



Dolfines

Engineering-Heavy Constr. / France

Updating shares outstanding on potential debt conversion

Activity recovers in oil & gas - 22/12/2021

Change in NAV

€ 0.99 vs 1.19 **-16.6%**

The NAV and DCF are down as we have updated the conversion of the (€1.5m) green bond issued in January 2021 to the current share price level, with a 20% discount, leading to the creation of 3.3m shares. Note that, ultimately, the dilution of shares will depend on the bondholders' decision to convert, and the conversion price (which depends on the stock price). Note that we have also added the issuance of the €2m green bond (30/11/2021). Given the current gap between the share price and conversion price (€0.50 per share), we do not expect that the bond will be converted for now, but instead be repaid by the company on a monthly basis (€1m in 2022 and €1m in 2023).

Change in DCF

€ 0.86 vs 1.06 **-18.5%**

The DCF is down in line with the NAV, as we have adjusted the share count to the current stock price.



Kevin VO

capitalgoods@alphavalue.eu
+33 (0) 1 70 61 10 50
cs.alphavalue.com

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 : 77.5%
Target Price (6 months)	€ 0.52
Share Price	€ 0.30
Market Cap. €M	5.65
Price Momentum	NEGATIVE
Extremes 12Months	0.27 ▶ 1.55
Bloomberg	ALDOL FP Equity
Reuters	ALDOL.PA



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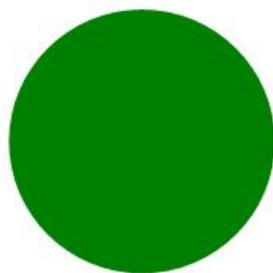


PERF	1w	1m	3m	12m
Dolfines	-4.81%	-18.1%	-34.1%	-68.6%
Capital Goods	0.56%	-3.02%	2.46%	20.7%
SXXR Index	0.95%	-2.40%	3.66%	25.2%

Last updated: 22/12/2021	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	-3.44	-4.79	-8.66	-8.58
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-5.76	-8.29	-20.5	-19.0
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

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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%	● TechnipFMC
EV/Ebitda	€ 0.00	20%	● Saipem
P/E	€ 0.15	10%	● Elecnor
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.15	5%	
TARGET PRICE	€ 0.52	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
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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	-4.79	-8.66
Free cash flow yield	%	-23.2	-28.5	-16.1
P/Book	x	3.99	3.38	7.27
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	9,473	5,648	5,648
+ 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	7,605	8,511
EV/EBITDA(R)	x	-5.76	-8.29	-20.5
EV/Sales	x	4.17	1.26	1.17

Analyst : Kevin Vo, Changes to Forecasts : 22/12/2021.