Deep Dive: French deep value in a hated sector (AKW.PA)

Why Akwel SA looks good on paper, but may require some patience...

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Hi Everyone -

As promised in this month's portfolio update, I'm following up with a deep dive into a deep-value position in my portfolio - Akwel SA (AKW.PA).

Akwel is exactly the kind of company that gets perpetually ignored into significant mispricing. It's a family-controlled French automotive supplier listed on the Paris exchange that has spent the last half-century making the unglamorous plumbing of the modern ICE car: the pipes, valves, pumps, tanks, sensors, and mechanisms that manage fluids and moving parts inside vehicles for major global automakers. Founded in 1972 and still run by the Coutier family, who control roughly two-thirds of the shares and more than 80% of the votes, it operates 34 plants across more than twenty countries, employs around ~8,600 people, and generated ~€938 million in revenue in 2025. It's a cash-generative industrial business that the market has spent years quietly giving up on, as auto-sector cyclicality, EV disruption, and a slow downtrend in earnings have pushed the share price down. There's broad pessimism as a result of the secular headwinds the industry is facing, as well as the undesirable direction of travel we've been seeing from Akwel's financials. As always with deep value, the question becomes "is it cheap enough?". If you take a close look at Akwel, what you're actually being asked to pay for bears almost no resemblance to what sits on the balance sheet, and that gap is where the investment thesis lives.

Before we continue, if any of you want to dive into the numbers for Akwel, I caution you to not fully trust the numbers from data aggregation sites; I had to stitch these financials together from Akwel's annual reports since what I could find from my typical data provider was only about ~80% right.

Fortress Balance Sheet:

Let's start with the balance sheet - look down the asset side and two lines stand out: €113.8 million of cash and cash equivalents, and another €32.6 million parked in term deposits (shown here as "other financial assets"). Against that sits almost no debt, just €13.5 million in total once you count lease obligations, and only €2.2 million of genuine financial borrowing. When you net it all out, Akwel carries roughly €133 million in net cash and deposits with essentially no leverage, close to three-quarters of the company's entire ~€177 million market capitalization (current share price of €6.68 at 26.54M shares outstanding). This means that at today's price, cash and deposits alone cover about ~75% of what you'd pay for the entire company. Strip that cash out, and the market is valuing everything else Akwel owns (the aforementioned 34 plants, 8,600 employees, and nearly a billion euros of annual revenue) at only about ~€44 million. That is the number the rest of the thesis is built around, and it's the first clue that price and value here have come uncoupled.

Assets (€, thousands)	
Intangible assets	
Goodwill	33,198
Other intangible assets	3,882
Intangible assets	**37,080**
Tangible fixed assets	
Land	20,078
Buildings	83,249
Technical installations & equipment	110,968
Other tangible assets	8,120
Assets linked to use rights	15,372
Work in progress, advances & prepayments	45,735
Tangible fixed assets	**283,521**
Non-current financial assets	6,130
Deferred tax assets	9,877
Total non-current assets	**336,608**
Inventory	139,302
Trade receivables & other assets	137,616
Non-trade receivables	33,753
Other financial assets (term deposits)	32,617
Cash & cash equivalents	113,829
Total current assets	**457,117**
Assets held for sale	–
Total Assets	**793,724**

Liabilities & Equity (€, thousands)	
Share capital	21,235
Share premium	6,627
Reserves & retained earnings	555,160
Interim dividends	–
Income for the year, Group share	16,217
Group share of shareholders' equity	**599,240**
Minority interests	515
Shareholders' equity	**599,755**
Long-term provisions	25,530
Medium & long-term financial debts	2,240
Debts on non-current lease obligations	8,811
Deferred tax liabilities	14,879
Total non-current liabilities	**51,460**
Current provisions	5,796
Financial debts falling due within one year	–
Debts on current lease obligations	2,440
Trade accounts payable	77,370
incl. fixed-asset trade payables	*1,664*
Other debts	56,902
Total current liabilities	**142,509**
Liabilities held for sale or disposal	–
Total Liabilities & Equity	**793,724**

Net Cash (FY2025)	
Market Cap (€ M)	177.29
Cash & equivalents (€ M)	113.8
Term deposits (other fin. assets) (€ M)	32.6
Financial debt (incl. leases) (€ M)	(13.5)
Net cash + deposits (€ M)	133.0
Cash as a % of Market Cap (%)	**74.99%**

Real (though declining) Earning Power:

