# **Chargeurs**<sup>®</sup>

Holding Companies / France



#### Correct as of 10/05/2011

AlphaValue has a contract with Chargeurs to research Chargeurs using the AlphaValue methods and procedures.

# Earnings/sales releases

## Fact

Q1 11: revenue was €140.6m, up 14.6%, of which c.11% due to the raw material price increase and 4% to higher volumes. The better topline growth was in the wool division up 18% to €47.8m. For H1, management anticipates "very good operational performances" but also highlighted the expected increase in expenses linked to the financial restructuring.

#### Analysis

During the AGM (06 May), E. Malone indicated that the cost cutting plan had borne fruit since its implementation was launched. Nevertheless, the big issue for the group is to succeed in managing the huge cost increase, both in term of intensity and rapidity. Price increases were fully passed through in Q1 but results will improve more slowly.

#### Impact

No change to our forecast at this stage.

Buy	Upside: 57.9 %
Target Price (6 months)	€8.92
Share Price	€5.65
Market Capitalisation €M	74.1
Price Momentum	STRONG
Extremes 12Months	3.50 ▶ 6.01
Full	Company Analysis
8€	T <sup>8</sup> €
7 €	7€
6€	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
5 C	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
4 €	4€
Jul Sep Nov Jan Mar May Jul Sep N	ov Jan Mar May 0 11 11 11
—— Stoxx 600   —— Chargeu	rs

PERF	1w	1m	3m	12m
Chargeurs	-5.83 %	-3.75 %	9.50 %	45.2 %
Other financials	-0.54 %	0.24 %	0.76 %	23.9 %
DJ STOXX 600	-1.23 %	-0.44 %	-2.41 %	18.2 %

Sector Opinion	Underweight
Strongest upside	Chargeurs
Worst potential	TUI

#### **Complete Sector Analysis**

Last updated: 09/05/2011	12/09A	12/10A	12/11E	12/12E
Adjusted P/E (x)	-1.56	6.16	10.5	9.96
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA (x)	6.62	4.50	4.52	4.34
Adjusted EPS (€)	-3.41	0.72	0.54	0.57
Growth in EPS (%)			-25.4	5.88
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€M)	452	512	521	532
Operating result margin (%)	-4.34	4.16	4.26	4.44
Attributable net profit (€M)	-45.9	12.9	11.6	12.5
ROE (after tax) (%)	-28.6	8.80	6.74	6.93
Gearing (%)	67.2	49.0	41.4	37.0

Company Valuation - Company Financials

### Sales by Geography



**Consolidated P&L Account** 

Sales

EBITDA

Change in sales

**EBITDA** margin

Depreciation

Corporate tax

NOPAT

Equity associates

Minority interests

Change in staff costs

Underlying operating profit

of which related to pensions

Adjusted attributable net profit

Exceptional items & other

Operating profit (EBIT)

Net financial expense



12/11E

521

1 76

3.52

32.7

6.28

-9.30

22.4

22.4

-10.0

-0.35

-1.13

0.50

-0.20

11.6

16.4

12/12E

532

2.06

3.48

34.2

6.43

-9.50

23.7

23.7

-10.0

-0.61

-1.56

0.75

-0.40

12.5

17.8

12/10A

512

13.3

-1.37

28.9

5.64

-9.10

18.8

21.3

-9.90

1.60

0.20

-0.10

11.2

13.9

€M

%

%

€M

%

€M

#### **Valuation Summary**

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€12.5	55 %	Wendel
Dividend Yield	€0.00	20 %	Bolloré
DCF	€9.18	10 %	<ul> <li>Eurazeo</li> <li>Croupo Bruvellos I</li> </ul>
P/E	€5.38	10 %	<ul> <li>Groupe Bruxelles L</li> <li>Hal Trust</li> </ul>
P/Book	€11.3	5 %	<ul> <li>Sonae</li> </ul>
TARGET PRICE	€8.92	100 %	<ul> <li>Akzo Nobel</li> <li>Rhodia</li> </ul>
			Rhoula

