



# Dolfines

Engineering-Heavy Constr. / France

## Strong start of the year

Significant news - 31/03/2022

The stock is up 15% at pixel time on a positive press release showing a turnover (for January and February) higher than in 2019 (at €1.3m). This is led by Factorig (inspection division), where the company performs work in Latin America, and has a strong commercial activity.

### Fact

Revenue of €1.3m for January and February, of which:

- €0.8m in Factorig, vs €0.4m in 2021, €1m in 2019

### Analysis

Factorig is the driving force behind this strong start of the year. The inspection & audit division is indeed reporting a turnover of €0.80m, of 62% of the group's revenue. The company has two contracts for inspection of semi-submersible rigs in Latin America (Brazil?). The commercial activity is also increasing, with Factorig receiving tenders amounting to more than €1m per month. Although Dolfines will not be awarded on every tender, it remains a positive indicator nonetheless.

In renewables, the company has participated in the inspection of turbines and nacelles of turbines manufactured for the "Banc de Guérande" offshore wind farm. More work is expected as the project progresses offshore. The project is operated by EDF, for a capacity of 480MW, with 80 turbines of 6MW (General Electric Haliade 150).

### Impact

We will update our model following this release.



Kevin VO

capitalgoods@alphavalue.eu

+33 (0) 1 70 61 10 50

cs.alphavalue.com

This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

**Buy** **Upside: 32.7%**

Target Price (6 months) € 0.53

Share Price € 0.40

Market Cap. €M 7.66

Price Momentum **UNFAVORABLE**

Extremes 12Months 0.27 ▶ 0.89

Sustainability score 2.4 / 10

Credit Risk DDD →

Bloomberg ALDOL FP Equity

Reuters ALDOL.PA



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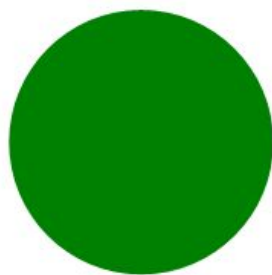


PERF	1w	1m	3m	12m
Dolfines	-4.71%	16.0%	11.2%	-54.3%
Capital Goods	-1.65%	0.13%	-14.6%	-6.80%
STOXX 600	1.36%	1.56%	-5.84%	6.86%

Last updated: 28/03/2022	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	-3.44	-10.2	-11.7	-11.6
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-5.76	-15.3	-25.3	-23.6
Adjusted EPS (€)	-0.15	-0.06	-0.03	-0.03
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	2,525	6,030	7,273	8,307
EBIT margin (%)	-67.5	-18.2	-7.56	-6.63
Attributable net profit (€th)	-2,323	-1,379	-893	-936
ROE (after tax) (%)	-121	-68.2	-73.0	-116
Gearing (%)	79.4	83.6	286	313

[Company Valuation](#) - [Company Financials](#)

## Sales by Geography



Other (100.0%)

## Consolidated P&L Accounts

		12/20A	12/21E	12/22E
Sales	€th	2,525	6,030	7,273
Change in sales	%	-58.1	139	20.6
Change in staff costs	%	-49.6	151	11.1
EBITDA	€th	-1,827	-917	-416
<b>EBITDA(R) margin</b>	<b>%</b>	<b>-72.4</b>	<b>-15.2</b>	<b>-5.72</b>
Depreciation	€th			
Underlying operating profit	€th	-1,934	-1,188	-702
<b>Operating profit (EBIT)</b>	<b>€th</b>	<b>-1,934</b>	<b>-1,188</b>	<b>-702</b>
Net financial expense	€th	-71.6	-191	-191
of which related to pensions	€th		-2.85	-3.51
Exceptional items & other	€th	-306	0.00	0.00
Corporate tax	€th	-11.8	0.00	0.00
Equity associates	€th			
Minority interests	€th			
<b>Adjusted attributable net profit</b>	<b>€th</b>	<b>-2,323</b>	<b>-1,379</b>	<b>-893</b>
NOPAT	€th	-1,354	-830	-489

