



Chargeurs

Support Services / France

Adjustments to our FY 22-23 outlook following the H1 results

Strong 2025 ambitions, luxury flavour - 22/09/2022

Change in EPS

2022 : € 1.05 vs 1.32	-20.4%
2023 : € 1.35 vs 1.48	-9.08%

Following the publication of the H1 22 results, we have adjusted our FY 22-23 EPS estimates downward. The FY 22 EPS forecast now sees a decline due to lower than expected revenues and margin contribution from Chargeurs Personal Care (formerly Chargeurs Healthcare Solutions), because of the improved sanitary situation. Based on this, we estimate Chargeurs Personal Care's revenues at €28.4m versus €85.3m previously and underlying profit of €7.1m versus €18m previously in FY 22. We have also lowered our estimates for the CMS (Chargers Museum Solutions) division in FY 22 to be in line with the 5% operating margin in H1. We now estimate an underlying operating profit margin for FY 22 of 6.5%, bringing the underlying profit down to €5.1m from the previously estimated €6.8m. However, we believe there will be an improvement in 2023 and 2024 as projects won in 2021 and 2022 should deliver profits in 2023-24.

Change in DCF

€ 37.2 vs 38.3	-3.08%
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Our DCF-based valuation sees a marginal cut from €38.3 to €37.2 after incorporating our adjustments to the FY 22-23 EPS forecast (see EPS comment). We expect revenues to reach c.€905m against €926m previously in FY 24 and an operating underlying profit of €75m.



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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 : 145%
Target Price (6 months)	€ 30.0
Share Price	€ 12.2
Market Cap. €M	302
Price Momentum	NEGATIVE
Extremes 12Months	12.0 ▶ 27.3
Bloomberg	CRI FP Equity
Reuters	CRIP.PA

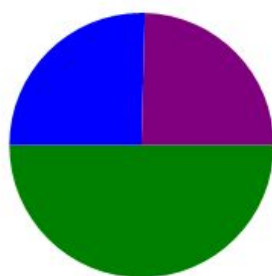
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PERF	1w	1m	3m	12m
Chargeurs	-6.00%	-20.9%	-24.3%	-51.0%
Support Services	-2.69%	-5.82%	3.89%	-23.4%
SXXR Index	-2.47%	-5.94%	0.05%	-8.94%

Last updated: 22/09/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	17.7	11.6	9.06	6.65
Dividend yield (%)	5.37	6.87	8.83	11.9
EV/EBITDA(R) (x)	9.03	5.95	4.92	3.97
Adjusted EPS (€)	1.30	1.05	1.35	1.84
Growth in EPS (%)	-14.9	-19.4	28.5	36.4
Dividend (€)	1.24	0.84	1.08	1.46
Sales (€M)	737	775	831	905
Underlying operat. profit ma...	6.88	6.24	7.23	8.30
Attributable net profit (€M)	30.6	25.0	32.1	44.0
ROE (after tax) (%)	12.1	8.98	10.5	13.0
Gearing (%)	45.6	42.8	40.1	34.2

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Sales by Geography



■ Europe (50.0%)
■ Asia (25.4%)
■ Americas (24.6%)

Consolidated P&L Accounts

	12/21A	12/22E	12/23E
Sales	€M 737	775	831
Change in sales	% -10.4	5.23	7.22
Change in staff costs	% 8.75	11.7	3.21
EBITDA	€M 73.8	69.8	83.8
EBITDA(R) margin	% 10.0	9.01	10.1
Depreciation	€M -23.1	-23.3	-23.8
Underlying operating profit	€M 45.2	41.0	54.5
Operating profit (EBIT)	€M 41.2	37.0	48.5
Net financial expense	€M -10.6	-11.6	-10.5
of which related to pensions	€M	-0.06	-0.11
Exceptional items & other	€M		
Corporate tax	€M -0.50	-1.09	-6.65
Equity associates	€M 0.70	0.70	0.70
Minority interests	€M -0.20	0.00	0.00
Adjusted attributable net profit	€M 30.6	25.0	32.1
NOPAT	€M 32.3	29.4	38.9

