



dsw

Engineering-Heavy Constr. / France

Working on an integrated offer in new energies

24/01/2020

Change in Target Price

€ 1.68 vs 2.07 -18.9%

We have integrated the €3m financing line in our model. The dilution has impacted our target price (on both NAV and DCF) and assumes the progressive conversion of the bonds. Note that the financing line is flexible (at Dietswell's request) and that only €300k has been issued so far. Yet, we assume the conversion of €3m of bonds into 3.53m shares (assuming €0.85 per share), split between 2020 and 2021, as the group makes progressive use of the financing tranches. This partly replaces partly previous hypothesis, in which the group issued €7.5m of debt in 2020 to finance its renewables activities (now assuming €4m). All other assumptions remain the same for now.



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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 : 103% |
| Target Price (6 months) | € 1.68 |
| Share Price | € 0.83 |
| Market Cap. €M | 5.28 |
| Price Momentum | NEGATIVE |
| Extremes 12Months | 0.71 ▶ 1.38 |
| Bloomberg | ALDIE FP Equity |
| Reuters | ALDIE.PA |

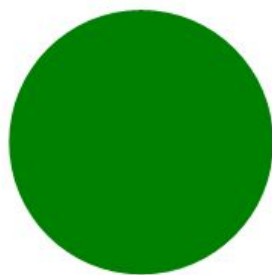

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| PERF | 1w | 1m | 3m | 12m |
|---------------|--------|--------|-------|--------|
| Dietswell | -3.26% | -6.95% | 8.36% | -21.7% |
| Capital Goods | -0.72% | -0.87% | 11.6% | 32.4% |
| SXXR Index | -0.11% | 0.34% | 6.65% | 21.9% |

| Last updated: 24/01/2020 | 12/18A | 12/19E | 12/20E | 12/21E |
|-------------------------------|--------|--------|--------|--------|
| Adjusted P/E (x) | -18.8 | -8.90 | -11.3 | 39.9 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| EV/EBITDA(R) (x) | ns | -26.0 | 10.0 | 6.35 |
| Adjusted EPS (€) | -0.05 | -0.12 | -0.07 | 0.02 |
| Growth in EPS (%) | n/a | n/a | n/a | n/a |
| Dividend (€) | 0.00 | 0.00 | 0.00 | 0.00 |
| Sales (€th) | 7,149 | 7,200 | 8,775 | 21,875 |
| EBIT margin (%) | 10.7 | -7.68 | 7.46 | 9.79 |
| Attributable net profit (€th) | -282 | -774 | -613 | 219 |
| ROE (after tax) (%) | -7.64 | -21.9 | -21.1 | 6.47 |
| Gearing (%) | 25.8 | 57.1 | 72.2 | 34.3 |

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

Sales by Geography



Other (100.0%)

Consolidated P&L Accounts

| | | 12/18A | 12/19E | 12/20E |
|---|------------|-------------|--------------|-------------|
| Sales | €th | 7,149 | 7,200 | 8,775 |
| Change in sales | % | 5.54 | 0.71 | 21.9 |
| Change in staff costs | % | 4.85 | 6.16 | 6.33 |
| EBITDA | €th | 21.3 | -363 | 927 |
| EBITDA(R) margin | % | 0.30 | -5.05 | 10.6 |
| Depreciation | €th | | | |
| Underlying operating profit | €th | -273 | -713 | 542 |
| Operating profit (EBIT) | €th | -250 | -713 | 98.3 |
| Net financial expense | €th | -29.3 | -60.6 | -501 |
| of which related to pensions | €th | | -5.70 | -7.02 |
| Exceptional items & other | €th | 0.00 | 0.00 | 0.00 |
| Corporate tax | €th | -2.45 | 0.00 | -211 |
| Equity associates | €th | | | |
| Minority interests | €th | | | |
| Adjusted attributable net profit | €th | -282 | -774 | -613 |
| NOPAT | €th | -175 | -495 | 73.7 |

Cashflow Statement

| | | 12/18A | 12/19E | 12/20E |
|---|------------|---------------|-------------|------------|
| EBITDA | €th | 21.3 | -363 | 927 |
| Change in WCR | €th | -144 | 0.00 | 500 |
| Actual div. received from equity holdi... | €th | 0.00 | 0.00 | 0.00 |
| Paid taxes | €th | -2.45 | 0.00 | -211 |
| Exceptional items | €th | | | |
| Other operating cash flows | €th | 207 | | |
| Total operating cash flows | €th | 82.0 | -363 | 1,216 |
| Capital expenditure | €th | -1,313 | -500 | -500 |
| Total investment flows | €th | -1,449 | -500 | -2,500 |
| Net interest expense | €th | -29.3 | -60.6 | -501 |
| Dividends (parent company) | €th | | | |
| Dividends to minorities interests | €th | 0.00 | 0.00 | 0.00 |
| New shareholders' equity | €th | 1,061 | 0.00 | 2,015 |
| Total financial flows | €th | 1,743 | 424 | 666 |
| Change in cash position | €th | 377 | -439 | -618 |
| Free cash flow (pre div.) | €th | -1,260 | -924 | 215 |

