

2014 sales above expectations

Earnings/sales releases - 10/02/2015

Fact

Chargeurs published FY2014 sales up 2.5% at €478.3m (+4.6% excluding currency and perimeter impacts).

The Protective Film business is up 8.2% yoy, with Q4 growth slowing down to 5.4%.

Interlining is down 3.6% yoy with roughly flat sales by Q4.

The Wool unit is up 2.3% yoy in spite of a sharp drop by Q4 (-16%).

Analysis

Total sales for 2014 reflect the continuing strength of the Protective Film business while the two other activities (Interlining and Wool) have been negatively impacted by exchange factors (mainly LatAm currencies).

The positive is to have managed to, by and large, stabilise the activity (except for Wool over Q4) in such an adverse context of no growth and pricing volatility.

By contrast, the Protective Film's 8% gain over the year is an excellent result in a slow Europe.

The 2014 sales stood above the (cautious) management's indications of €470m and obviously were bound to be complemented by an upgrade in EBIT guidance, from €19m to "above €19m". This presumably remains cautious but is in the right direction. Chargeurs will release its earnings on 18/03/2015.

Impact

As AlphaValue's EBIT expectations at €20.5m stand somewhat above management's initial guidance, we choose to stick to that figure for the time being and thus do not change our forecasts for 2014 and 2015. The analytical guidance (recurring operating earnings) already allows for a big jump from €14.4m in 2013 to "more than" €19m in 2014 so that we may even be a bit optimistic.

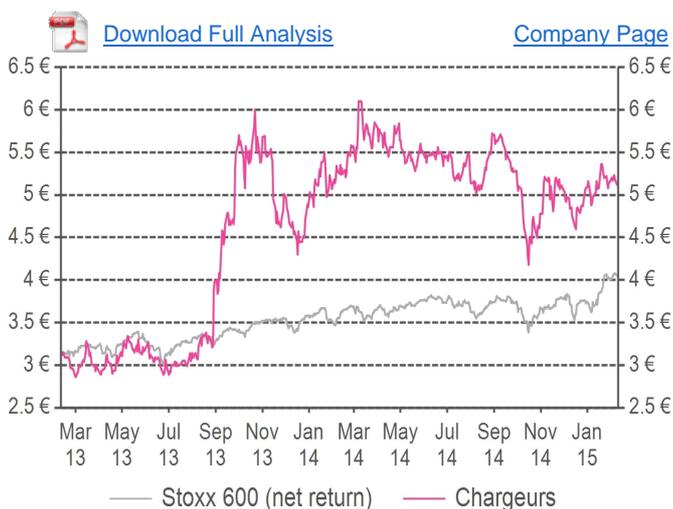
Analyst : Pierre-Yves GAUTHIER

otherfinancials@alphavalue.eu

T. : +33 (0) 1 70 61 10 50

AlphaValue is contracted by Chargeurs to provide equity research on Chargeurs, using AlphaValue's unique and transparent methods and procedures. Target price and opinion are thus exclusively determined by those methods and procedures.

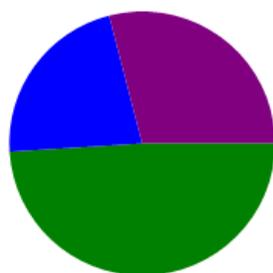
Buy	Upside : 116%
Target Price (6 months)	€ 11.1
Share Price	€ 5.12
Market Capitalisation €M	118
Price Momentum	GOOD
Extremes 12Months	4.18 ▶ 6.10
Newsflow	Neutral
Bloomberg	CRI FP Equity
Reuters	CRIP.PA



PERF	1w	1m	3m	12m
Chargeurs	-1.54%	2.61%	-1.35%	-3.03%
Other financials	0.65%	8.19%	11.6%	16.5%
STOXX 600	0.89%	9.65%	10.5%	14.0%

Last updated: 03/09/2014	12/12A	12/13A	12/14E	12/15E
Adjusted P/E (x)	-9.08	10.0	9.74	6.75
Dividend yield (%)	0.00	0.00	3.75	4.88
EV/EBITDA(R) (x)	6.37	2.69	3.85	3.25
Adjusted EPS (€)	-0.35	0.37	0.55	0.76
Growth in EPS (%)			46.5	38.6
Dividend (€)	0.00	0.00	0.20	0.25
Sales (€M)	525	467	475	495
Operating margin (%)	1.33	3.82	4.31	5.04
Attributable net profit (€M)	-15.1	3.30	11.9	16.7
ROE (after tax) (%)	-6.86	4.50	6.88	9.30
Gearing (%)	30.9	8.82	1.35	3.27

Sales by Geography



Europe	(49.0%)
Americas	(22.0%)
Other	(29.0%)

