07	Veneta Nikolova	€ 9.50	€ 9.50	€ 5.05	Buy	Buy
12 Oct 25 - 19:33:19	Veneta Nikolova	€ 9.50	€ 9.50	€ 5.10	Buy	Buy
25 Sep 25 - 07:05:27	Veneta Nikolova	€ 9.50	€ 9.50	€ 4.98	Buy	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	71%	73%
Hold	21%	59%
Sell	3%	40%
Under review	5%	78%

Midcap employs a rating system based on the following:
Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.
Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.
Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at https://researchtpicap.midcapp.com/en/disclaimer.

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