



Dolfines

Engineering-Heavy Constr. / France

Expanding services into wind

19/05/2021

Change in Target Price

€ 1.37 vs 1.39	-2.02%
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On top of the EPS updates (see below), note that we have changed our assumptions on the New Energies division following the five-year strategy plan (Cash & Value 21/25). For simplicity purposes, we now value the floater based on a commercial offering throughout licensing to a larger Engineering, Procurement & Construction (EPC) contractor, rather than on Dolfines handling the procurement and construction (on top of the engineering and design). In our view, this is justified as Dolfines now targets a floater that can support a 15MW turbine, with a potential order intake that could be large and executed by an EPC company. This new set of assumptions has no major impact on the overall valuation.

Change in EPS

2021 : € -0.14 vs -0.16	ns
2022 : € -0.09 vs -0.08	ns

We have updated our model and now see 2021 revenues of €3.1m (with €1.7m in Factorig, €1m in Services) vs €5.3m previously, and closer to the company's backlog. This revision is offset by the current cost savings programme (external charges down by €1.5m in 2020, personnel expenses down by €1.7m in 2020) and results in a minor impact on net income.



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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

Add	Upside : 7.82%
Target Price (6 months)	€ 1.37
Share Price	€ 1.27
Market Cap. €M	12.1
Price Momentum	UNFAVORABLE
Extremes 12Months	0.73 ▶ 3.10
Bloomberg	ALDIE FP Equity
Reuters	ALDOL.PA

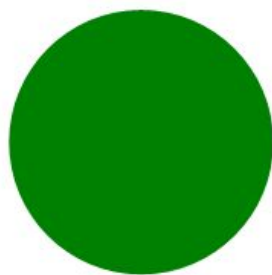

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PERF	1w	1m	3m	12m
Dolfines	8.95%	-14.9%	-32.5%	40.7%
Capital Goods	0.85%	-3.62%	6.03%	57.2%
SXXR Index	1.55%	0.66%	8.49%	32.5%

Last updated: 19/05/2021	12/20A	12/21E	12/22E	12/23E
Adjusted P/E (x)	-3.45	-9.16	-13.6	-50.0
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	-5.78	-12.3	-22.2	ns
Adjusted EPS (€)	-0.30	-0.14	-0.09	-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	3,150	4,350	5,700
EBIT margin (%)	-67.5	-39.2	-19.5	-14.5
Attributable net profit (€th)	-2,323	-1,404	-1,038	-286
ROE (after tax) (%)	-121	-53.1	-41.2	-14.4
Gearing (%)	79.4	23.1	33.9	68.5

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Sales by Geography



Other (100.0%)

Consolidated P&L Accounts

		12/20A	12/21E	12/22E
Sales	€th	2,525	3,150	4,350
Change in sales	%	-58.1	24.8	38.1
Change in staff costs	%	-49.6	25.1	16.2
EBITDA	€th	-1,827	-1,026	-690
EBITDA(R) margin	%	-72.4	-32.6	-15.9
Depreciation	€th			
Underlying operating profit	€th	-1,934	-1,297	-976
Operating profit (EBIT)	€th	-1,934	-1,297	-976
Net financial expense	€th	-71.6	-107	-61.7
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	-1,404	-1,038
NOPAT	€th	-1,354	-906	-681

Cashflow Statement

EBITDA	€th	-1,827	-1,026	-690
Change in WCR	€th	0.00	0.00	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	-1,026	-690
Capital expenditure	€th	-300	-300	-300
Total investment flows	€th	-300	-300	-300
Net interest expense	€th	-71.6	-107	-61.7
Dividends (parent company)	€th			
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	3,200	2,130	250
Total financial flows	€th	3,128	3,140	-498
Change in cash position	€th	1,001	1,814	-1,488
Free cash flow (pre div.)	€th	-2,199	-1,432	-1,052

Per Share Data

No. of shares net of treas. stock (year...	Th	9,273	9,573	11,043
Number of diluted shares (average)	Th	7,818	10,158	11,168
Benchmark EPS	€	-0.30	-0.14	-0.09
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 2.16	35%	■ Nordex SE
NAV/SOTP per share	€ 2.56	20%	■ TechnipFMC
EV/Ebitda	€ 0.00	20%	■ Saipem
P/E	€ 0.63	10%	■ Elecnor
Dividend Yield	€ 0.00	10%	
P/Book	€ 0.63	5%	
TARGET PRICE	€ 1.37	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	821	821
Other assets	€th	82.7	57.1	57.1
Total assets (net of short term liab.)	€th	4,204	4,207	4,221
Ordinary shareholders' equity	€th	2,374	2,914	2,128
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	322	1,121
Total liab. and shareholders' equity	€th	4,204	4,207	4,221

Capital Employed

Capital employed after depreciation	€th	3,840	3,869	3,883
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Profits & Risks Ratios

ROE (after tax)	%	-121	-53.1	-41.2
ROCE	%	-35.2	-23.4	-17.5
Gearing (at book value)	%	79.4	23.1	33.9
Adj. Net debt/EBITDA(R)	x	-0.56	-0.31	-1.62
Interest cover (x)	x	-27.0	-12.5	-16.8

Valuation Ratios

Reference P/E (benchmark)	x	-3.45	-9.16	-13.6
Free cash flow yield	%	-23.1	-11.8	-7.52
P/Book	x	4.01	4.16	6.57
Dividend yield	%	0.00	0.00	0.00

EV Calculation

Market cap	€th	9,512	12,119	13,980
+ 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	322	1,121
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	10,560	12,631	15,292
EV/EBITDA(R)	x	-5.78	-12.3	-22.2
EV/Sales	x	4.18	4.01	3.52

Analyst : Kevin Vo, Changes to Forecasts : 19/05/2021.