Consolidated P&L Account

	12/13A	12/14E	12/15E
Sales	€M 467	475	495
Change in sales	% -11.1	1.87	4.23
Change in staff costs	% -9.93	-3.63	3.74
EBITDA	€M 26.4	31.3	35.0
EBITDA(R) margin	% 7.05	6.59	7.06
Depreciation	€M -8.60	-10.8	-10.0
Underlying operating profit	€M 17.8	20.5	25.0
Operating profit (EBIT)	€M 17.8	20.5	25.0
Net financial expense	€M -6.50	-4.63	-1.90
of which related to pensions	€M	-0.70	-0.63
Exceptional items & other	€M		
Corporate tax	€M -3.70	-4.40	-6.84
Equity associates	€M 0.30	0.40	0.50
Minority interests	€M 0.00	0.00	0.00
Adjusted attributable net profit	€M 3.30	11.9	16.7
NOPAT	€M 12.8	15.2	18.4

Cashflow Statement

	12/13A	12/14E	12/15E
EBITDA	€M 26.4	31.3	35.0
Change in WCR	€M 4.60	-6.50	-6.00
Actual div. received from equity holdi...	€M 0.30	0.40	0.50
Paid taxes	€M -4.00	-4.40	-6.84
Exceptional items	€M 0.00	0.00	0.00
Other operating cash flows	€M -8.90	-5.00	-5.00
Total operating cash flows	€M 18.4	15.8	17.6
Capital expenditure	€M -0.30	-19.6	-8.00
Total investment flows	€M 3.10	-21.6	-11.0
Net interest expense	€M -6.50	-4.63	-1.90
Dividends (parent company)	€M 0.00	0.00	-3.00
Dividends to minorities interests	€M 0.00	0.00	0.00
New shareholders' equity	€M 1.50	0.00	0.00
Total financial flows	€M -27.3	-27.7	-10.3
Change in cash position	€M -6.50	-33.5	-3.66
Free cash flow (pre div.)	€M 11.6	-8.42	7.71

Per Share Data

	12/13A	12/14E	12/15E
No. of shares net of treas. stock (year...)	Mio 22.9	22.9	22.9
Number of diluted shares (average)	Mio 22.9	22.9	22.9
Benchmark EPS	€ 0.37	0.55	0.76
Restated NAV per share	€		
Net dividend per share	€ 0.00	0.20	0.25

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 12.6	55%	■ Akzo Nobel
Dividend Yield	€ 8.26	20%	■ Solvay
DCF	€ 9.64	10%	■ Wendel
P/E	€ 10.2	10%	■ Bolloré
P/Book	€ 9.81	5%	■ GBL
TARGET PRICE	€ 11.1	100%	■ Sonae
			■ Hal Trust
			■ Eurazeo

NAV/SOTP Calculation

Balance Sheet

	12/13A	12/14E	12/15E
Goodwill	€M 63.8	63.8	63.8
Total intangible	€M 66.3	66.8	66.8
Tangible fixed assets	€M 37.5	40.0	42.0
Financial fixed assets	€M 25.7	26.0	26.0
WCR	€M 20.5	27.0	33.0
Other assets	€M 30.6	30.0	30.0
Total assets (net of short term liab.)	€M 184	194	203
Ordinary shareholders' equity	€M 171	174	185
Quasi Equity & Preferred	€M		
Minority interests	€M 3.30	4.00	4.00
Provisions for pensions	€M 12.7	8.41	8.76
Other provisions for risks and liabilities	€M 0.40	1.00	1.00
Total provisions for risks and liabilities	€M 13.1	9.41	9.76
Tax liabilities	€M -11.9	-12.0	-12.0
Other liabilities	€M 10.6	11.0	11.0
Net debt (cash)	€M -2.50	7.22	4.88
Total liab. and shareholders' equity	€M 184	194	203

Capital Employed

Capital employed after depreciation	€M 165	164	172
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Profits & Risks Ratios

		12/13A	12/14E	12/15E
ROE (after tax)	%	4.50	6.88	9.30
ROCE	%	10.5	9.31	10.7
Gearing (at book value)	%	8.82	1.35	3.27
Adj. Net debt/EBITDA(R)	x	0.38	0.36	0.25
Interest cover (x)	x	2.34	5.23	19.6

Valuation Ratios

		12/13A	12/14E	12/15E
Reference P/E (benchmark)	x	10.0	9.74	6.75
Free cash flow yield	%	13.5	-6.90	6.58
P/Book	x	0.50	0.70	0.63
Dividend yield	%	0.00	3.75	4.88

EV Calculation

	12/13A	12/14E	12/15E	
Market cap	€M 85.7	122	117	
+ Provisions	€M 13.1	9.41	9.76	
+ Unrecognised actuarial losses/(gains)	€M 0.00	0.00	0.00	
+ Net debt at year end	€M -2.50	7.22	4.88	
+ Leases debt equivalent	€M 15.0	4.00	4.00	
- Financial fixed assets (fair value)	€M 26.0	26.0	26.0	
+ Minority interests (fair value)	€M 3.30	4.00	4.00	
= EV	€M 88.6	121	114	
EV/EBITDA(R)	x	2.69	3.85	3.25
EV/Sales	x	0.19	0.25	0.23

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 03/09/2014.