



# dsw

Engineering-Heavy Constr. / France

## Name change to highlight development in renewables

Significant news - 17/09/2020

### Fact

Following the general assembly, Dietswell takes the name of the renewables division to become Dolfines. The renewables division is now Dolfines New Energies. This highlights the company's activities in offshore wind, which benefit from a positive momentum.

Coincidentally, the name change came the same week as BP's annual energy outlook. The outlook, which departs strongly from previous year's, supported management in shifting its strategy. The major now intends to redeploy a large part of its capital into low carbon activities. BP plans for a reduction of 40% of its hydrocarbons production by 2030 and a ten-fold increase in low carbon investments (\$5bn by 2025). It does so as it bets on a rapid energy transition, where total investments in renewables (wind and solar) will increase from \$300bn p.a. to c. \$450bn p.a. by 2025 and above \$600bn p.a. by 2035. BP sees renewables capacity increasing by 12% CAGR over the next decade. While this is BP's second take at going beyond petroleum, it appears more genuine this time, as proven by BP's \$1.1bn investment in an offshore wind JV with Equinor. Time will tell if such a rapid transition is in place, but the recent updates on EU climate targets surely point towards this direction.



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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

<b>Add</b>	<b>Upside: 16.6%</b>
Target Price (6 months)	€ 1.38
Share Price	€ 1.18
Market Cap. €M	7.51
Price Momentum	<b>STRONG</b>
Extremes 12Months	0.16 ▶ 1.61
Bloomberg	ALDIE FP Equity
Reuters	ALDIE.PA

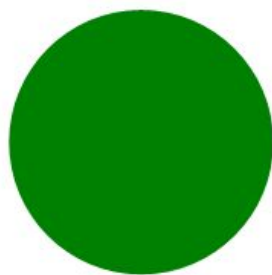
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PERF	1w	1m	3m	12m
Dolfines	-7.09%	0.43%	41.1%	12.9%
Capital Goods	0.28%	2.11%	16.1%	26.1%
STOXX 600	0.94%	1.05%	2.70%	-4.21%

Last updated: 08/09/2020	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	-4.39	-5.12	-7.56	-13.7
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-10.3	-8.00	-12.7	ns
Adjusted EPS (€)	-0.25	-0.23	-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	4,750	5,350	7,025
EBIT margin (%)	-23.5	-37.4	-6.61	-0.36
Attributable net profit (€th)	-2,669	-1,871	-1,638	-897
ROE (after tax) (%)	-96.4	-142	-173	-302
Gearing (%)	137	241	434	

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

## Sales by Geography



Other (100.0%)

## Consolidated P&L Accounts

		12/19A	12/20E	12/21E
Sales	€th	6,031	4,750	5,350
Change in sales	%	-15.6	-21.2	12.6
Change in staff costs	%	-13.6	-16.0	0.00
EBITDA	€th	-936	-1,584	-1,175
<b>EBITDA(R) margin</b>	<b>%</b>	<b>-15.5</b>	<b>-33.4</b>	<b>-22.0</b>
Depreciation	€th			
Underlying operating profit	€th	-1,405	-1,850	-1,456
<b>Operating profit (EBIT)</b>	<b>€th</b>	<b>-2,505</b>	<b>-1,850</b>	<b>-1,456</b>
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
<b>Adjusted attributable net profit</b>	<b>€th</b>	<b>-1,569</b>	<b>-1,871</b>	<b>-1,638</b>
NOPAT	€th	-984	-1,293	-1,017

## Cashflow Statement

EBITDA	€th	-936	-1,584	-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	-1,384	-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	-948	-467
<b>Free cash flow (pre div.)</b>	<b>€th</b>	<b>-1,395</b>	<b>-1,905</b>	<b>-1,960</b>

## 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
<b>Benchmark EPS</b>	<b>€</b>	<b>-0.25</b>	<b>-0.23</b>	<b>-0.16</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	€ 2.25	35%	■ Nordex SE
NAV/SOTP per share	€ 2.50	20%	■ TechnipFMC
EV/Ebitda	€ 0.00	20%	■ Saipem
P/E	€ 0.59	10%	■ Elecnor
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.59	5%	
TARGET PRICE	€ 1.38	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
<b>Ordinary shareholders' equity</b>	<b>€th</b>	<b>1,458</b>	<b>1,171</b>	<b>720</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	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
<b>Net debt (cash)</b>	<b>€th</b>	<b>2,746</b>	<b>2,889</b>	<b>3,355</b>
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

<b>ROE (after tax)</b>	%	<b>-96.4</b>	<b>-142</b>	<b>-173</b>
ROCE	%	-20.6	-26.8	-21.0
<b>Gearing (at book value)</b>	<b>%</b>	<b>137</b>	<b>241</b>	<b>434</b>
Adj. Net debt/EBITDA(R)	x	-2.93	-1.82	-2.86
Interest cover (x)	x	-10.5	-103	-3.02

## Valuation Ratios

<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-4.39</b>	<b>-5.12</b>	<b>-7.56</b>
Free cash flow yield	%	-20.3	-19.9	-17.3
P/Book	x	4.72	8.19	15.8
<b>Dividend yield</b>	<b>%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

Market cap	€th	6,881	9,587	11,345
+ 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	2,889	3,355
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	9,656	12,667	14,895
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-10.3</b>	<b>-8.00</b>	<b>-12.7</b>
EV/Sales	x	1.60	2.67	2.78

Analyst : Kevin Vo, Changes to Forecasts : 08/09/2020.