



# Dolfines

Engineering-Heavy Constr. / France

## H1: Growth in both segments

Earnings/sales releases - 28/07/2022

Revenue stood at €4.3m in H1, confirming the positive momentum communicated in Q1. The Oil & Gas activities recovered sharply with the high oil price, while the strong growth continued at 8.2 France. The prospects also look good for H2, with drilling activity remaining elevated and with the workforce growing in Renewable energies. Overall, a positive update, which will help to support the stock price.

### Fact

H1 (comparison including 8.2 France):

Group revenue: €4.3m (+34% yoy)

- Oil & Gas: €2.6m (+63% yoy)
- Renewable energies: €1.6m (+33% yoy)
- Engineering & Technologies: €0.1m (-75% yoy)

### Analysis

In **Oil & Gas**, the Audit & Inspection activities were up 67% to €1.5m, leading the division's gains. Projects were executed in active regions/countries such as Brazil and the Middle East. The revenue for Technical Assistance stood at €1.1m, a 47% yoy increase, with contracts that had been halted during the pandemic now restarting.

In **Renewables**, 8.2 France is now consolidated. The company recorded yoy growth in offshore activity, specifically on the Banc de Guérande project (Saint-Nazaire), with 80 wind turbines. 8.2 France had 8 people for the manufacturing (inspection), installation and commissioning phases of the project.

### Impact

No change to our recommendation



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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: 299%

Target Price (6 months) € 0.41

Share Price € 0.10

Market Cap. €M 1.97

Price Momentum **NEGATIVE**

Extremes 12Months 0.09 ▶ 0.64

Sustainability score 5.5 /10

Credit Risk DDD →

Bloomberg ALDOL FP Equity

Reuters ALDOL.PA



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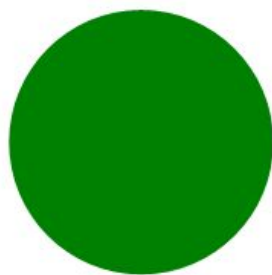


PERF	1w	1m	3m	12m
Dolfines	-52.5%	-70.5%	-79.8%	-77.6%
Capital Goods	-0.35%	3.16%	-5.48%	-22.2%
STOXX 600	1.33%	3.14%	-3.64%	-6.66%

Last updated: 10/05/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	-7.65	-4.19	-3.83	12.9
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-11.2	-23.6	-10.6	4.54
Adjusted EPS (€)	-0.08	-0.02	-0.03	0.01
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	4,392	7,340	8,062	9,937
EBIT margin (%)	-29.5	-4.46	-7.06	8.83
Attributable net profit (€th)	-1,558	-634	-900	275
ROE (after tax) (%)	-81.8	-20.4	-18.6	5.46
Gearing (%)	168	49.4	20.5	20.4

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

## Sales by Geography



Other (100.0%)

## Consolidated P&L Accounts

		12/21A	12/22E	12/23E
Sales	€th	4,392	7,340	8,062
Change in sales	%	73.9	67.1	9.84
Change in staff costs	%	39.5	94.1	10.7
EBITDA	€th	-1,423	-181	-417
<b>EBITDA(R) margin</b>	%	<b>-32.4</b>	<b>-2.47</b>	<b>-5.18</b>
Depreciation	€th			
Underlying operating profit	€th	-1,486	-497	-763
<b>Operating profit (EBIT)</b>	<b>€th</b>	<b>-1,492</b>	<b>-497</b>	<b>-763</b>
Net financial expense	€th	-136	-136	-136
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th	70.9	0.00	0.00
Corporate tax	€th	-0.15	0.00	0.00
Equity associates	€th			
Minority interests	€th			
<b>Adjusted attributable net profit</b>	<b>€th</b>	<b>-1,552</b>	<b>-634</b>	<b>-900</b>
NOPAT	€th	-1,040	-348	-534

## Cashflow Statement

		12/21A	12/22E	12/23E
EBITDA	€th	-1,423	-181	-417
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	-1,423	-381	-417
Capital expenditure	€th	-600	-600	-600
Total investment flows	€th	-1,600	-600	-600
Net interest expense	€th	-136	-136	-136
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	660	4,000	1,000
Total financial flows	€th	524	3,121	864
Change in cash position	€th	-2,500	2,140	-154
<b>Free cash flow (pre div.)</b>	<b>€th</b>	<b>-2,160</b>	<b>-1,118</b>	<b>-1,154</b>

## Per Share Data

		12/21A	12/22E	12/23E
No. of shares net of treas. stock (year...	Th	19,146	32,479	32,479
Number of diluted shares (average)	Th	18,846	25,812	33,479
<b>Benchmark EPS</b>	<b>€</b>	<b>-0.08</b>	<b>-0.02</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	€ 0.66	35%	● Nordex SE
NAV/SOTP per share	€ 0.83	20%	● Saipem
EV/Ebitda	€ 0.00	20%	● Elecnor
P/E	€ 0.05	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.17	5%	
TARGET PRICE	€ 0.41	100%	

### NAV/SOTP Calculation

## Balance Sheet

		12/21A	12/22E	12/23E
Goodwill	€th			
Total intangible	€th	3,576	3,860	4,114
Tangible fixed assets	€th	24.3	24.3	24.3
Financial fixed assets	€th			
WCR	€th	1,277	1,477	1,477
Other assets	€th	70.4	67.1	67.1
Total assets (net of short term liab.)	€th	6,215	6,696	6,950
<b>Ordinary shareholders' equity</b>	<b>€th</b>	<b>1,434</b>	<b>4,792</b>	<b>4,892</b>
Quasi Equity & Preferred	€th			
Minority interests	€th	0.00	0.00	0.00
Provisions for pensions	€th		0.00	0.00
Other provisions for risks and liabilities	€th	3.34	3.34	3.34
Total provisions for risks and liabilities	€th	3.34	3.34	3.34
Tax liabilities	€th	936	936	936
Other liabilities	€th	40.0	40.0	40.0
<b>Net debt (cash)</b>	<b>€th</b>	<b>3,807</b>	<b>925</b>	<b>1,078</b>
Total liab. and shareholders' equity	€th	6,220	6,696	6,950

## Capital Employed

		12/21A	12/22E	12/23E
Capital employed after depreciation	€th	4,878	5,362	5,616

## Profits & Risks Ratios

		12/21A	12/22E	12/23E
<b>ROE (after tax)</b>	%	<b>-81.8</b>	<b>-20.4</b>	<b>-18.6</b>
ROCE	%	-21.3	-6.49	-9.51
<b>Gearing (at book value)</b>	%	<b>168</b>	<b>49.4</b>	<b>20.5</b>
Adj. Net debt/EBITDA(R)	x	-2.67	-5.10	-2.58
Interest cover (x)	x	-10.9	-3.65	-5.59

## Valuation Ratios

		12/21A	12/22E	12/23E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-7.65</b>	<b>-4.19</b>	<b>-3.83</b>
Free cash flow yield	%	-17.9	-33.4	-34.5
P/Book	x	8.41	0.70	0.68
<b>Dividend yield</b>	%	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

		12/21A	12/22E	12/23E
Market cap	€th	12,061	3,345	3,345
+ Provisions	€th	3.34	3.34	3.34
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	3,807	925	1,078
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	15,871	4,273	4,427
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-11.2</b>	<b>-23.6</b>	<b>-10.6</b>
EV/Sales	x	3.61	0.58	0.55

Analyst : Kevin Vo, Changes to Forecasts : 10/05/2022.