



# Chargeurs

Holding Companies / France

## Now pursuing organic growth ambitions

11/11/2020

### Change in EPS

2020 : € 1.94 vs 1.70	+14.4%
2021 : € 0.75 vs 0.69	+8.63%

Our FY20 EPS estimate increases on the back of higher top-line expectations for the Healthcare Solutions division (€335m versus €312m previously) and a narrower than expected sales contraction for Protective Films (-8.0% versus -15.0% previously), both supported by the performance shown over Q3. The improved revenue expectations mechanically result in a higher recurring operating result, from €68m prior to €71.8m; the latter falling in line with Chargeurs' upgraded 2020 guidance of +€70m.

These increases are slightly offset by lower FY20 top-line expectations of €52.2m for Museum Solutions, down 12.6% compared to our previous forecast and explained by the weaker than expected performance from the technical substrates business in H2. Our FY21 outlook for the group remains mostly unchanged, with a slight increase to our top-line expectations of €647.9m, and a conservative €38.1m recurring operating profit forecast.



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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 : 70.5%

Target Price (6 months)	€ 29.1
Share Price	€ 17.1
Market Cap. €M	413
Price Momentum	<b>GOOD</b>
Extremes 12Months	8.48 ▶ 19.5
Bloomberg	CRI FP Equity
Reuters	CRIP.PA

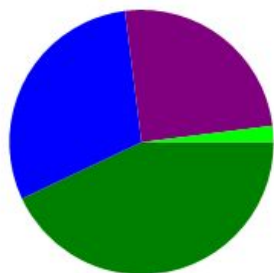

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PERF	1w	1m	3m	12m
Chargeurs	-0.58%	-1.27%	18.2%	1.01%
Other financials	6.06%	0.98%	5.61%	9.78%
SXXR Index	8.00%	3.88%	5.77%	-3.15%

Last updated: 11/11/2020	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	26.6	8.79	22.8	18.2
Dividend yield (%)	2.28	3.98	3.81	4.10
EV/EBITDA(R) (x)	9.10	5.78	8.61	7.37
Adjusted EPS (€)	0.66	1.94	0.75	0.94
Growth in EPS (%)	-42.6	194	-61.4	25.2
Dividend (€)	0.40	0.68	0.65	0.70
Sales (€M)	626	841	648	706
Underlying operat. profit ma...	6.61	8.54	5.88	7.09
Attributable net profit (€M)	15.1	44.4	17.3	21.8
ROE (after tax) (%)	6.42	16.4	5.29	5.94
Gearing (%)	51.9	51.8	49.0	43.4

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## Sales by Geography



Europe	(43.0%)
Americas	(30.0%)
Asia	(25.0%)
Other	(2.0%)

## Consolidated P&L Accounts

		12/19A	12/20E	12/21E
Sales	€M	626	841	648
Change in sales	%	9.23	34.3	-23.0
Change in staff costs	%	7.15	6.23	9.74
EBITDA	€M	60.0	95.0	63.9
<b>EBITDA(R) margin</b>	<b>%</b>	<b>9.58</b>	<b>11.3</b>	<b>9.87</b>
Depreciation	€M	-18.6	-19.7	-20.8
Underlying operating profit	€M	38.9	71.8	38.1
<b>Operating profit (EBIT)</b>	<b>€M</b>	<b>31.9</b>	<b>64.8</b>	<b>30.1</b>
Net financial expense	€M	-11.5	-12.8	-16.8
of which related to pensions	€M	-0.30	-0.14	-0.21
Exceptional items & other	€M			
Corporate tax	€M	-4.92	-8.10	3.50
Equity associates	€M	-0.40	0.50	0.50
Minority interests	€M	0.00	0.00	0.00
<b>Adjusted attributable net profit</b>	<b>€M</b>	<b>15.1</b>	<b>44.4</b>	<b>17.3</b>
NOPAT	€M	27.0	50.9	27.3