**DCF Calculation** 

Goodwill

**Balance Sheet** 

NAV/SOTP	Calculation

12/11E

65.8

12/10A

65.8

€M

12/12E

65.8

Coodwill	CIVI	00.0	00.0	00.0
Tangible fixed assets	€M	59.4	55.5	51.4
Financial fixed assets	€M	18.3	18.0	18.0
WCR	€M	61.9	67.0	74.0
Other assets	€M	34.3	34.0	34.0
Total assets (net of short term liab.)	€M	260	254	257
Ordinary shareholders' equity	€M	168	176	184
Quasi Equity & Preferred	€M			
Minority interests	€M	6.70	6.70	6.70
Provisions for pensions	€M	10.0	11.7	11.8
Other provisions for risks and liabilities	€M	8.40	10.0	10.0
Total provisions for risks and liabilities	€M	18.4	21.7	21.8
Tax liabilities	€M	-17.7	-20.0	-22.0
Other liabilities	€M	10.0	0.00	0.00
Net debt (cash)	€M	75.1	70.3	66.3
Total liab. and shareholders' equity	€M	260	254	257
Capital Employed				
Capital employed after depreciation	€M	228	231	234
Profits & Risks Ratios				
ROE (after tax)	%	8.80	6.74	6.93
ROCE	%	7.88	8.85	9.32
Gearing (at book value)	%	49.0	41.4	37.0
Adj. Net debt/EBITDA(R)	х	2.67	2.34	2.16
Interest cover (x)	х	1.90	2.32	2.52
Valuation Ratios				
Reference P/E (benchmark)	x	6.16	10.5	9.9
Free cash flow yield	%	-26.4	-1.54	-2.43
P/Book	х	0.34	0.42	0.42
Dividend yield	%	0.00	0.00	0.00
AlphaValue EV Calculation				
Market cap	€M	56.5	73.5	76.8
+ Provisions	€M	18.4	21.7	21.8
+ Unrecognised acturial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	75.1	70.3	66.3
+ Leases debt equivalent	€M	17.7	20.0	20.0
- Financial fixed assets (fair value)	€M	18.3	18.0	18.0
+ Minority interests (fair value)	€M	6.70	6.70	6.70
= EV	€M	156	174	174
EV/EBITDA	x	4.50	4.52	4.34
LV/LDITDA				

Analyst : Véronique Colas, Changes to Forecasts : 09/05/2011.

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Cashflow Statement					Capital Employed
EBITDA	€M	28.9	32.7	34.2	Capital employed after depreciation
Change in WCR	€M	-6.90	-5.10	-7.00	Profits & Risks Ratios
Actual div. received from equity holdi	€M	0.30	0.40	0.50	ROE (after tax)
Paid taxes	€M		-1.13	-1.56	ROCE
Exceptional items	€M	0.00	0.00	0.00	Gearing (at book value)
Other operating cash flows	€M	-21.5	-12.0	-12.0	Adj. Net debt/EBITDA(R)
Total operating cash flows	€M	0.80	14.9	14.1	Interest cover (x)
Capital expenditure	€M	-5.80	-6.00	-6.00	
Total investment flows	€M	-7.20	-6.00	-6.00	Valuation Ratios
Net interest expense	€M	-9.90	-10.0	-10.0	Reference P/E (benchmark)
Dividends (parent company)	€M	0.00	0.00	0.00	Free cash flow yield
Dividends to minorities interests	€M	0.00	0.00	0.00	P/Book
New shareholders' equity	€M	5.10	0.60	1.20	Dividend yield
Total financial flows	€M	20.3	-12.5	-10.2	AlphaValue EV Calculation
Change in cash position	€M	18.1	-3.68	-2.06	Market cap
Free cash flow (pre div.)	€M	-14.9	-1.13	-1.86	+ Provisions
Per Share Data					+ Unrecognised acturial losses/(gains
No. of shares net of treas. stock (year	Mio	12.8	13.0	13.6	+ Net debt at year end
Number of diluted shares (average)	Mio	15.9	21.6	22.0	+ Leases debt equivalent
Benchmark EPS	€	0.72	0.54	0.57	- Financial fixed assets (fair value)
Restated NAV per share	€				+ Minority interests (fair value)
Net dividend per share	€	0.00	0.00	0.00	= EV
					EV/EBITDA

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