



Dolfines

Engineering-Heavy Constr. / France

Capital increase slashes the valuation

Capital increase to bring some order - 23/11/2022

Change in NAV

€ 0.14 vs 0.27 **-48.4%**

Since our last update, Dolfines has continued its capital increase programme with the conversion of the remaining bonds. The conversion of notes resulted in a massive dilution by creating more than 100 million shares (almost doubling), which was reflected in the tanking share price since September 2022. Accordingly, our NAV is severely impacted by the rising number of shares.

Change in DCF

€ 0.12 vs 0.22 **-45.3%**

The sharp drop in the DCF is subject to the same factors that decreased the NAV. We are, however, expecting higher revenues next year, driven by successful acquisitions and awards by the French government.



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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 : 453%**

Target Price (6 months) € 0.07

Share Price € 0.01

Market Cap. €M 0.25

Price Momentum **NEGATIVE**

Extremes 12Months 0.01 ▶ 0.64

Bloomberg ALDOL FP Equity

Reuters ALDOL.PA



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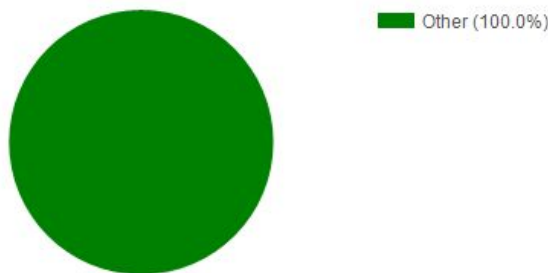


PERF	1w	1m	3m	12m
Dolfines	-3.73%	-70.7%	-89.4%	-96.5%
Capital Goods	-0.11%	14.8%	9.87%	-18.9%
SXXR Index	0.45%	10.2%	1.00%	-7.84%

Last updated: 23/11/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	-7.65	-2.29	-2.96	9.75
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-11.2	-19.8	-8.95	3.82
Adjusted EPS (€)	-0.08	-0.01	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)	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

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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	-1,114	-373	-572

Cashflow Statement

		12/21A	12/22E	12/23E
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

		12/21A	12/22E	12/23E
No. of shares net of treas. stock (year...	Th	19,146	205,779	205,779
Number of diluted shares (average)	Th	18,846	112,462	206,779
Benchmark EPS	€	-0.08	-0.01	0.00
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 0.12	35%	• Nordex SE
NAV/SOTP per share	€ 0.14	20%	• Elecnor
EV/Ebitda	€ 0.00	20%	
P/E	€ 0.01	10%	
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.03	5%	
TARGET PRICE	€ 0.07	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

		12/21A	12/22E	12/23E
Capital employed after depreciation	€th	4,878	5,362	5,616

Profits & Risks Ratios

		12/21A	12/22E	12/23E
ROE (after tax)	%	-81.8	-20.4	-18.6
ROCE	%	-22.8	-6.96	-10.2
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

		12/21A	12/22E	12/23E
Reference P/E (benchmark)	x	-7.65	-2.29	-2.96
Free cash flow yield	%	-17.9	-42.1	-43.5
P/Book	x	8.41	0.55	0.54
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/21A	12/22E	12/23E
Market cap	€th	12,061	2,655	2,655
+ 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	3,582	3,736
EV/EBITDA(R)	x	-11.2	-19.8	-8.95
EV/Sales	x	3.61	0.49	0.46

Analyst : Elif Binici, Changes to Forecasts : 23/11/2022.