So in reality how cheap is €44 million of enterprise value? The cleanest place to start is against the company's own earnings power. Even in 2025 (a pretty bad year for the company) Akwel produced €36.7 million of EBITDA, and over the past decade it has averaged €115 million. Set the €44 million EV against a conservatively-normalized €90 million and you're paying roughly 0.5x EBITDA. Against the actual ten-year average, closer to 0.4x. Auto suppliers are cyclical and rarely loved by investors, but even out-of-favor ones typically trade in the 3-5x range, and healthier names well above that. Akwel's operating business is priced at a small fraction of the floor for its own industry. Please note below that reported EBE differs slightly from standard EBITDA because it excludes provisions and reversals from the EBE calculation.

€ millions unless noted	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	963.6	1,024.2	1,062.2	1,101.2	937.2	922.5	989.5	1,066.4	989.0	938.3
Revenue growth (%)		6.3%	3.7%	3.7%	-14.9%	-1.6%	7.3%	7.8%	-7.3%	-5.1%
Raw materials & consumption	420.6	472.2	494.2	512.6	401.4	426.2	488.6	502.6	439.1	411.7
Gross margin (%)	56.4%	53.9%	53.5%	53.4%	57.2%	53.8%	50.6%	52.9%	55.6%	56.1%
EBITDA (reported EBE)	150.6	145.3	124.6	130.3	175.3	117.0	80.8	101.9	87.2	36.7
EBITDA margin (%)	15.6%	14.2%	11.7%	11.8%	18.7%	12.7%	8.2%	9.6%	8.8%	3.9%
D&A (amortisation allowances)	28.4	30.3	34.7	40.3	41.0	42.5	40.5	38.6	39.3	42.3
D&A % of revenue	2.9%	3.0%	3.3%	3.7%	4.4%	4.6%	4.1%	3.6%	4.0%	4.5%
Current operating income	111.1	115.1	77.4	92.2	113.7	75.2	37.2	61.0	38.4	44.3
Operating margin (%)	11.5%	11.2%	7.3%	8.4%	12.1%	8.2%	3.8%	5.7%	3.9%	4.7%
Operating income (after non-recurring)	115.4	115.4	73.1	88.9	107.0	70.4	36.3	49.3	39.7	30.3
Net income (total)	86.3	85.0	61.8	63.3	86.1	50.9	25.3	35.5	24.3	16.2
Net income (Group share)	86.4	84.8	61.1	62.7	85.5	51.2	25.3	35.7	24.2	16.2
Net margin (%)	9.0%	8.3%	5.8%	5.7%	9.2%	5.5%	2.6%	3.3%	2.5%	1.7%
Operating cash flow	93.8	85.1	73.4	76.7	162.1	85.7	48.9	63.9	96.5	53.2
Capex (tangible & intangible)	49.3	87.3	77.0	48.6	33.1	28.9	40.4	57.5	46.9	36.5
Capex % of revenue	5.1%	8.5%	7.2%	4.4%	3.5%	3.1%	4.1%	5.4%	4.7%	3.9%
Free cash flow (OCF – capex)	44.5	(2.2)	(3.6)	28.1	129.1	56.8	8.5	6.4	49.6	16.7
Cash & equivalents	114.0	107.4	92.1	104.6	175.1	167.4	166.5	151.5	142.5	113.8
Shareholders' equity (Group share)	362.2	409.4	453.1	506.2	539.6	569.8	592.5	609.7	606.5	599.2
Book value / share (€)	€13.65	€15.43	€17.07	€19.07	€20.33	€21.47	€22.32	€22.97	€22.85	€22.58
Income tax expense	27.0	28.6	9.2	23.3	20.2	16.3	13.0	13.0	16.6	16.1
Effective tax rate (%)	23.9%	25.2%	12.9%	26.9%	19.0%	24.2%	33.9%	26.8%	40.7%	49.8%

Over the last ten years Akwel has earned, on average, about €53 million a year in net income. At €44 million EV, you're paying less than a single year of mid-cycle earnings for the entire operating business which pays for itself, on average, within twelve months, with every year after that effectively free. Even on 2025's depressed €16 million, the payback is under three years. There aren't many ways to lose money buying a real, cash-generative industrial business for one year's normal profit. Measured against sales, €44 million is worth roughly two and a half weeks of revenue; against gross profit, about a month. You're buying the entire operating engine of a €938 million business for what it earns in gross margin in a single month.

