



# dsw

Engineering-Heavy Constr. / France

## Strong audit & inspection division driving the performance in oil & gas

04/07/2019

### Change in NAV

€ 4.34 vs 4.72 **-8.19%**

We have updated our model, including the potential dilution stemming from the 500,000 stock purchase warrants (strike price €1.00). We have modelled for the settlement of the stock purchase warrants by 2020 and 2021, impacting the DCF and NAV by €0.35 and €0.39, respectively.

### Change in DCF

€ 3.71 vs 4.05 **-8.58%**

See comments on potential dilution stemming from the stock purchase warrants above. The DCF is impacted by €0.35.



Kevin VO

capitalgoods@alphavalue.eu  
+33 (0) 1 70 61 10 50  
cs.alphavalue.com

AlphaValue is contracted by Dietswell to provide equity research on Dietswell, using AlphaValue's unique and transparent methods and procedures. Target price and opinion are thus exclusively determined by those methods and procedures.

**Buy** **Upside : 104%**

Target Price (6 months)	€ 2.25
Share Price	€ 1.10
Market Cap. €M	7.00
Price Momentum	<b>GOOD</b>
Extremes 12Months	0.70 ▶ 1.42
Bloomberg	ALDIE FP Equity
Reuters	ALDIE.PA

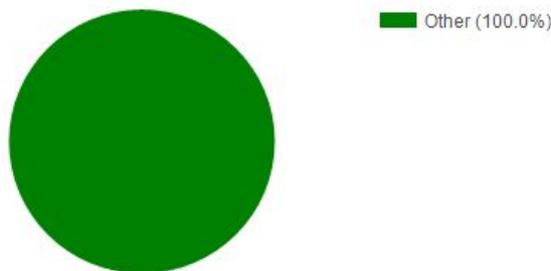

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PERF	1w	1m	3m	12m
Dietswell	-3.93%	-3.51%	-15.4%	-21.4%
Capital Goods	1.74%	7.80%	5.63%	5.45%
SXXR Index	2.76%	6.16%	2.46%	6.42%

Last updated: 04/07/2019	12/18A	12/19E	12/20E	12/21E
Adjusted P/E (x)	-24.3	-13.2	-10.8	44.9
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	ns	-73.5	10.2	7.93
Adjusted EPS (€)	-0.05	-0.08	-0.10	0.02
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	7,149	10,500	15,125	28,775
EBIT margin (%)	10.7	-3.05	7.98	9.51
Attributable net profit (€th)	-282	-531	-673	171
ROE (after tax) (%)	-7.64	-14.5	-92.3	-10.7
Gearing (%)	25.8	52.8		

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

## Sales by Geography



## Consolidated P&L Accounts

		12/18A	12/19E	12/20E
Sales	€th	7,149	10,500	15,125
Change in sales	%	5.54	46.9	44.0
Change in staff costs	%	4.85	20.8	33.3
EBITDA	€th	21.3	-130	1,480
<b>EBITDA(R) margin</b>	<b>%</b>	<b>0.30</b>	<b>-1.24</b>	<b>9.78</b>
Depreciation	€th			
Underlying operating profit	€th	-273	-480	1,095
<b>Operating profit (EBIT)</b>	<b>€th</b>	<b>-250</b>	<b>-480</b>	<b>651</b>
Net financial expense	€th	-29.3	-50.5	-948
of which related to pensions	€th		-5.70	-7.02
Exceptional items & other	€th	0.00	0.00	0.00
Corporate tax	€th	-2.45	0.00	-377
Equity associates	€th			
Minority interests	€th			
<b>Adjusted attributable net profit</b>	<b>€th</b>	<b>-282</b>	<b>-531</b>	<b>-673</b>
NOPAT	€th	-175	-332	461

## Cashflow Statement

		12/18A	12/19E	12/20E
EBITDA	€th	21.3	-130	1,480
Change in WCR	€th	-144	-244	-124
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	-2.45	0.00	-377
Exceptional items	€th			
Other operating cash flows	€th	207		
Total operating cash flows	€th	82.0	-374	979
Capital expenditure	€th	-1,313	-500	-500
Total investment flows	€th	-1,449	-500	-5,500
Net interest expense	€th	-29.3	-50.5	-948
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	1,061	0.00	250
Total financial flows	€th	1,743	213	6,130
Change in cash position	€th	377	-661	1,609
<b>Free cash flow (pre div.)</b>	<b>€th</b>	<b>-1,260</b>	<b>-925</b>	<b>-469</b>

## Per Share Data

		12/18A	12/19E	12/20E
No. of shares net of treas. stock (year...	Th	6,364	6,364	6,614
Number of diluted shares (average)	Th	5,834	6,364	6,614
<b>Benchmark EPS</b>	<b>€</b>	<b>-0.05</b>	<b>-0.08</b>	<b>-0.10</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	€ 3.71	35%	■ TechnipFMC
NAV/SOTP per share	€ 4.34	20%	■ Saipem
EV/Ebitda	€ 0.00	20%	■ Elecnor
P/E	€ 0.55	10%	■ Ecoslops
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.55	5%	
TARGET PRICE	€ 2.25	100%	

### NAV/SOTP Calculation

## Balance Sheet

		12/18A	12/19E	12/20E
Goodwill	€th			
Total intangible	€th	2,942	3,092	3,207
Tangible fixed assets	€th	1,136	1,136	1,136
Financial fixed assets	€th			
WCR	€th	2,192	2,436	2,560
Other assets	€th	188	182	182
Total assets (net of short term liab.)	€th	6,655	7,044	7,284
<b>Ordinary shareholders' equity</b>	<b>€th</b>	<b>4,076</b>	<b>3,218</b>	<b>-1,759</b>
Quasi Equity & Preferred	€th			
Minority interests	€th		0.00	0.00
Provisions for pensions	€th		328	333
Other provisions for risks and liabilities	€th	83.4	83.4	83.4
Total provisions for risks and liabilities	€th	83.4	411	416
Tax liabilities	€th	1,225	1,225	1,225
Other liabilities	€th	31.2	31.2	31.2
<b>Net debt (cash)</b>	<b>€th</b>	<b>1,239</b>	<b>2,159</b>	<b>7,370</b>
Total liab. and shareholders' equity	€th	6,655	7,044	7,284

## Capital Employed

		12/18A	12/19E	12/20E
Capital employed after depreciation	€th	6,269	6,664	6,903

## Profits & Risks Ratios

		12/18A	12/19E	12/20E
<b>ROE (after tax)</b>	<b>%</b>	<b>-7.64</b>	<b>-14.5</b>	<b>-92.3</b>
ROCE	%	-2.79	-4.98	6.68
<b>Gearing (at book value)</b>	<b>%</b>	<b>25.8</b>	<b>52.8</b>	
Adj. Net debt/EBITDA(R)	x	58.3	-16.6	4.98
Interest cover (x)	x	-9.34	-10.7	1.16

## Valuation Ratios

		12/18A	12/19E	12/20E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-24.3</b>	<b>-13.2</b>	<b>-10.8</b>
Free cash flow yield	%	-16.8	-13.2	-6.44
P/Book	x	1.83	2.18	-4.14
<b>Dividend yield</b>	<b>%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

		12/18A	12/19E	12/20E
Market cap	€th	7,479	7,001	7,276
+ Provisions	€th	83.4	411	416
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	1,239	2,159	7,370
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	8,802	9,570	15,062
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>ns</b>	<b>-73.5</b>	<b>10.2</b>
EV/Sales	x	1.23	0.91	1.00

Analyst : Kevin Vo, Changes to Forecasts : 04/07/2019.