



Dolfines

Engineering-Heavy Constr. / France

Strong start of the year

Significant news - 31/03/2022

The stock is up 15% at pixel time on a positive press release showing a turnover (for January and February) higher than in 2019 (at €1.3m). This is led by Factorig (inspection division), where the company performs work in Latin America, and has a strong commercial activity.

Fact

Revenue of €1.3m for January and February, of which:

- €0.8m in Factorig, vs €0.4m in 2021, €1m in 2019

Analysis

Factorig is the driving force behind this strong start of the year. The inspection & audit division is indeed reporting a turnover of €0.80m, of 62% of the group's revenue. The company has two contracts for inspection of semi-submersible rigs in Latin America (Brazil?). The commercial activity is also increasing, with Factorig receiving tenders amounting to more than €1m per month. Although Dolfines will not be awarded on every tender, it remains a positive indicator nonetheless.

In renewables, the company has participated in the inspection of turbines and nacelles of turbines manufactured for the "Banc de Guérande" offshore wind farm. More work is expected as the project progresses offshore. The project is operated by EDF, for a capacity of 480MW, with 80 turbines of 6MW (General Electric Haliade 150).

Impact

We will update our model following this release.



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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: 32.7%**

Target Price (6 months) € 0.53

Share Price € 0.40

Market Cap. €M 7.66

Price Momentum **UNFAVORABLE**

Extremes 12Months 0.27 ▶ 0.89

Sustainability score 2.4 / 10

Credit Risk DDD →

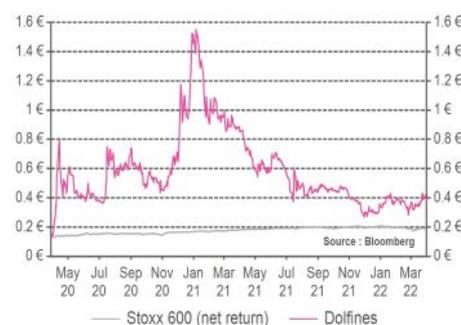
Bloomberg ALDOL FP Equity

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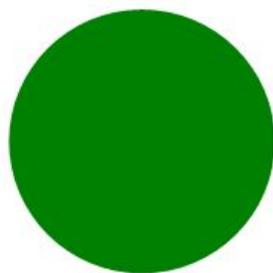


| PERF | 1w | 1m | 3m | 12m |
|---------------|--------|-------|--------|--------|
| Dolfines | -4.71% | 16.0% | 11.2% | -54.3% |
| Capital Goods | -1.65% | 0.13% | -14.6% | -6.80% |
| STOXX 600 | 1.36% | 1.56% | -5.84% | 6.86% |

| Last updated: 28/03/2022 | 12/20A | 12/21E | 12/22E | 12/23E |
|-------------------------------|--------|--------|--------|--------|
| Adjusted P/E (x) | -3.44 | -10.2 | -11.7 | -11.6 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| EV/EBITDA(R) (x) | -5.76 | -15.3 | -25.3 | -23.6 |
| 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



Other (100.0%)

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 |
| EBITDA(R) margin | % | -72.4 | -15.2 | -5.72 |
| Depreciation | €th | | | |
| Underlying operating profit | €th | -1,934 | -1,188 | -702 |
| Operating profit (EBIT) | €th | -1,934 | -1,188 | -702 |
| 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 | | | |
| Adjusted attributable net profit | €th | -2,323 | -1,379 | -893 |
| 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 |
| Free cash flow (pre div.) | €th | -2,199 | -1,608 | -907 |

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 |
| Benchmark EPS | € | -0.15 | -0.06 | -0.03 |
| Restated NAV per share | € | | | |
| Net dividend per share | € | 0.00 | 0.00 | 0.00 |

Valuation Summary

| Benchmarks | Value | Weight | Largest comparables |
|--------------------|--------|--------|---------------------|
| DCF | € 0.86 | 35% | ● Nordex SE |
| NAV/SOTP per share | € 0.99 | 20% | ● Saipem |
| EV/Ebitda | € 0.00 | 20% | ● Elecnor |
| P/E | € 0.20 | 10% | |
| Dividend Yield | € 0.00 | 10% | |
| P/Book | € 0.20 | 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 |
| Ordinary shareholders' equity | €th | 2,374 | 1,669 | 777 |
| 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 |
| Net debt (cash) | €th | 1,023 | 1,768 | 2,671 |
| 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

| | | | | |
|--------------------------------|----------|-------------|--------------|--------------|
| ROE (after tax) | % | -121 | -68.2 | -73.0 |
| ROCE | % | -35.2 | -20.4 | -12.0 |
| Gearing (at book value) | % | 79.4 | 83.6 | 286 |
| Adj. Net debt/EBITDA(R) | x | -0.56 | -1.93 | -6.42 |
| Interest cover (x) | x | -27.0 | -6.33 | -3.75 |

Valuation Ratios

| | | | | |
|----------------------------------|----------|--------------|--------------|--------------|
| Reference P/E (benchmark) | x | -3.44 | -10.2 | -11.7 |
| Free cash flow yield | % | -23.2 | -13.3 | -11.8 |
| P/Book | x | 3.99 | 7.23 | 9.86 |
| Dividend yield | % | 0.00 | 0.00 | 0.00 |

EV Calculation

| | | | | |
|---|----------|--------------|--------------|--------------|
| Market cap | €th | 9,473 | 12,061 | 7,662 |
| + 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 | 10,525 |
| EV/EBITDA(R) | x | -5.76 | -15.3 | -25.3 |
| EV/Sales | x | 4.17 | 2.32 | 1.45 |

Analyst : Kevin Vo, Changes to Forecasts : 28/03/2022.