All deep value investors understand the pain that cheap can stay cheap forever, but at least here we're paid to wait. Akwel's €0.30 dividend costs the company about €8 million a year. Against the €44 million you're actually paying for the business, that's an ~18% yield on the operating enterprise! Not the ~4.5% yield on market cap that you'll see on a screener, 18% on what the business itself is costing you.

Dividend yield on OpCo EV	
Enterprise value (€ M)	44.33
Dividend / share (€)	0.30
Total annual dividend paid (€ M)	7.96
Dividend yield on OpCo EV (%)	**18.0%**

The Laughable DCF:

So the operating business costs about €44 million - the natural question is what you'd have to believe about its future to think that's fair. It starts getting pretty ridiculous once you start throwing some numbers at the DCF, because you can believe almost anything short of the apocalypse and still come out ahead.

Here's an illustrative borderline worst case scenario: Akwel's revenue falls 20% a year, every year out to 2032. €938 million of revenue shrinks to under €200 million; four-fifths of the revenue simply gone in seven years, and still declining by 10% p.a. after that. Margins compress from an already-depressed 4.7% to 3%, then discount it all at a punishing 12% WACC. That's about as bleak a future as you can write for a company that isn't actively going bankrupt, and the model still spits out €7.35 a share, ~10% above today's price (and conveniently, above my own cost basis). This catastrophic scenario values the operating business at ~€62 million, ~40% more than the market is paying.

Akwel DCF							
(€ M)	2026	2027	2028	2029	2030	2031	2032
Revenue	750.6	600.5	480.4	384.3	307.5	246.0	196.8
Revenue growth (%)	-20.0%	-20.0%	-20.0%	-20.0%	-20.0%	-20.0%	-20.0%
Operating margin (%)	4.1%	3.6%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating income	31.1	21.5	14.4	11.5	9.2	7.4	5.9
NOPAT	22.7	15.7	10.5	8.4	6.7	5.4	4.3
+ D&A	30.0	24.0	19.2	15.4	12.3	9.8	7.9
− Capex	30.0	24.0	19.2	15.4	12.3	9.8	7.9
Free cash flow	22.7	15.7	10.5	8.4	6.7	5.4	4.3
PV of FCF	20.3	12.5	7.5	5.3	3.8	2.7	1.9

Valuation Bridge	
Sum of PV of FCF (€ M)	54.1
Terminal-year FCF (€ M)	4.3
Terminal value (€ M)	17.6
PV of terminal value (€ M)	8.0
Enterprise value (€ M)	**62.1**
+ Net cash & deposits (€ M)	133.0
Equity value (€ M)	**195.0**
÷ Shares outstanding (M)	26.5
Implied value / share (€)	**€7.35**
Current price (€)	€6.68
Upside / (downside)	**10.0%**

DCF Assumptions	
Share price (€)	€6.68
Shares outstanding (M)	26.54
2025 revenue (€ M)	938.3
2026 revenue decline (%)	-20.0%
Post-2026 revenue growth (%)	-20.0%
Current op. margin (%)	4.7%
Terminal op. margin (%)	3.0%
Margin ramp (years)	3
Tax rate (%)	27.0%
D&A % of revenue	4.0%
Capex % of revenue	4.0%
Terminal growth (%)	-10.0%
WACC (%)	12.0%

The market isn’t pricing a normal decline, it’s pricing something worse. Akwel has thrown off about €33 million of free cash flow a year on average over the past decade (though somewhat lumpy). The market is valuing the entire operating business at €44 million, a little more than a single normal year’s cash flow. You’re not paying for a stream of future profits; you’re paying roughly what the business is capable of generating once, and getting every year after that for nothing. A price like that only makes sense if you believe those €33 million years are gone for good, and that normal cash generation has permanently collapsed to a fraction of what it’s been, and stays there.

That’s the belief embedded in the current €6.68 price, not “the auto industry is hard” but “this cash-generative business will permanently generate almost nothing forever, and the owners will squander the balance sheet”. The burden of proof has flipped at today’s price, the question is no longer why is Akwel cheap, but what has to go permanently and catastrophically wrong to justify €6.68 per share?

Coutier family ownership, and why it's relevant:

The reason this discount exists and can persist is partially because the Coutier family controls ~68% of the shares and over 80% of the votes, due to French double-voting rights. Akwel isn't a public company with a large family holder; it's a family company that rents about 30% of its float to the market. Nothing happens here that the family doesn't want to happen.

