



Green bond issued, contract in oil & gas

Significant news - 07/02/2021

While the issuance of the green bond confirms the appetite for renewables by the market, the front-end engineering & design contract awarded in oil & gas is re-assuring. In the press release, Dolfines also mentions an order book that has been largely reconstituted in the audit division (Factorig). This supports our view on the recovery of oil & gas services after the trough in 2020.

Fact

Issuance of a €1.5m green bond:

- Maturity of two years (January 2023)
- Refundable monthly / nominal annual coupon of 12% payable monthly
- From July 2021, Dolfines is able to repay bondholders
- From July 2021 to December 2022, bondholders are able to convert the bonds into Dolfines' shares. The conversion price is the VWAP of the 10 trading days preceding the conversion minus a 20% discount

Analysis

Green bond: the issuance follows the EU Green Bond Standard. The standard is based on several components (e.g. alignment of the project with the EU-taxonomy) and is designed to make the issuance of green bonds more uniform as these are having an increasing role in the energy transition. The bond was structured and placed by Capital Système Investissements in a club deal with professional investors.

Oil & Gas: re-assuring update after the dramatic H1 20. Dolfines' oil & gas services has been awarded a front-end engineering & design contract (FEED) for a drilling rig. This is positive news as, traditionally, engineering contracts are lumpier than maintenance ones. In audit and inspection, Factorig seems well positioned to restart its activities in 2021. Last week, the EIA reported US commercial crude inventories decreasing by 1 million barrels from the previous week. US crude oil inventories are slowly normalising, now c. 4% above the five-year average compared to 9% a month ago. We expect the \$55-60/bbl oil price range to incentivise operators to raise their output, supporting drilling activities.



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

Sell **Upside: -27.9%**

Target Price (6 months) € 1.45

Share Price € 2.01

Market Cap. €M 19.2

Price Momentum **STRONG**

Extremes 12Months 0.16 ▶ 3.10

Bloomberg ALDIE FP Equity

Reuters ALDOL.PA

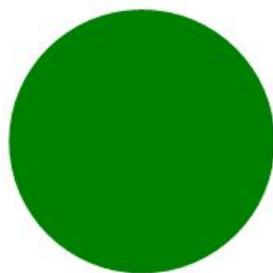
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PERF	1w	1m	3m	12m
Dolfines	5.79%	-35.2%	113%	175%
Capital Goods	2.99%	2.19%	15.0%	19.2%
STOXX 600	3.46%	0.77%	11.6%	-3.32%

Last updated: 07/01/2021	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	-4.17	-3.50	-12.5	-25.3
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-9.95	-5.29	-17.4	ns
Adjusted EPS (€)	-0.25	-0.29	-0.16	-0.08
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	6,031	3,590	5,350	7,025
EBIT margin (%)	-23.5	-62.5	-6.42	-0.22
Attributable net profit (€th)	-2,669	-2,542	-1,628	-887
ROE (after tax) (%)	-96.4	-139	-71.1	-42.8
Gearing (%)	137	90.8	47.9	78.8

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

Sales by Geography



Other (100.0%)

Consolidated P&L Accounts

		12/19A	12/20E	12/21E
Sales	€th	6,031	3,590	5,350
Change in sales	%	-15.6	-40.5	49.0
Change in staff costs	%	-13.6	-24.9	11.8
EBITDA	€th	-936	-2,066	-1,175
EBITDA(R) margin	%	-15.5	-57.6	-22.0
Depreciation	€th			
Underlying operating profit	€th	-1,405	-2,271	-1,446
Operating profit (EBIT)	€th	-2,505	-2,521	-1,446
Net financial expense	€th	-134	-20.8	-485
of which related to pensions	€th		-2.85	-3.51
Exceptional items & other	€th	-28.2	0.00	0.00
Corporate tax	€th	-1.53	0.00	0.00
Equity associates	€th			
Minority interests	€th			304
Adjusted attributable net profit	€th	-1,569	-2,292	-1,628
NOPAT	€th	-984	-1,588	-1,010

Cashflow Statement

EBITDA	€th	-936	-2,066	-1,175
Change in WCR	€th	0.00	700	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	-936	-1,366	-1,175
Capital expenditure	€th	-326	-300	-300
Total investment flows	€th	-326	-300	-300
Net interest expense	€th	-134	-20.8	-485
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	0.00	3,200	2,130
Total financial flows	€th	-134	2,776	1,648
Change in cash position	€th	-1,395	1,110	173
Free cash flow (pre div.)	€th	-1,395	-1,687	-1,960

Per Share Data

No. of shares net of treas. stock (year...	Th	6,364	9,273	9,573
Number of diluted shares (average)	Th	6,364	7,818	10,158
Benchmark EPS	€	-0.25	-0.29	-0.16
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 2.27	35%	<ul style="list-style-type: none"> ● Nordex SE ● TechnipFMC ● Saipem ● Elecnor
NAV/SOTP per share	€ 2.52	20%	
EV/Ebitda	€ 0.00	20%	
P/E	€ 1.01	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 1.01	5%	
TARGET PRICE	€ 1.45	100%	

NAV/SOTP Calculation

Balance Sheet

		12/19A	12/20E	12/21E
Goodwill	€th			
Total intangible	€th	3,034	3,129	3,158
Tangible fixed assets	€th	24.2	24.2	24.2
Financial fixed assets	€th			
WCR	€th	1,728	1,028	1,028
Other assets	€th	113	99.1	99.1
Total assets (net of short term liab.)	€th	5,201	4,582	4,611
Ordinary shareholders' equity	€th	1,458	2,190	2,389
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	28.4	28.4	28.4
Total provisions for risks and liabilities	€th	28.4	192	195
Tax liabilities	€th	947	947	947
Other liabilities	€th	22.6	22.6	22.6
Net debt (cash)	€th	2,746	1,231	1,057
Total liab. and shareholders' equity	€th	5,202	4,582	4,611

Capital Employed

Capital employed after depreciation	€th	4,787	4,182	4,211
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Profits & Risks Ratios

ROE (after tax)	%	-96.4	-139	-71.1
ROCE	%	-20.6	-38.0	-24.0
Gearing (at book value)	%	137	90.8	47.9
Adj. Net debt/EBITDA(R)	x	-2.93	-0.60	-0.90
Interest cover (x)	x	-10.5	-127	-3.00

Valuation Ratios

Reference P/E (benchmark)	x	-4.17	-3.50	-12.5
Free cash flow yield	%	-21.3	-17.7	-10.2
P/Book	x	4.49	4.34	8.05
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	6,538	9,512	19,241
+ Provisions	€th	28.4	192	195
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	2,746	1,231	1,057
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	9,313	10,935	20,493
EV/EBITDA(R)	x	-9.95	-5.29	-17.4
EV/Sales	x	1.54	3.05	3.83

Analyst : Kevin Vo, Changes to Forecasts : 07/01/2021.