Cashflow Statement

	12/21A	12/22E	12/23E
EBITDA	€M 73.8	69.8	83.8
Change in WCR	€M 21.9	-17.5	-12.1
Actual div. received from equity holdi...	€M 0.00	0.00	0.00
Paid taxes	€M -6.10	-1.09	-6.65
Exceptional items	€M		
Other operating cash flows	€M -11.7	-8.00	-8.00
Total operating cash flows	€M 77.9	43.2	57.1
Capital expenditure	€M -13.0	-8.20	-14.0
Total investment flows	€M -16.9	-18.2	-24.0
Net interest expense	€M -10.6	-11.6	-10.5
Dividends (parent company)	€M -17.7	-24.1	-15.0
Dividends to minorities interests	€M 0.00	0.00	0.00
New shareholders' equity	€M 0.00	0.00	0.00
Total financial flows	€M -54.0	-39.4	-76.0
Change in cash position	€M 10.2	-14.3	-42.9
Free cash flow (pre div.)	€M 54.3	23.4	32.6

Per Share Data

	12/21A	12/22E	12/23E
No. of shares net of treas. stock (year...)	Mio 24.0	23.7	23.8
Number of diluted shares (average)	Mio 23.5	23.8	23.8
Benchmark EPS	€ 1.30	1.05	1.35
Restated NAV per share	€		
Net dividend per share	€ 1.24	0.84	1.08

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 37.2	35%	● AkzoNobel
NAV/SOTP per share	€ 38.0	20%	● Rentokil Initial
EV/Ebitda	€ 20.3	20%	● Quadiant
P/E	€ 16.6	10%	● Teleperformance
Dividend Yield	€ 24.5	10%	● Bureau Veritas
P/Book	€ 24.4	5%	
TARGET PRICE	€ 30.0	100%	

NAV/SOTP Calculation

Balance Sheet

	12/21A	12/22E	12/23E
Goodwill	€M 189	195	202
Total intangible	€M 238	245	251
Tangible fixed assets	€M 85.3	92.3	99.3
Financial fixed assets	€M 7.90	7.90	7.90
WCR	€M -18.0	-0.50	11.6
Other assets	€M 42.4	45.5	45.5
Total assets (net of short term liab.)	€M 418	453	479
Ordinary shareholders' equity	€M 267	290	321
Quasi Equity & Preferred	€M		
Minority interests	€M -0.60	-0.60	-0.60
Provisions for pensions	€M 14.6	13.1	13.4
Other provisions for risks and liabilities	€M 13.8	13.8	13.8
Total provisions for risks and liabilities	€M 28.4	26.9	27.2
Tax liabilities	€M -36.9	-36.9	-36.9
Other liabilities	€M 42.4	42.4	42.4
Net debt (cash)	€M 117	131	126
Total liab. and shareholders' equity	€M 418	453	479

Capital Employed

	12/21A	12/22E	12/23E
Capital employed after depreciation	€M 345	376	402

Profits & Risks Ratios

	12/21A	12/22E	12/23E
ROE (after tax)	% 12.1	8.98	10.5
ROCE	% 9.38	7.82	9.69
Gearing (at book value)	% 45.6	42.8	40.1
Adj. Net debt/EBITDA(R)	x 2.01	2.33	1.89
Interest cover (x)	x 4.26	3.55	5.25

Valuation Ratios

	12/21A	12/22E	12/23E
Reference P/E (benchmark)	x 17.7	11.6	9.06
Free cash flow yield	% 9.82	8.09	11.2
P/Book	x 2.07	1.00	0.91
Dividend yield	% 5.37	6.87	8.83

EV Calculation

	12/21A	12/22E	12/23E
Market cap	€M 553	290	292
+ Provisions	€M 28.4	26.9	27.2
+ Unrecognised actuarial losses/(gains)	€M 0.00	0.00	0.00
+ Net debt at year end	€M 85.9	98.9	93.6
+ Leases debt equivalent	€M 31.4	32.0	32.0
- Financial fixed assets (fair value)	€M 32.3	32.3	32.3
+ Minority interests (fair value)	€M 0.00	0.00	0.00
= EV	€M 666	415	412
EV/EBITDA(R)	x 9.03	5.95	4.92
EV/Sales	x 0.90	0.54	0.50

Analyst : Saïma Hussain, Changes to Forecasts : 22/09/2022.