



Chargeurs

Holding Companies / France

Carrying on with strategic acquisitions

28/01/2020

Change in Target Price

€ 31.5 vs 30.6 +2.99%

Our increased TP sees its biggest impact from the changes to our NAV following the inclusion of D&P Incorporated and updated EV metrics for the group's divisions. Having already factored a c.€100m increase in revenues from inorganic growth into our DCF assumptions, the marginal increase in our DCF derives from the higher expected profitability (recurring operating margin of 10%) than our base assumptions.

Change in NAV

€ 31.1 vs 29.5 +5.51%

We have included the acquisition of D&P Incorporated under the newly renamed Museum Solutions division (ex-Technical Substrates). We have also updated our EV estimates based on our expected EBITDA (for Protective Films) and EBIT (for Fashion Technologies and Museum Solutions) assumptions.



Jorge VELANDIA

otherfinancials@alphavalue.eu

+33 (0) 1 70 61 10 50

cs.alphavalue.com

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 : 75.9%

Target Price (6 months) € 31.5

Share Price € 17.9

Market Cap. €M 413

Price Momentum **STRONG**

Extremes 12Months 14.9 ▶ 21.0

Bloomberg CRI FP Equity

Reuters CRIP.PA

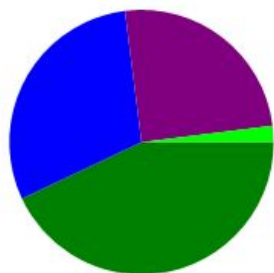

[Download Full Analysis](#)
[Company Page](#)


PERF	1w	1m	3m	12m
Chargeurs	-2.29%	6.67%	14.2%	-4.54%
Other financials	-1.76%	-0.30%	5.40%	30.4%
SXXR Index	-2.34%	-1.29%	4.33%	19.2%

Last updated: 28/01/2020	12/18A	12/19E	12/20E	12/21E
Adjusted P/E (x)	16.9	22.3	13.9	11.1
Dividend yield (%)	3.46	4.14	4.75	5.03
EV/EBITDA(R) (x)	9.11	10.4	7.77	6.48
Adjusted EPS (€)	1.15	0.81	1.28	1.61
Growth in EPS (%)	5.33	-29.1	57.9	25.5
Dividend (€)	0.67	0.75	0.85	0.90
Sales (€M)	573	631	776	973
Underlying operat. profit ma...	8.55	7.03	8.39	8.89
Attributable net profit (€M)	26.6	18.7	32.0	43.4
ROE (after tax) (%)	11.4	7.63	10.2	11.0
Gearing (%)	17.6	52.7	40.4	36.4

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

Sales by Geography



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

Consolidated P&L Accounts

	12/18A	12/19E	12/20E
Sales	€M 573	631	776
Change in sales	% 7.56	10.1	23.0
Change in staff costs	% 33.9	11.5	20.4
EBITDA	€M 59.8	57.2	80.1
EBITDA(R) margin	% 10.4	9.06	10.3
Depreciation	€M -10.8	-12.8	-15.0
Underlying operating profit	€M 48.1	42.4	61.6
Operating profit (EBIT)	€M 42.2	31.5	49.6
Net financial expense	€M -10.6	-12.2	-15.3
of which related to pensions	€M -0.30	-0.14	-0.22
Exceptional items & other	€M		
Corporate tax	€M -5.08	-1.05	-2.80
Equity associates	€M 0.10	0.50	0.50
Minority interests	€M 0.00	0.00	0.00
Adjusted attributable net profit	€M 26.6	18.7	32.0
NOPAT	€M 34.0	30.3	43.8

Cashflow Statement

	12/18A	12/19E	12/20E
EBITDA	€M 59.8	57.2	80.1
Change in WCR	€M -22.5	-13.3	-5.00
Actual div. received from equity holdi...	€M 0.00	0.50	0.50
Paid taxes	€M -6.00	-1.05	-2.80
Exceptional items	€M		
Other operating cash flows	€M -8.40	-5.00	-5.00
Total operating cash flows	€M 22.9	38.3	67.8
Capital expenditure	€M -24.3	-20.0	-17.0
Total investment flows	€M -90.3	-90.0	-87.0
Net interest expense	€M -10.6	-12.2	-15.3
Dividends (parent company)	€M -10.8	-15.6	-17.5
Dividends to minorities interests	€M 0.00	0.00	0.00
New shareholders' equity	€M -10.2	0.00	100
Total financial flows	€M -42.6	-38.0	62.4
Change in cash position	€M -110	-89.7	43.3
Free cash flow (pre div.)	€M -12.0	6.11	35.5

Per Share Data

		12/18A	12/19E	12/20E
No. of shares net of treas. stock (year...	Mio	23.1	23.0	27.0
Number of diluted shares (average)	Mio	23.2	23.0	25.0
Benchmark EPS	€	1.15	0.81	1.28
Restated NAV per share	€			
Net dividend per share	€	0.67	0.75	0.85

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 31.1	55%	■ Ackermans & van H...
Dividend Yield	€ 33.7	20%	■ Wacker Chemie
DCF	€ 38.6	10%	■ AkzoNobel
P/E	€ 27.7	10%	■ Solvay
P/Book	€ 20.0	5%	■ Bolloré
TARGET PRICE	€ 31.5	100%	■ GBL
			■ Sonae
			■ Hal Trust

NAV/SOTP Calculation

Balance Sheet

	12/18A	12/19E	12/20E
Goodwill	€M 128	202	248
Total intangible	€M 158	204	250
Tangible fixed assets	€M 80.7	113	136
Financial fixed assets	€M 13.1	15.0	20.0
WCR	€M 41.7	55.0	60.0
Other assets	€M 23.0	30.0	32.0
Total assets (net of short term liab.)	€M 324	421	504
Ordinary shareholders' equity	€M 237	253	376
Quasi Equity & Preferred	€M		
Minority interests	€M 0.00	0.00	0.00
Provisions for pensions	€M 17.4	17.6	17.8
Other provisions for risks and liabilities	€M 0.50	1.00	5.00
Total provisions for risks and liabilities	€M 17.9	18.6	22.8
Tax liabilities	€M -27.2	-30.0	-30.0
Other liabilities	€M 3.50	5.00	5.00
Net debt (cash)	€M 92.2	175	129
Total liab. and shareholders' equity	€M 324	421	504

Capital Employed

	12/18A	12/19E	12/20E
Capital employed after depreciation	€M 294	387	467

Profits & Risks Ratios

		12/18A	12/19E	12/20E
ROE (after tax)	%	11.4	7.63	10.2
ROCE	%	11.6	7.81	9.39
Gearing (at book value)	%	17.6	52.7	40.4
Adj. Net debt/EBITDA(R)	x	1.54	3.05	1.61
Interest cover (x)	x	4.67	3.55	4.12

Valuation Ratios

		12/18A	12/19E	12/20E
Reference P/E (benchmark)	x	16.9	22.3	13.9
Free cash flow yield	%	-2.69	1.47	7.37
P/Book	x	1.88	1.64	1.28
Dividend yield	%	3.46	4.14	4.75

EV Calculation

		12/18A	12/19E	12/20E
Market cap	€M	447	416	482
+ Provisions	€M	17.9	18.6	22.8
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	92.2	175	129
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M	16.0	16.0	16.0
+ Minority interests (fair value)	€M	4.00	4.00	4.00
= EV	€M	545	597	623
EV/EBITDA(R)	x	9.11	10.4	7.77
EV/Sales	x	0.95	0.95	0.80

Analyst : Jorge Velandia, Changes to Forecasts : 28/01/2020.