Closing the gap financially would be trivial. €133 million of net cash sits idle, enough to take the whole company private at a premium and still have a solid war chest, or to empty the bank account and pay a €5-per-share special dividend and still leave a solvent, cash generative business standing. And yet NOTHING has happened, no buyback in a decade (though this is partly structural, a holder above 30% buying back stock risks tripping France's mandatory-bid rules), and a token €0.30 dividend, ~€8 million a year, a rounding error against the cash, just to keep minority shareholders complacent and conveniently route a few million a year of pocket money to the family. This is a family that appears to value independence, thinks in generations, and is content to let cash pile up for rainy days. The shareholder-friendly triggers exist, but nobody who can pull them has shown any interest.

This is why the stock is cheap and can stay cheap, you can't force the value out, and we see it all the time in EU family owned businesses or Japanese net-nets (especially pre shareholder reforms). But the same control that entrenches the discount also guards the downside; a family with what appears to be the bulk of their wealth tied up in the company doesn't blow itself up. Any eventual change like a take-private, a special dividend, or a plain cyclical recovery, accrues to you while you collect your token complacency yield to wait (though as mentioned, 18% yield on OpCo EV is pretty good for a yield with that descriptor). Whether that reads as value trap or quality setup depends entirely on what you think the family does with the €133 million net cash & equivalents on the balance sheet, and this is where the bears live, who I can only assume are fuming by this point in the article given that we haven't yet hammered the bear case.

The Bear Case:

Akwel is absolutely a melting ice cube if you don't see a world where they can make a successful pivot to EVs. Its content is largely (though not entirely) exposed to the internal-combustion engine, and as the world electrifies, some of that content doesn't dip and recover; it disappears. And the trajectory looks the part - revenue down from €1.1 billion in 2019 to €938 million in 2025, operating margins from ~11% a decade ago to under 5%, net margin down to 1.7%. To a bear that's not a trough waiting to mean-revert, it's the early slope of a structural decline, and the cheapness is just the market pricing a business heading toward irrelevance. Worse, nobody can force a different outcome. With the family in control, there's no activist, no path to a sale, no lever a minority holder can pull. We can be completely right that it's cheap and never get paid, deep-value investors are well acquainted with this.

The competitive and customer picture sharpens the same worry. On one hand, Chinese suppliers are pushing hard into Europe just as Akwel's core content drifts toward commodity status, pressuring exactly the margins the bull case needs defended. On the other hand, the revenue base is dangerously concentrated; by Akwel's own disclosure in 2025, 58.5% of sales comes directly from just two manufacturers, Stellantis and Ford, and 67% from three once you add Renault-Nissan-Mitsubishi. The company flags this as a risk that could have "a significant impact on the Group" and rightly so, a single customer's platform losses, sourcing shifts, or pricing demands can move Akwel's results on their own. Concentration like that hits both ways in a downturn, the same customer that gives you scale can take it away faster than any longer-term EV transition.

Typically when it comes to melting ice cubes, we have to be very thorough in how we believe the cash pile will be treated, the €133 million only holds its value if it's returned or deployed well. It could go into an overpriced acquisition or a hurried EV pivot, subsidize loss-making foreign subsidiaries, or just sit there eroding to inflation while the business shrinks underneath it. The bear's real argument was never that the cash isn't there, it's that you may never see it, and it may grind downwards to zero while never being returned to shareholders.

All these concerns are valid as ever in the deep-value world, but where I think we're in a more defensible spot here, is that the melting-ice-cube fear is about the operating business, and at €44 million you're barely paying for it; a brutal, permanent decline is already priced in. The cash-burn worry runs against fifty years of no debt, no dilution, and book value compounded through cycle after cycle. The family has honestly proven to be too conservative, rather than too reckless with capital. But the bears are right about what matters most - the value is real, but its realization isn't in our hands as minority shareholders. Which is exactly why the next two questions earn their space in this article: what Akwel is worth wound-down, and what happens if it were to be taken private.

Path to a Wind-Down or take-private:

One concern I had was France's notorious severance regime; the fear that a real downturn or a full unwind would mean writing enormous redundancy cheques to a protected French workforce. The concerns were largely misplaced, as Akwel's workforce is more global than I assumed. Of ~8,600 employees, only about ~1,050 sit in French plants. The rest are in Mexico (~2,500), Turkey (~1,600), Tunisia, Portugal, Bulgaria, Romania, Morocco, and a long tail of lower-cost, lower-severance jurisdictions. That footprint lets Akwel flex capacity against regional downturns without tripping France's most expensive labor protections, and in a full wind-down, it means the closure bill is a fraction of what a France-heavy manufacturer would face.

