VOLTALIA SA

485182448 CORPORATE

BB

ISSUER RATING
LongTerm

OUTLOOK
Evolving

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Rating action and rationale

- EthiFinance Ratings downgrades Voltalia SA's long-term rating from BB+ to BB, changing the outlook from Stable to Evolving.
- Voltalia SA (hereafter 'Voltalia') is an independent French renewable energy producer and service provider.
- Our rating downgrade is a consequence of poor financial performance in FY24, which is expected to deteriorate significantly further in FY25. Voltalia faced some headwinds in Brazil due to curtailment restrictions while the country represented c. 61% of its installed capacity and 73% of its total production in FY24. This materialized through a drop in adjusted EBITDA of 10.8% to €215.1m in FY24 (vs €241.1m in FY23), thus significantly below our EBITDA forecasts of €255.0m for FY24. The situation further deteriorated in 2025, with a curtailment of c. 14% in 1H25 (vs c. 10% expected by the company) which is expected to materialize by an additional decrease in adjusted EBITDA. Regarding the credit metrics, the adjusted net leverage ratio reached 9.0x at end-2024 (vs 6.6x at YE23) and we expect another deterioration in FY25 with a net leverage of c. 12.0x (vs c. 7.3x expected in our last review). Interest coverage ratio also deteriorated to c. 1.7x in FY24 and is expected to be below 1.5x in FY25.
- In addition, our rating downgrade is also a consequence of the new strategic plan 'SPRING' for the period 2026-30, presented in September 2025. This plan is far below the previous one in terms of development and financial prospects with a targeted capacity in operation and under construction of c. 4.2GWh by 2027 (vs c. 5GWh in the previous plan) for EBITDA of €300-325m (vs c. €475m). Regarding its development, the group targets 300-400MWh/year of new projects and expects to self-finance them, with both operating cash-flow generation and asset disposals. Asset disposals will concern non-core assets and a geographical refocus with the reduction of its geographical presence to 12 countries (vs 22 countries). From FY26 onwards, we expect profitability to improve on both activities (energy sales and services) leading to a gradual improvement in adjusted net leverage to around 8.3x by end-2027. However, this level of net leverage remains deteriorated with respect to our previous expectations.
- Finally, our rating remains constrained by the significant exposure to Brazil, as highlighted earlier. As a reminder, our previous rating was constrained by the country risk associated with the company's dependence on Brazil, acting as a downward modifier on the final rating. Following the downgrade, the downward modifier does not apply anymore. However, we still view negatively Voltalia's dependence on the country.
- On a positive note, the rating remains supported by a favourable sector assessment, reinforced by the strong fundamentals of the energy sales business, including high profitability, robust growth prospects, and significant barriers to entry. Additional credit strengths include the company's competitive advantages, notably its level of integration achieved in its operations and its outstanding portfolio of assets and pipeline in development. Finally, we also view positively its shareholder's base, with the group being controlled by the Mulliez family with an indirect stake of 71.2%. They have demonstrated in the past their support with the subscription to the 2022 equity injection pro rata their stake.
- It should be noted that different volatility tables have been used to evaluate the financial ratios, such as the 'infrastructure' table for the energy sales activity (mostly under a 'PPA' scheme), and the 'standard' table for the rest of the businesses.
- Our change in outlook from Stable to Evolving is linked to the ongoing strategic plan, the development of which may entail different evolutions for the credit metrics. Additionally, the exposure to Brazil remains a concern and adds uncertainty with respect to the financial ratios, and by extension the final rating.
- Under our methodology, the company operates in the renewable energy production sector as well as in the engineering and construction sector, with our adjustments based on the characteristics of both. These sectors are appropriately aligned with ESG factors (heatmap score between 1 and 1.9). This consideration results in a one-category upgrade on the industry risk assessment. The industry contributes to pollution reduction and biodiversity protection as a substitute for highly-polluting traditional energy sources. However, related construction emits GHG and uses significant resources. The impact on consumers and communities is positive as clean energy contributes to good health and economic development. The impact on suppliers is medium as China, where ESG issues may exist, is involved in much of the supply chain.
- Furthermore, our assessment of the company's ESG policy is positive (ESG score of 1 to 1.5) and has a positive impact on the financial risk profile, despite slightly deteriorating compared to the last review. This is mainly a consequence of higher GHG emissions and energy consumption.

