

EQUITY RESEARCH

AFYREN INITIATION OF COVERAGE

BUY
TP 4.80€
Up/Downside: 67%

Industrial Execution Timing

Afyren is entering a decisive stage in its development, transitioning from a predominantly technology-driven model to the operation and ramp-up of its industrial platform, while already benefiting from strong commercial visibility. Its firm backlog covers two-thirds of targeted production capacity by 2028, shifting the equity story almost entirely toward industrial execution. We recommend the stock as a BUY with a target price of €4.80, with value creation driven by the ramp-up of Neoxy, optimization of the product mix, and gradual replication of the model.

Industrialization: proof through execution

The key question for Afyren is no longer market adoption, but its ability to scale industrial production. Its portfolio of firm contracts provides rare visibility for a company still in ramp-up phase, securing several years of revenue. At the same time, the “drop-in” nature of its molecules (strict equivalence with petrochemical standards) eliminates transition costs for customers (reformulation, capex), significantly reducing barriers to adoption—a decisive advantage in bio-based chemistry. The main challenge now lies in Afyren’s ability to produce continuously—now demonstrated—and to manage the gradual increase in production capacity, a prerequisite for converting commercial potential into profitable growth.

Operational profile transformed by Neoxy

The acquisition of 100% of Neoxy marks a turning point in Afyren’s financial trajectory. Full consolidation of EBITDA makes it possible to reach break-even with a single plant, whereas the base case previously relied on deploying a second site. This significantly shortens the path to profitability. At maturity, high EBITDA levels could enable partially self-financed development of future units, with the model expected to generate strong free cash flow (>20% of revenue) once the capital-intensive cycle is completed by 2032.

Product mix optimization at the heart of value creation

Against a backdrop of structurally strong demand for bio-based solutions, Neoxy is built on a multi-product architecture that allows continuous optimization of the mix across industrial applications with weakly correlated demand and pricing dynamics. This contrasts with petrochemical models constrained by dedicated value chains, reinforcing the robustness of the model. Product mix optimization is a direct lever for value creation: at constant volumes, allocating output to the most profitable markets would logically result in an increase in average selling prices.

Model replication as a structural growth driver

Once the first industrial site reaches full capacity, Afyren’s growth will rely on the progressive rollout of a standardized model. Future units should benefit from an optimized cost structure, reduced execution risk, and faster ramp-up driven by accumulated experience. At cruising speed, Afyren targets a total industrial capacity of around 70kt, corresponding to revenue exceeding €180m and an EBITDA margin of approximately 30%.

TP ICAP Midcap Estimates	12/25	12/26e	12/27e	12/28e	Valuation Ratio	12/26e	12/27e	12/28e
Sales (m €)	2.3	4.9	25.9	41.0	EV/Sales	na	6.6	4.7
Current Op Inc (m €)	-6.6	-21.1	-13.5	-4.8	Source: TPICAP Midcap			
Current op. Margin (%)	na	na	na	na				
EPS (€)	-0.39	-0.67	-0.45	-0.23				
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-4.0	-30.9	-29.5	-24.5				

Research partially paid by the Issuer

Key data

Price (€)	2.9
Industry	Chemical
Ticker	ALAFY-FR
Shares Out (m)	38.853
Market Cap (m €)	111.9

Source: FactSet

Ownership (%)

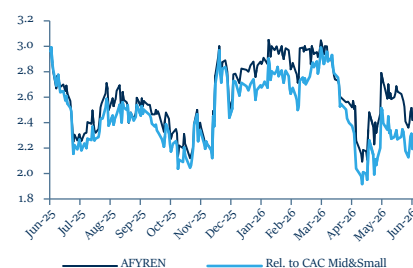
Fondateurs via AFY Partners	23.6
KEMIN Industries	23.1
BPI 8.1% +Sofinnova 9.2%	17.2
Free float	36.1

Source: TPICAP Midcap estimates

EPS (€)	12/26e	12/27e	12/28e
Estimates	-0.67	-0.45	-0.23
Change vs previous estimates (%)	na	na	na

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-0.7	7.1	2.9
Rel CAC Mid&Small	-0.7	9.3	-0.7



Source: FactSet

Consensus FactSet - Analysts:na	12/26e	12/27e	12/28e
Sales	3.2	11.2	18.6
EBIT	-14.3	-12.4	-13.9
Net income	-16.4	-11.7	-12.1

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