Apologies for the low-res image below, it’s copied in exactly as it appears in the 2025 annual report. With ~80% of the votes locked up, I get the sense the Coutier family doesn’t lose sleep over not providing minority shareholders with luxuries like a legible site map.

The table below runs some liquidation scenarios, from book value down to a genuine fire sale, using only 2025 balance-sheet lines. Every scenario zeros goodwill, intangibles, deferred-tax assets, WIP and right-of-use assets, and adds no closure costs beyond the ~€31M already provisioned. Starting with NCAV, giving zero credit to the €283.5M of property and equipment, we see €9.91 a share. Before you assign a single euro to the factories, the net current assets alone are worth ~48% more than today’s price.

Liquidation Scenarios (using 2025FY balance sheet)				
Valuation	**What is Credited**	**Value (€ M)**	**Per Share(€)**	**vs Price (%)**
Current price	N/A	177.3	6.68	0%
Book Value	Everything at carrying value	599.2	22.58	+238%
Reasonable Markdown	Cash/Rec/Inv/RE/Eqpt at 100/80/50/80/20	265.7	10.01	+50%
NCAV	Current assets - all liabilities; 0 PP&E	263.1	9.91	+48%
Catastrophic Firesale	Cash/Rec/Inv/RE/Eqpt at 100/80/30/60/5	199.3	7.51	+12%
NNWC	Cash/Rec/Inv/RE/Eqpt at 100/80/50/0/0	149.1	5.62	-16%

Only one scenario in the table puts you underwater: NNWC, at €5.62, ~16% below price. And it gets there by valuing all €283.5M of property, plant and equipment at zero, including €103M of land and buildings, 34 industrial sites across twenty-plus countries, much owned outright and plausibly carried below market. The only bearish line in the table requires believing Akwel's entire global real estate portfolio is collectively worth nothing. You don't need to win the argument over what the property is worth, only that it isn't worthless. The catastrophic fire-sale line (inventory at 30 cents, tooling at a nickel, real estate at 60% of book) still lands at €7.51, 12% above the current price.

The reason every lens clusters here is the single most important fact in the section: net cash and deposits alone are €133M, about €5.01 a share, before you value one machine or one square meter of factory. Every scenario is just that cash floor plus some recovery on the operating assets, the only disagreement is how much to add, which is why even the harsh cases sit in the ~€7.50-10 range and only the deliberately ridiculous scenario dips below the current share price. Most of the balance sheet strength lives in the cash pile.

As we've discussed, for this to be more than a spreadsheet exercise two things must be true. The Coutiers have to 1) not torch the balance sheet and 2) defend margins on the way down rather than let them collapse, which the low-cost global footprint enables, and their track record suggests they are capable of. During the recent 2020 shock, revenue fell ~15% overnight and the business still produced strong free cash flow. If we look even further back to the worst cyclical shock to the European auto parts market in 2008, the pattern still holds. Below I've included their results from 2007-2009; apologies that the image is stitched together from multiple filings and that it's in French, as this was before they started releasing an English version of their annual reports.

Reading the columns right to left, revenue (chiffre d'affaires) fell from €457M in 2007 to €420M in 2008, EBITDA (excédent brut d'exploitation) declined from €31M to €19M, and recurring operating income (résultat opérationnel courant) compressed from €20M to €1M, which admittedly isn't great, but every operating line managed to stay in the black. The only red figure in the whole stack is net income (résultat net) at the very bottom, a €9.4M loss that sat below the operating lines entirely, in interest and subsidiary write-downs; the operating business itself never turned loss-making. The profit recovery didn't need to wait for the top line - in 2009 EBITDA margins recovered to ~10% and net income reached €14.9M as cost actions took hold. And as we see at the beginning of this article, the last decade of financials show that the actions taken to defend the business during the downcycle did not impair long-term revenue generating capacity.