Per Share Data

| | | 12/18A | 12/19E | 12/20E |
|--|----------|--------------|--------------|--------------|
| No. of shares net of treas. stock (year... | Th | 6,364 | 6,364 | 8,379 |
| Number of diluted shares (average) | Th | 5,834 | 6,364 | 8,379 |
| Benchmark EPS | € | -0.05 | -0.12 | -0.07 |
| Restated NAV per share | € | | | |
| Net dividend per share | € | 0.00 | 0.00 | 0.00 |

Valuation Summary

| Benchmarks | Value | Weight | Largest comparables |
|--------------------|--------|--------|---------------------|
| DCF | € 2.76 | 35% | ● TechnipFMC |
| NAV/SOTP per share | € 2.98 | 20% | ■ Saipem |
| EV/Ebitda | € 0.28 | 20% | ■ Elecnor |
| P/E | € 0.42 | 10% | ● Ecoslops |
| Dividend Yield | € 0.00 | 10% | |
| P/Book | € 0.42 | 5% | |
| TARGET PRICE | € 1.68 | 100% | |

NAV/SOTP Calculation

Balance Sheet

| | | 12/18A | 12/19E | 12/20E |
|--|------------|--------------|--------------|--------------|
| Goodwill | €th | | | |
| Total intangible | €th | 2,942 | 3,092 | 3,207 |
| Tangible fixed assets | €th | 1,136 | 1,136 | 1,136 |
| Financial fixed assets | €th | | | |
| WCR | €th | 2,192 | 2,192 | 1,692 |
| Other assets | €th | 188 | 182 | 182 |
| Total assets (net of short term liab.) | €th | 6,655 | 6,800 | 6,416 |
| Ordinary shareholders' equity | €th | 4,076 | 2,975 | 2,823 |
| Quasi Equity & Preferred | €th | | | |
| Minority interests | €th | | 0.00 | 0.00 |
| Provisions for pensions | €th | | 328 | 333 |
| Other provisions for risks and liabilities | €th | 83.4 | 83.4 | 83.4 |
| Total provisions for risks and liabilities | €th | 83.4 | 411 | 416 |
| Tax liabilities | €th | 1,225 | 1,225 | 1,225 |
| Other liabilities | €th | 31.2 | 31.2 | 31.2 |
| Net debt (cash) | €th | 1,239 | 2,158 | 1,920 |
| Total liab. and shareholders' equity | €th | 6,655 | 6,800 | 6,416 |

Capital Employed

| | | 12/18A | 12/19E | 12/20E |
|-------------------------------------|-----|--------|--------|--------|
| Capital employed after depreciation | €th | 6,269 | 6,420 | 6,035 |

Profits & Risks Ratios

| | | 12/18A | 12/19E | 12/20E |
|--------------------------------|---|--------------|--------------|--------------|
| ROE (after tax) | % | -7.64 | -21.9 | -21.1 |
| ROCE | % | -2.79 | -7.71 | 1.22 |
| Gearing (at book value) | % | 25.8 | 57.1 | 72.2 |
| Adj. Net debt/EBITDA(R) | x | 58.3 | -5.94 | 2.07 |
| Interest cover (x) | x | -9.34 | -13.0 | 1.10 |

Valuation Ratios

| | | 12/18A | 12/19E | 12/20E |
|----------------------------------|----------|--------------|--------------|--------------|
| Reference P/E (benchmark) | x | -18.8 | -8.90 | -11.3 |
| Free cash flow yield | % | -21.8 | -13.4 | 3.10 |
| P/Book | x | 1.42 | 2.31 | 2.46 |
| Dividend yield | % | 0.00 | 0.00 | 0.00 |

EV Calculation

| | | 12/18A | 12/19E | 12/20E |
|---|----------|-----------|--------------|-------------|
| Market cap | €th | 5,784 | 6,881 | 6,955 |
| + Provisions | €th | 83.4 | 411 | 416 |
| + Unrecognised actuarial losses/(gains) | €th | 0.00 | 0.00 | 0.00 |
| + Net debt at year end | €th | 1,239 | 2,158 | 1,920 |
| + Leases debt equivalent | €th | 0.00 | 0.00 | 0.00 |
| - Financial fixed assets (fair value) | €th | | | |
| + Minority interests (fair value) | €th | | | |
| = EV | €th | 7,107 | 9,450 | 9,291 |
| EV/EBITDA(R) | x | ns | -26.0 | 10.0 |
| EV/Sales | x | 0.99 | 1.31 | 1.06 |

Analyst : Kevin Vo, Changes to Forecasts : 24/01/2020.