



Dolfines

Engineering-Heavy Constr. / France

Capital increase to invest in renewables

09/05/2022

Change in EPS

2022 : € -0.02 vs -0.02	ns
2023 : € -0.03 vs -0.03	ns

We have updated our model with the integration of the FY21 results and net loss of €1.55m. Estimates for FY22/FY23 are unchanged.

Change in NAV

€ 0.83 vs 1.01	-17.0%
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Following the FY21 results, we have added a €4m capital increase, at a subscription price of €0.30 per share, leading to the creation of 13.3m shares. This represents a c. 30% discount on the 29/04/2022 closing price (day of the announcement). Note that this is temporary and will be updated as the split between the conversion of NEGMA's OCABSA and fresh equity capital remain unknown at this stage.

Change in DCF

€ 0.67 vs 0.90	-25.2%
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In line with the NAV, the DCF is impacted by the creation of 13.3m shares following a €4m capital increase.



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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 : 43.1%
Target Price (6 months)	€ 0.43
Share Price	€ 0.30
Market Cap. €M	5.74
Price Momentum	GOOD
Extremes 12Months	0.27 ▶ 0.71
Bloomberg	ALDOL FP Equity
Reuters	ALDOL.PA

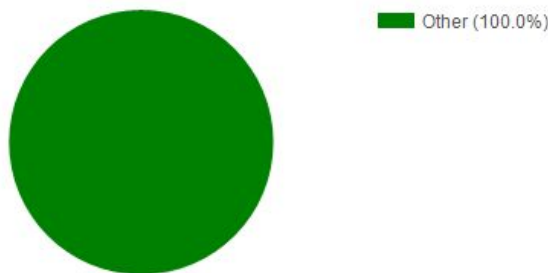

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PERF	1w	1m	3m	12m
Dolfines	-29.8%	-47.1%	-23.3%	-45.1%
Capital Goods	-5.40%	-7.80%	-13.6%	-17.8%
SXXR Index	-4.33%	-5.06%	-5.83%	-0.14%

Last updated: 09/05/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	-7.65	-12.2	-11.2	37.6
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-11.2	-58.8	-25.9	11.2
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



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
EBITDA(R) margin	%	-32.4	-2.47	-5.18
Depreciation	€th			
Underlying operating profit	€th	-1,486	-497	-763
Operating profit (EBIT)	€th	-1,492	-497	-763
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			
Adjusted attributable net profit	€th	-1,552	-634	-900
NOPAT	€th	-1,040	-348	-534

Cashflow Statement

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
Free cash flow (pre div.)	€th	-2,160	-1,118	-1,154

Per Share Data

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
Benchmark EPS	€	-0.08	-0.02	-0.03
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 0.67	35%	● Saipem
NAV/SOTP per share	€ 0.83	20%	● Nordex SE
EV/Ebitda	€ 0.00	20%	● Elecnor
P/E	€ 0.15	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.23	5%	
TARGET PRICE	€ 0.43	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
Ordinary shareholders' equity	€th	1,434	4,792	4,892
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
Net debt (cash)	€th	3,807	925	1,078
Total liab. and shareholders' equity	€th	6,220	6,696	6,950

Capital Employed

Capital employed after depreciation	€th	4,878	5,362	5,616
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Profits & Risks Ratios

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

Valuation Ratios

Reference P/E (benchmark)	x	-7.65	-12.2	-11.2
Free cash flow yield	%	-17.9	-11.5	-11.8
P/Book	x	8.41	2.03	1.99
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	12,061	9,744	9,744
+ 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	10,672	10,825
EV/EBITDA(R)	x	-11.2	-58.8	-25.9
EV/Sales	x	3.61	1.45	1.34

Analyst : Kevin Vo, Changes to Forecasts : 09/05/2022.