	Notes n°	31.12.09 (12 mois)	31.12.08 (12 mois)	31.12.07 (12 mois)
CHIFFRE D'AFFAIRES	3	**358 246**	**419 874**	**456 585**
Variation de la production stockée		(6 373)	(9 284)	613
Consommations		(113 156)	(147 080)	(171 139)
Autres charges externes		(100 343)	(125 197)	(128 251)
VALEUR AJOUTEE		**138 374**	**138 313**	**157 808**
Impôts et taxes		(5 521)	(6 572)	(6 600)
Charges du personnel et d'intérimaires		(96 722)	(112 484)	(119 743)
EXCEDENT BRUT D'EXPLOITATION		**36 131**	**19 257**	**31 465**
Dotations aux amortissements		(13 980)	(15 385)	(12 977)
Dotations/reprises nettes sur provisions		1 517	(2 710)	1 877
RESULTAT OPERATIONNEL COURANT	3	**23 668**	**1 162**	**20 365**
Autres revenus (charges) divers(es) net(tes)	4	(1 861)	(927)	(1 198)
Perte de valeur des goodwills				
RESULTAT OPERATIONNEL		**21 807**	**235**	**19 167**
Produits de trésorerie et d'équivalents de trésorerie		*107*	*105*	(4 518)
Coût de l'endettement financier brut		*(3 116)*	*(5 141)*	(54)
Coût de l'endettement financier net	5	**(3 009)**	**(5 036)**	(4 694)
Autres produits et charges financiers	5	(363)	(840)	117
Impôts courants et différés	6	(3 596)	(2 320)	
Quote-part dans le résultat des entreprises associées		83	123	
RESULTAT NET DES ACTIVITES CONSERVEES		**14 922**	**(7 838)**	**10 018**
Résultat net d'impôt des activités arrêtées ou en cours de cession		(41)	(1 569)	(1 143)
RESULTAT NET		**14 881**	**(9 407)**	**8 875**
* dont part revenant au Groupe consolidé		14 881	(9 407)	8 875
* dont part revenant aux intérêts minoritaires				
Résultat net part du Groupe par action (en euros)		**5,56**	**-3,52**	**3,32**
Résultat net part du Groupe dilué par action (en euros)		**5,56**	**-3,52**	**3,28**

Given that the stake is likely the bulk of the family's wealth, and with fifty years of no debt, no dilution, and steady book value compounding, the odds that they vaporize their own fortune are low. Which brings us to the next interesting question, and something we've seen recently in French small caps: Poulaillon (ALPOU.PA), where the founding family launched a simplified tender offer in 2026 to mop up the ~16.5% minority float and take the company private at €9 a share vs the ~€7 it was previously trading at, a premium of roughly 30%. What would it take for Akwel to do the same? The Coutiers already hold ~68%, so a take-private means buying out the ~32% free float, worth roughly €57M at the current share price, or something like ~€75-80M at a comparable ~30-40% premium. The wild part is that with ~€133M of net cash and deposits on the balance sheet, the company could fund the buyout of its own minority shareholders out of pocket and still have plenty of cash left over.

Conclusion and Rating:

Pulling this all together - if we strip out the net cash and deposits, the market is asking roughly €44M for an operating business that stayed profitable through the worst auto downturn in a generation with non-negative operating margins, and has cleared a billion in revenue since. You're not paying for growth here, you are barely paying for the business at all, and the balance sheet hands you a margin of safety that is rare for many deep-value names that aren't clearly headed for impairment. **Given our discussion in this article, I rate Akwel a Buy at the current €6.68 share price.**

A buy rating is only as honest as the assumptions underneath it, so here is what you'd have to believe. First, that the ~€44M EV is real and not a mirage, the cash is genuinely unencumbered, and not quietly earmarked for value-destroying activities like a poorly thought out EV-pivot-related acquisition (though I'd love to see a value-accretive one). Second, that the Coutiers behave the way their history suggests they will: defending margins on the way down rather than letting them collapse, and not wrecking a balance sheet that is mostly their own money. Third, that the secular ICE-to-EV transition erodes the business slowly enough that cash generation and reinvestment stay ahead of the decline. This is a real long-term risk, and the one the bulls too often wave away. Fourth, that they can defend against competitive threats from Chinese manufacturers and aren't squeezed by their concentrated customer list. And fifth, that the take-private path remains a possibility. A family that already owns ~68%, sitting on enough cash to buy out the entire minority at a Poulaillon-style premium and still have money left over, has both the means and the motive to do it on their terms, which potentially caps the downside and hands you a plausible catalyst you are not being charged for.

The bear case isn't that any single one of these is wrong, it's that family control can just as easily produce a value trap. Margins defended into permanent stagnation, cash hoarded rather than returned, minorities left holding a cheap stock that stays cheap for a decade. The risk is real, and the price reflects it. But at ~€44M EV for what you are getting, with the balance sheet doing most of the heavy-lifting, I believe the asymmetry is on our side.