



# Dolfines

Engineering-Heavy Constr. / France

## Prequalified in Saudi Arabia for rig inspection

Significant news - 11/01/2022

**Positive news in oil & gas with this prequalification for rig inspection and acceptance services for Saudi Aramco Drilling. The Middle East has been particularly resilient to the oil crisis, where Factorig has recently signed several contracts with new customers. Overall, the low breakeven levels, as well as continuing development works, will allow a decent level of activity in inspection services across the whole business cycle.**

### Fact

Dolfines Abu Dhabi represented by BAAS International Group (BIG Group) had been approved to bid on upcoming contracts for rig Inspection and acceptance services from Saudi Aramco Drilling.

### Analysis

This announcement follows the agreement received by Factorig from Saudi Aramco in H1 to work as a supplier. With this cleared, Dolfines is now able to bid for work in the Kingdom along with the other prequalified service suppliers.

Establishing a partnership with BIG Group seems to be driven by the legal requirements applying to foreign companies when bidding in Saudi Arabia. BIG Group is a Saudi conglomerate of several companies, offering services in oil & gas, logistics and communication.



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

<b>Buy</b>	<b>Upside: 44.5%</b>
Target Price (6 months)	€ 0.53
Share Price	€ 0.37
Market Cap. €M	7.02
Price Momentum	<b>UNFAVORABLE</b>
Extremes 12Months	0.27 ▶ 1.53
Sustainability score	2.4 /10
Credit Risk	DDD →
Bloomberg	ALDOL FP Equity
Reuters	ALDOL.PA



[Download Full Analysis](#)

[Company Page](#)

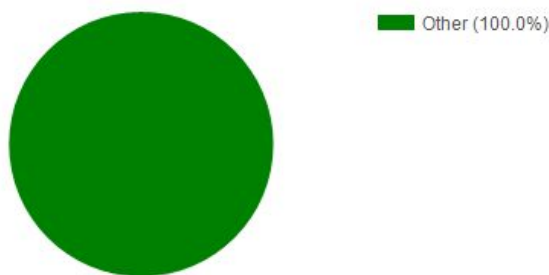


PERF	1w	1m	3m	12m
Dolfines	8.07%	17.6%	-17.4%	-75.9%
Capital Goods	-4.88%	-1.87%	6.91%	9.10%
STOXX 600	-2.23%	0.73%	4.76%	16.5%

Last updated: 22/12/2021	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	-3.44	-10.2	-10.8	-10.7
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-5.76	-15.3	-23.8	-22.1
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



## 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	€ 0.87	35%	● Nordex SE
NAV/SOTP per share	€ 0.99	20%	● TechnipFMC
EV/Ebitda	€ 0.00	20%	● Saipem
P/E	€ 0.18	10%	● Elecnor
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.18	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
-------------------------------------	-----	-------	-------	-------

## 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>-10.8</b>
Free cash flow yield	%	-23.2	-13.3	-12.9
P/Book	x	3.99	7.23	9.04
<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	7,023
+ 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	9,885
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-5.76</b>	<b>-15.3</b>	<b>-23.8</b>
EV/Sales	x	4.17	2.32	1.36

Analyst : Kevin Vo, Changes to Forecasts : 22/12/2021.