## Cashflow Statement

EBITDA	€th	-1,827	-917	-416
Change in WCR	€th	0.00	-200	0.00
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th		0.00	0.00
Exceptional items	€th			
Other operating cash flows	€th			
Total operating cash flows	€th	-1,827	-1,117	-416
Capital expenditure	€th	-300	-300	-300
Total investment flows	€th	-300	-1,300	-300
Net interest expense	€th	-71.6	-191	-191
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	3,200	1,860	0.00
Total financial flows	€th	3,128	3,553	-1,385
Change in cash position	€th	1,001	1,136	-2,101
<b>Free cash flow (pre div.)</b>	<b>€th</b>	<b>-2,199</b>	<b>-1,608</b>	<b>-907</b>

## Per Share Data

No. of shares net of treas. stock (year...	Th	18,546	19,146	19,146
Number of diluted shares (average)	Th	15,637	22,376	26,206
<b>Benchmark EPS</b>	<b>€</b>	<b>-0.15</b>	<b>-0.06</b>	<b>-0.03</b>
Restated NAV per share	€			
<b>Net dividend per share</b>	<b>€</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 0.86	35%	● Nordex SE
NAV/SOTP per share	€ 0.99	20%	● Saipem
EV/Ebitda	€ 0.00	20%	● Elecnor
P/E	€ 0.20	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.20	5%	
TARGET PRICE	€ 0.53	100%	

### NAV/SOTP Calculation

## Balance Sheet

		12/20A	12/21E	12/22E
Goodwill	€th			
Total intangible	€th	3,009	3,038	3,052
Tangible fixed assets	€th	10.3	10.3	10.3
Financial fixed assets	€th			
WCR	€th	821	1,021	1,021
Other assets	€th	82.7	57.1	57.1
Total assets (net of short term liab.)	€th	4,204	4,407	4,421
<b>Ordinary shareholders' equity</b>	<b>€th</b>	<b>2,374</b>	<b>1,669</b>	<b>777</b>
Quasi Equity & Preferred	€th			
Minority interests	€th	0.00	0.00	0.00
Provisions for pensions	€th		164	166
Other provisions for risks and liabilities	€th	25.5	25.5	25.5
Total provisions for risks and liabilities	€th	25.5	189	192
Tax liabilities	€th	781	781	781
Other liabilities	€th	0.00	0.00	0.00
<b>Net debt (cash)</b>	<b>€th</b>	<b>1,023</b>	<b>1,768</b>	<b>2,671</b>
Total liab. and shareholders' equity	€th	4,204	4,407	4,421

## Capital Employed

Capital employed after depreciation	€th	3,840	4,069	4,083
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## Profits & Risks Ratios

<b>ROE (after tax)</b>	%	<b>-121</b>	<b>-68.2</b>	<b>-73.0</b>
ROCE	%	-35.2	-20.4	-12.0
<b>Gearing (at book value)</b>	<b>%</b>	<b>79.4</b>	<b>83.6</b>	<b>286</b>
Adj. Net debt/EBITDA(R)	x	-0.56	-1.93	-6.42
Interest cover (x)	x	-27.0	-6.33	-3.75

## Valuation Ratios

<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-3.44</b>	<b>-10.2</b>	<b>-11.7</b>
Free cash flow yield	%	-23.2	-13.3	-11.8
P/Book	x	3.99	7.23	9.86
<b>Dividend yield</b>	<b>%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

Market cap	€th	9,473	12,061	7,662
+ Provisions	€th	25.5	189	192
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	1,023	1,768	2,671
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	10,521	14,018	10,525
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-5.76</b>	<b>-15.3</b>	<b>-25.3</b>
EV/Sales	x	4.17	2.32	1.45

Analyst : Kevin Vo, Changes to Forecasts : 28/03/2022.