Issuer description

Based in Paris, Voltalia is an independent renewable energy producer and service provider. The group develops, builds, operates and maintains both its own power plants as well as on behalf of customers. Voltalia is mainly controlled by the Mulliez family which indirectly owns a 71.2% stake. The company is listed on Euronext Paris with a free-float of c. 25.2% and a market cap of €955m (at the market close of 27 November 2025).

At end-September 2025, Voltalia had an installed capacity of 3.3GWh, of which 2.6GWh in operation, for an energy production of c. 3.6TWh. The group has confirmed that by year-end, it would have c. 3.6GWh of installed capacity (o/w 3.0GWh in operation) for a production of c. 5.2TWh (considering a 10% curtailment in Brazil).

For the LTM to end-June 2025, Voltalia reported revenue of €565m and an adjusted EBITDA of €213m, equivalent to an EBITDA margin of 37.6%. The adjusted net leverage ratio was 11.1x.

Main financial figures

Main financial figures. millions of EUR	FY23	FY24	FY25e	FY26e	FY27e	24vs23
Turnover	495,2	546,7	520,1	572,1	629,3	10,4%
Adj EBITDA (1)	241,1	215,1	201,5	255,8	301,8	-10,8%
Adj EBITDA Margin	48,7%	39,3%	38,7%	44,7%	48,0%	-9,3pp
EBIT	119,3	68,4	77,4	119,3	151,6	-42,6%
EBIT Margin	24,1%	12,5%	14,9%	20,8%	24,1%	-11,6pp
EBT	60,9	(7,7)	(74,7)	(1,1)	25,5	-112,7%
Total Assets	3 818,1	3 961,0	4 236,8	4 361,0	4 508,4	3,7%
Equity	1 383,3	1 169,1	1 094,4	1 093,3	1 112,9	-15,5%
Adj Total Financial Debt (2)	1 914,0	2 305,3	2 665,9	2 769,9	2 874,0	20,4%
Adj Net Financial Debt	1 595,5	1 945,1	2 409,2	2 442,0	2 491,5	21,9%
Equity/TFD	72,3%	50,7%	41,1%	39,5%	38,7%	-21,6pp
Adj NFD/Adj EBITDA	6,6x	9,0x	12,0x	9,5x	8,3x	2,4x
Adj Funds From Operations	68,3	37,7	30,1	86,4	120,8	-44,8%
Adj FFO/Adj NFD	4,3%	1,9%	1,2%	3,5%	4,8%	-2,3pp
Adj EBITDA/Adj Interest	2,5x	1,7x	1,3x	1,7x	1,9x	-0,8x

(1) *Adjusted for other results*

(2) *Adjusted for pensions*

Credit rating

Credit Rating	
Business Risk Profile	**BBB+**
Industry risk assessment	*AA-*
Industry's ESG	*Positive*
Competitive Positioning	*BB*
Governance	*BBB-*
Financial Risk Profile	**B+**
Cash flow and leverage	*B*
Solvency	*B+*
Company's ESG	*Positive*
Anchor Rating	**BB**
Modifiers	-
Rating	**BB**

Rating sensitivity

- **Long-term rating positive factors (↑)**

Voltalia's rating could be upgraded to BB+ if the group manage to improve its financial ratios, notably an adjusted net leverage around 7.0x for a sustained period.

Given the current strategic plan announced, we do not expect it to happen in the short-term.

- **Long-term rating negative factors (↓)**

An additional downgrade to BB- could happen if Voltalia’s profitability was to remain deteriorated. In particular, an adjusted net leverage of c. 10.0x would be a potential indication for a downgrade.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
  - Corporate Rating Methodology - General : https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203
- The rating scale used in this report is available at https://www.ethifinance.com/en/ratings/ratingScale.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.