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Engineering-Heavy Constr. / France

Strategic options to fast track the floater

04/11/2020

Change in EPS

2020 : € -0.29 vs -0.23 ns
 2021 : € -0.16 vs -0.16

Following the H1 release, we have updated and lowered our estimates for 2020. We now see revenues of €1.26m in the Services division and €1.88m in the Factorig division vs €1.8m and €2.6m previously. This is down 40% from 2019, but slightly better than in H1 (revenue down by 50% yoy), as the activity was exceptionally low due to the global lockdown in place.



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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 : 45.0%
Target Price (6 months)	€ 1.32
Share Price	€ 0.91
Market Cap. €M	5.80
Price Momentum	GOOD
Extremes 12Months	0.16 ▶ 1.61
Bloomberg	ALDOL FP Equity
Reuters	ALDOL.PA

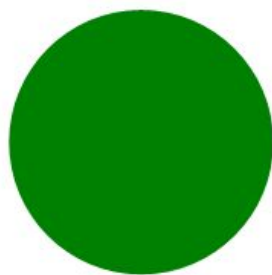

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PERF	1w	1m	3m	12m
Dolines	-11.0%	-6.94%	-21.7%	17.5%
Capital Goods	0.90%	-1.96%	2.76%	10.6%
SXXR Index	1.00%	-1.78%	-1.74%	-8.95%

Last updated: 04/11/2020	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	-4.39	-3.15	-5.84	-10.6
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-10.3	-5.31	-10.9	95.9
Adjusted EPS (€)	-0.25	-0.29	-0.16	-0.09
Growth in EPS (%)	n/a	n/a	n/a	n/a
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	6,031	3,590	5,350	7,025
EBIT margin (%)	-23.5	-64.2	-6.61	-0.36
Attributable net profit (€th)	-2,669	-2,603	-1,638	-897
ROE (after tax) (%)	-96.4	-243	-354	485
Gearing (%)	137	444	1,514	

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

Sales by Geography



Other (100.0%)

Consolidated P&L Accounts

		12/19A	12/20E	12/21E
Sales	€th	6,031	3,590	5,350
Change in sales	%	-15.6	-40.5	49.0
Change in staff costs	%	-13.6	-24.9	11.8
EBITDA	€th	-936	-2,066	-1,175
EBITDA(R) margin	%	-15.5	-57.6	-22.0
Depreciation	€th			
Underlying operating profit	€th	-1,405	-2,332	-1,456
Operating profit (EBIT)	€th	-2,505	-2,582	-1,456
Net financial expense	€th	-134	-20.8	-485
of which related to pensions	€th		-2.85	-3.51
Exceptional items & other	€th	-28.2	0.00	0.00
Corporate tax	€th	-1.53	0.00	0.00
Equity associates	€th			
Minority interests	€th			304
Adjusted attributable net profit	€th	-1,569	-2,353	-1,638
NOPAT	€th	-984	-1,631	-1,017

Cashflow Statement

EBITDA	€th	-936	-2,066	-1,175
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	-936	-1,866	-1,175
Capital expenditure	€th	-326	-500	-300
Total investment flows	€th	-326	-500	-300
Net interest expense	€th	-134	-20.8	-485
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	0.00	1,760	1,490
Total financial flows	€th	-134	936	1,008
Change in cash position	€th	-1,395	-1,430	-467
Free cash flow (pre div.)	€th	-1,395	-2,387	-1,960

Per Share Data

No. of shares net of treas. stock (year...	Th	6,364	8,124	9,614
Number of diluted shares (average)	Th	6,364	8,124	10,494
Benchmark EPS	€	-0.25	-0.29	-0.16
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 2.18	35%	■ Nordex SE
NAV/SOTP per share	€ 2.45	20%	■ TechnipFMC
EV/Ebitda	€ 0.00	20%	■ Saipem
P/E	€ 0.46	10%	■ Elecnor
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.46	5%	
TARGET PRICE	€ 1.32	100%	

NAV/SOTP Calculation

Balance Sheet

		12/19A	12/20E	12/21E
Goodwill	€th			
Total intangible	€th	3,034	3,268	3,287
Tangible fixed assets	€th	24.2	24.2	24.2
Financial fixed assets	€th			
WCR	€th	1,728	1,528	1,528
Other assets	€th	113	99.1	99.1
Total assets (net of short term liab.)	€th	5,201	5,221	5,240
Ordinary shareholders' equity	€th	1,458	688	238
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	28.4	28.4	28.4
Total provisions for risks and liabilities	€th	28.4	192	195
Tax liabilities	€th	947	947	947
Other liabilities	€th	22.6	22.6	22.6
Net debt (cash)	€th	2,746	3,371	3,837
Total liab. and shareholders' equity	€th	5,202	5,221	5,240

Capital Employed

Capital employed after depreciation	€th	4,787	4,821	4,840
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Profits & Risks Ratios

ROE (after tax)	%	-96.4	-243	-354
ROCE	%	-20.6	-33.8	-21.0
Gearing (at book value)	%	137	444	1,514
Adj. Net debt/EBITDA(R)	x	-2.93	-1.63	-3.27
Interest cover (x)	x	-10.5	-130	-3.02

Valuation Ratios

Reference P/E (benchmark)	x	-4.39	-3.15	-5.84
Free cash flow yield	%	-20.3	-32.2	-22.4
P/Book	x	4.72	10.8	36.8
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	6,881	7,409	8,768
+ Provisions	€th	28.4	192	195
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	2,746	3,371	3,837
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	9,656	10,972	12,800
EV/EBITDA(R)	x	-10.3	-5.31	-10.9
EV/Sales	x	1.60	3.06	2.39

Analyst : Kevin Vo, Changes to Forecasts : 04/11/2020.