



Dolfines

Engineering-Heavy Constr. / France

Costly financing cuts the target price

Capital increase to invest in renewables - 28/09/2022

Change in Target Price

€ 0.14 vs 0.40 **-66.0%**

In the aftermath of last week's developments on equity line financing, we have updated our model. The massive dilution resulted in a 3x increase in the number of outstanding shares. We are expecting the financing woes to continue into next year, and have hence downgraded our target price.

Change in EPS

2022 : € -0.01 vs -0.02 **ns**
2023 : € -0.01 vs -0.03 **ns**

The dilution as a result of the conversion of the bonds (NEGMA OCABSA) into shares had a significant impact on our EPS forecast as the conversion created 70.8 million shares.

Change in NAV

€ 0.27 vs 0.83 **-67.2%**

The downgrade in the NAV is also explained by the increase in the number of outstanding shares. We are not expecting a very immediate recovery in NAV.

Change in DCF

€ 0.22 vs 0.66 **-67.3%**

The downward change in DCF is also explained by the massive dilution. However, for FY2023, our forecast takes into account the assumption of the sale of a floater technology. This could give a significant boost to next year's cash flow.



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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 : 170%**

Target Price (6 months) € 0.14

Share Price € 0.05

Market Cap. €M 0.98

Price Momentum **NEGATIVE**

Extremes 12Months 0.05 ▶ 0.64

Bloomberg ALDOL FP Equity

Reuters ALDOL.PA

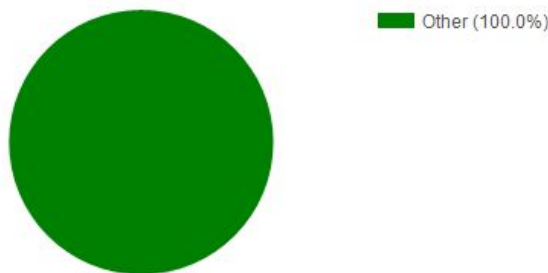
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PERF	1w	1m	3m	12m
Dolfines	-16.4%	-61.7%	-85.4%	-88.9%
Capital Goods	-2.10%	-9.62%	-7.37%	-30.4%
SXXR Index	-3.74%	-8.82%	-6.07%	-13.8%

Last updated: 28/09/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	-7.65	-4.93	-5.91	19.5
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-11.2	-34.2	-15.2	6.54
Adjusted EPS (€)	-0.08	-0.01	-0.01	0.00
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	103,279	103,279
Number of diluted shares (average)	Th	18,846	61,212	104,279
Benchmark EPS	€	-0.08	-0.01	-0.01
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 0.22	35%	● Nordex SE
NAV/SOTP per share	€ 0.27	20%	● Elecnor
EV/Ebitda	€ 0.00	20%	
P/E	€ 0.03	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.10	5%	
TARGET PRICE	€ 0.14	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	-4.93	-5.91
Free cash flow yield	%	-17.9	-21.2	-21.9
P/Book	x	8.41	1.10	1.08
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	12,061	5,267	5,267
+ 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	6,195	6,349
EV/EBITDA(R)	x	-11.2	-34.2	-15.2
EV/Sales	x	3.61	0.84	0.79

Analyst : Elif Binici, Changes to Forecasts : 28/09/2022.