



# Dolfines

Engineering-Heavy Constr. / France

## More dilution on the horizon to solve the cash problem

Acquisitions and new management ensure growth but financing still a headache - 02/11/2023

### Change in Target Price

€ 0.00 vs 0.00 **-61.8%**

The target price resets 62% lower having been negatively impacted by the massive dilution now accounted for in our model. We have increased the number of shares to 9.6 billion from 2.96 billion to reflect the dilutive repercussions of the equity funding the company needs and will have to carry out to prop up the balance sheet and solve the cash problem to be able to finance its WC requirement. Although the operations are improving rapidly and the company will be in a net cash position soon, a dilutive financing operation will still happen.

We have cut our FY23 turnover forecast by nearly 15% to 7.82m and our FY24 turnover forecast by 5%. While the net result will remain in negative territory for both years, we are estimating a return to a positive figure in FY25. The estimated dilution, however, has further reduced the EPS-based valuation.

### Change in NAV

€ 0.00 vs 0.01 **-67.4%**

For the sizeable decrease in the NAV valuation, please see Target Price.



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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 : 231%
Target Price (6 months)	€ 0.00
Share Price	€ 0.00
Market Cap. €M	2.89
Price Momentum	<b>NEGATIVE</b>
Extremes 12Months	0.00 ▶ 0.02
Bloomberg	ALDOL FP Equity
Reuters	ALDOL.PA

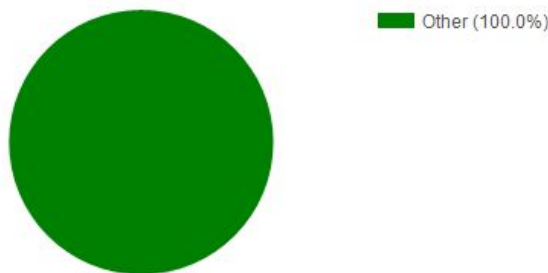
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PERF	1w	1m	3m	12m
Dolfines	-40.0%	-40.0%	200%	-98.5%
Capital Goods	0.75%	-6.71%	-14.7%	8.80%
SXXR Index	0.32%	-1.95%	-6.17%	8.13%

Last updated: 02/11/2023	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	-7.03	-0.62	-26.2	7.13
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-43.4	-6.59	11.9	3.14
Adjusted EPS (€)	-0.03	0.00	0.00	0.00
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	7,650	7,817	9,833	14,304
EBIT margin (%)	-13.3	-12.8	3.02	7.65
Attributable net profit (€th)	-3,996	-2,392	-110	405
ROE (after tax) (%)	-181	-104	-5.42	12.7
Gearing (%)	81.1	117	94.8	36.4

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## Sales by Geography



## Consolidated P&L Accounts

		12/22A	12/23E	12/24E
Sales	€th	7,650	7,817	9,833
Change in sales	%	74.2	2.18	25.8
Change in staff costs	%	152	6.76	-1.33
EBITDA	€th	-1,280	-846	413
<b>EBITDA(R) margin</b>	%	<b>-16.7</b>	<b>-10.8</b>	<b>4.20</b>
Depreciation	€th			
Underlying operating profit	€th	-1,596	-1,192	37.2
<b>Operating profit (EBIT)</b>	<b>€th</b>	<b>-1,596</b>	<b>-1,192</b>	<b>37.2</b>
Net financial expense	€th	-2,400	-1,200	-136
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th	0.00	0.00	0.00
Corporate tax	€th	0.00	0.00	-11.2
Equity associates	€th			
Minority interests	€th			
<b>Adjusted attributable net profit</b>	<b>€th</b>	<b>-4,176</b>	<b>-2,392</b>	<b>-110</b>
NOPAT	€th	-1,197	-894	27.9

## Cashflow Statement

		12/22A	12/23E	12/24E
EBITDA	€th	-1,280	-846	413
Change in WCR	€th	0.00	0.00	0.00
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th		0.00	-11.2
Exceptional items	€th			
Other operating cash flows	€th			
Total operating cash flows	€th	-1,280	-846	402
Capital expenditure	€th	-600	-600	-600
Total investment flows	€th	-600	-600	-600
Net interest expense	€th	-2,400	-1,200	-136
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	4,000	1,000	1,000
Total financial flows	€th	1,600	-200	864
Change in cash position	€th	-280	-1,646	666
<b>Free cash flow (pre div.)</b>	<b>€th</b>	<b>-4,280</b>	<b>-2,646</b>	<b>-334</b>

## Per Share Data

		12/22A	12/23E	12/24E
No. of shares net of treas. stock (year...)	Th	245,779	9,625,615	9,625,615
Number of diluted shares (average)	Th	132,462	4,936,697	9,627,615
<b>Benchmark EPS</b>	<b>€</b>	<b>-0.03</b>	<b>0.00</b>	<b>0.00</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	€ 0.00	35%	● Nordex SE
NAV/SOTP per share	€ 0.00	20%	● Elecnor
EV/Ebitda	€ 0.00	20%	
P/E	€ 0.00	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.00	5%	
TARGET PRICE	€ 0.00	100%	

### NAV/SOTP Calculation

## Balance Sheet

		12/22A	12/23E	12/24E
Goodwill	€th			
Total intangible	€th	3,860	4,114	4,338
Tangible fixed assets	€th	24.3	24.3	24.3
Financial fixed assets	€th			
WCR	€th	1,071	1,071	1,071
Other assets	€th	67.1	67.1	67.1
Total assets (net of short term liab.)	€th	6,289	6,543	6,767
<b>Ordinary shareholders' equity</b>	<b>€th</b>	<b>2,990</b>	<b>1,593</b>	<b>2,483</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	1,031	1,031	1,031
Other liabilities	€th	1,230	1,230	1,230
<b>Net debt (cash)</b>	<b>€th</b>	<b>1,040</b>	<b>2,686</b>	<b>2,020</b>
Total liab. and shareholders' equity	€th	6,294	6,543	6,767

## Capital Employed

		12/22A	12/23E	12/24E
Capital employed after depreciation	€th	4,955	5,209	5,433

## Profits & Risks Ratios

		12/22A	12/23E	12/24E
<b>ROE (after tax)</b>	%	<b>-181</b>	<b>-104</b>	<b>-5.42</b>
ROCE	%	-24.2	-17.2	0.51
<b>Gearing (at book value)</b>	%	<b>81.1</b>	<b>117</b>	<b>94.8</b>
Adj. Net debt/EBITDA(R)	x	-0.81	-3.17	4.89
Interest cover (x)	x	-0.67	-0.99	0.27

## Valuation Ratios

		12/22A	12/23E	12/24E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-7.03</b>	<b>-0.62</b>	<b>-26.2</b>
Free cash flow yield	%	-7.85	-91.6	-11.6
P/Book	x	18.2	1.81	1.16
<b>Dividend yield</b>	%	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

		12/22A	12/23E	12/24E
Market cap	€th	54,499	2,888	2,888
+ 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	1,040	2,686	2,020
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	55,543	5,577	4,911
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-43.4</b>	<b>-6.59</b>	<b>11.9</b>
EV/Sales	x	7.26	0.71	0.50

Analyst : Elif Binici, Changes to Forecasts : 02/11/2023.