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Engineering-Heavy Constr. / France

Another partnership to keep the momentum up

Significant news - 12/11/2020

Fact

Dolfines has signed a Memorandum of Understanding with 8.2 France to develop an integrated offer in offshore wind.

Analysis

This is positive news for Dolfines. 8.2 France is a company that is involved in the full life cycle of a wind farm project, from development, all the way to construction, commissioning and operation phases. To that regard, Dolfines has the opportunity to understand better the needs of its customers by collaborating closely with 8.2 France.

8.2 France is already engaged with the nascent offshore wind market in France, for instance by taking part (at various stages) on the Floatgen prototype (from Ideol, acquired by Shell). We believe the goal of this MoU and of the integrated offer is that 8.2 France could offer its customers a solution combining a wind turbine and a floater. The latter could, hopefully, be from Dolfines.



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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: 38.7%
Target Price (6 months)	€ 1.33
Share Price	€ 0.96
Market Cap. €M	6.08
Price Momentum	NEGATIVE
Extremes 12Months	0.16 ▶ 1.61
Bloomberg	ALDIE FP Equity
Reuters	ALDOL.PA

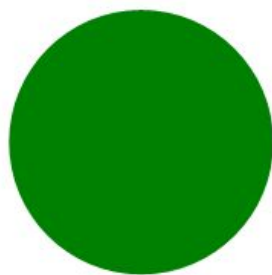
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PERF	1w	1m	3m	12m
Dolfines	5.29%	-9.38%	-24.1%	21.0%
Capital Goods	7.13%	1.85%	7.00%	15.2%
STOXX 600	6.95%	4.17%	4.80%	-4.14%

Last updated: 04/11/2020	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	-4.17	-3.30	-6.13	-11.1
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-9.95	-5.48	-11.3	98.9
Adjusted EPS (€)	-0.25	-0.29	-0.16	-0.09
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	-64.2	-6.61	-0.36
Attributable net profit (€th)	-2,669	-2,603	-1,638	-897
ROE (after tax) (%)	-96.4	-243	-354	485
Gearing (%)	137	444	1,514	

[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	-2,332	-1,456
Operating profit (EBIT)	€th	-2,505	-2,582	-1,456
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	-2,353	-1,638
NOPAT	€th	-984	-1,631	-1,017

Cashflow Statement

EBITDA	€th	-936	-2,066	-1,175
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	-936	-1,866	-1,175
Capital expenditure	€th	-326	-500	-300
Total investment flows	€th	-326	-500	-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	1,760	1,490
Total financial flows	€th	-134	936	1,008
Change in cash position	€th	-1,395	-1,430	-467
Free cash flow (pre div.)	€th	-1,395	-2,387	-1,960

Per Share Data

No. of shares net of treas. stock (year...	Th	6,364	8,124	9,614
Number of diluted shares (average)	Th	6,364	8,124	10,494
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	€ 2.18	35%	■ Nordex SE
NAV/SOTP per share	€ 2.45	20%	■ TechnipFMC
EV/Ebitda	€ 0.00	20%	■ Saipem
P/E	€ 0.48	10%	■ Elecnor
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.48	5%	
TARGET PRICE	€ 1.33	100%	

NAV/SOTP Calculation

Balance Sheet

		12/19A	12/20E	12/21E
Goodwill	€th			
Total intangible	€th	3,034	3,268	3,287
Tangible fixed assets	€th	24.2	24.2	24.2
Financial fixed assets	€th			
WCR	€th	1,728	1,528	1,528
Other assets	€th	113	99.1	99.1
Total assets (net of short term liab.)	€th	5,201	5,221	5,240
Ordinary shareholders' equity	€th	1,458	688	238
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	3,371	3,837
Total liab. and shareholders' equity	€th	5,202	5,221	5,240

Capital Employed

Capital employed after depreciation	€th	4,787	4,821	4,840
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Profits & Risks Ratios

ROE (after tax)	%	-96.4	-243	-354
ROCE	%	-20.6	-33.8	-21.0
Gearing (at book value)	%	137	444	1,514
Adj. Net debt/EBITDA(R)	x	-2.93	-1.63	-3.27
Interest cover (x)	x	-10.5	-130	-3.02

Valuation Ratios

Reference P/E (benchmark)	x	-4.17	-3.30	-6.13
Free cash flow yield	%	-21.3	-30.7	-21.3
P/Book	x	4.49	11.3	38.6
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	6,538	7,767	9,191
+ 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	3,371	3,837
+ 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	11,329	13,223
EV/EBITDA(R)	x	-9.95	-5.48	-11.3
EV/Sales	x	1.54	3.16	2.47

Analyst : Kevin Vo, Changes to Forecasts : 04/11/2020.