## Cashflow Statement

		12/19A	12/20E	12/21E
EBITDA	€M	60.0	95.0	63.9
Change in WCR	€M	-13.3	13.3	5.12
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	-3.30	-8.10	3.50
Exceptional items	€M			
Other operating cash flows	€M	-8.10	-8.00	-8.00
Total operating cash flows	€M	35.3	92.2	64.5
Capital expenditure	€M	-25.3	-23.0	-18.0
Total investment flows	€M	-34.7	-81.6	-28.0
Net interest expense	€M	-11.5	-12.8	-16.8
Dividends (parent company)	€M	-8.60	-16.4	-15.8
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	-9.80	0.00	0.00
Total financial flows	€M	-15.2	97.1	-75.7
Change in cash position	€M	-16.1	108	-39.1
<b>Free cash flow (pre div.)</b>	<b>€M</b>	<b>-1.50</b>	<b>56.4</b>	<b>29.7</b>

## Per Share Data

		12/19A	12/20E	12/21E
No. of shares net of treas. stock (year...	Mio	22.7	23.0	23.2
Number of diluted shares (average)	Mio	22.8	22.9	23.1
<b>Benchmark EPS</b>	<b>€</b>	<b>0.66</b>	<b>1.94</b>	<b>0.75</b>
Restated NAV per share	€			
<b>Net dividend per share</b>	<b>€</b>	<b>0.40</b>	<b>0.68</b>	<b>0.65</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 31.7	55%	● Ackermans & van H...
Dividend Yield	€ 26.3	20%	● Wacker Chemie
DCF	€ 33.7	10%	● AkzoNobel
P/E	€ 20.7	10%	● Solvay
P/Book	€ 19.7	5%	● Bolloré
TARGET PRICE	€ 29.1	100%	● GBL
			● Sonae
			● Hal Trust

### NAV/SOTP Calculation

## Balance Sheet

		12/19A	12/20E	12/21E
Goodwill	€M	136	206	213
Total intangible	€M	173	244	251
Tangible fixed assets	€M	87.3	110	134
Financial fixed assets	€M	12.6	20.0	25.0
WCR	€M	48.5	35.2	30.1
Other assets	€M	31.6	32.0	35.0
Total assets (net of short term liab.)	€M	386	479	516
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>232</b>	<b>308</b>	<b>347</b>
Quasi Equity & Preferred	€M			
Minority interests	€M	0.00	0.00	0.00
Provisions for pensions	€M	18.3	16.2	16.5
Other provisions for risks and liabilities	€M	0.40	0.50	0.50
Total provisions for risks and liabilities	€M	18.7	16.7	17.0
Tax liabilities	€M	-27.7	-30.0	-30.0
Other liabilities	€M	13.4	13.4	13.4
<b>Net debt (cash)</b>	<b>€M</b>	<b>149</b>	<b>170</b>	<b>169</b>
Total liab. and shareholders' equity	€M	386	479	516

## Capital Employed

		12/19A	12/20E	12/21E
Capital employed after depreciation	€M	322	410	439

## Profits & Risks Ratios

		12/19A	12/20E	12/21E
<b>ROE (after tax)</b>	<b>%</b>	<b>6.42</b>	<b>16.4</b>	<b>5.29</b>
ROCE	%	8.41	12.4	6.22
<b>Gearing (at book value)</b>	<b>%</b>	<b>51.9</b>	<b>51.8</b>	<b>49.0</b>
Adj. Net debt/EBITDA(R)	x	2.48	1.79	2.65
Interest cover (x)	x	3.47	5.67	2.30

## Valuation Ratios

		12/19A	12/20E	12/21E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>26.6</b>	<b>8.79</b>	<b>22.8</b>
Free cash flow yield	%	-0.38	14.3	7.52
P/Book	x	1.71	1.28	1.14
<b>Dividend yield</b>	<b>%</b>	<b>2.28</b>	<b>3.98</b>	<b>3.81</b>

## EV Calculation

		12/19A	12/20E	12/21E
Market cap	€M	398	393	396
+ Provisions	€M	18.7	16.7	17.0
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	149	170	169
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M	19.3	31.3	31.3
+ Minority interests (fair value)	€M	0.00	0.00	0.00
= EV	€M	546	549	550
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>9.10</b>	<b>5.78</b>	<b>8.61</b>
EV/Sales	x	0.87	0.65	0.85

Analyst : Jorge Velandia, Changes to Forecasts : 11/11/2020.