



Chargeurs

Holding Companies / France

[You can continue to receive AlphaValue's Research under MiFID II](#) [Learn more](#)


otherfinancials@alphavalue.eu
+33 (0) 1 70 61 10 50
corporate.alphavalue.com

Robust Q4 sales match guidance.

Earnings/sales releases - 26/01/2018

Chargeurs releases robust Q4 2017 sales in line with its previous guidance. It once again confirms the strength of its Protective Films business.

Fact

Chargeurs releases robust Q4 2017 sales in line with its previous guidance. It once again confirms the strength of its Protective Films business.

In euro millions	Twelve months		Change		Fourth quarter		Change	
	2017	2016	reported	like-for-like *	2017	2016	reported	like-for-like *
Protective Films	281.0	250.3	+30.7	+7.0%	70.0	62.8	+7.2	+9.1%
Fashion Technologies	131.2	132.0	-0.8	+1.3%	32.5	31.7	+0.8	+8.2%
Technical Substrates	25.8	24.6	+1.2	+4.9%	7.5	7.4	+0.1	+1.4%
Luxury Materials	95.0	99.5	-4.5	-4.2%	20.2	24.9	-4.7	-14.1%
Chargeurs	533.0	506.4	+26.6	+3.2%	130.2	126.8	+3.4	+3.9%
Chargeurs, excluding Luxury Materials	438.0	406.9	+31.1	+5.0%	110.0	101.9	+8.1	+8.2%

* Based on a comparable scope of consolidation and at constant exchange rates

Analysis

The above sales total will not be a departure from management guidance. Essential comments will be about the impressive growth pace posted by Protective Films quarter after quarter (+9% over Q4), the ability to defend flat yearly sales in Fashion Technologies while 2016 was a high base and the adverse US\$ impact at c.-1.3% over the year.

The 7% annual growth of Protective Film sales is significant not only because it is Chargeurs most important business and cash flow machine but also because it has coped easily with a stream of acquisitions that could have been disrupting its operational performance. We understand that this division management has found the daily tweaks to face tighter capacity usage in a strong demand context.

Impact

Recurring earnings are indicated at at least €43m. This matches our recently trimmed forecast which stood above earlier guidance. While this is extremely satisfactory, it is increasingly clear that the ambitious growth plans involving heavy opex and capex will mean that the next two year bottom line growth will be more measured. We do not change our numbers before the 2017 release (7-03-2017)

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.

Reduce

Upside: **-5.89%**

Target Price (6 months) € 26.5

Share Price € 28.1

Market Cap. €M 657

Price Momentum **STRONG**

Extremes 12Months 17.3 ▶ 28.4

Bloomberg CRI FP Equity

Reuters CRIP.PA

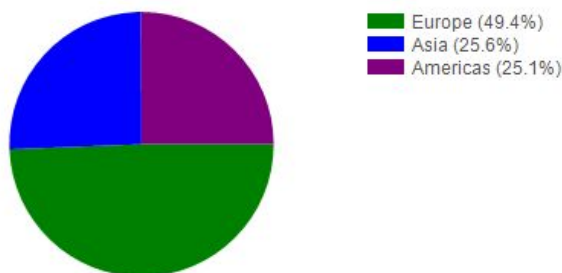

[Download Full Analysis](#)
[Company Page](#)


PERF	1w	1m	3m	12m
Chargeurs	3.68%	10.7%	17.2%	62.6%
Other financials	0.56%	3.98%	8.15%	26.2%
STOXX 600	-0.04%	2.12%	2.95%	8.72%

Last updated: 20/11/2017	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)	9.37	9.93	18.0	19.6
Dividend yield (%)	4.61	5.09	3.10	2.84
EV/EBITDA(R) (x)	3.28	5.25	9.78	11.1
Adjusted EPS (€)	0.69	1.09	1.25	1.44
Growth in EPS (%)	26.9	56.8	14.9	14.8
Dividend (€)	0.30	0.55	0.70	0.80
Sales (€M)	499	506	535	567
Underlying operat. profit ma...	6.13	8.06	8.09	8.62
Attributable net profit (€M)	15.3	25.0	29.0	33.5
ROE (after tax) (%)	7.41	11.2	12.4	13.8
Gearing (%)	-7.43	-5.43	-1.95	-0.79

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

Sales by Geography



Consolidated P&L Accounts

		12/16A	12/17E	12/18E
Sales	€M	506	535	567
Change in sales	%	1.48	5.66	6.03
Change in staff costs	%	1.43	2.88	3.57
EBITDA	€M	48.8	54.3	60.4
EBITDA(R) margin	%	9.64	10.1	10.6
Depreciation	€M	-9.90	-11.0	-11.5
Underlying operating profit	€M	38.9	43.3	48.9
Operating profit (EBIT)	€M	33.9	40.3	45.9
Net financial expense	€M	-2.00	-7.50	-7.10
of which related to pensions	€M	-0.40	-0.08	-0.10
Exceptional items & other	€M			
Corporate tax	€M	-4.90	-3.82	-5.81
Equity associates	€M	-2.00	0.00	0.50
Minority interests	€M	0.00	0.00	0.00
Adjusted attributable net profit	€M	25.0	29.0	33.5
NOPAT	€M	24.9	30.4	34.8

Cashflow Statement

		12/16A	12/17E	12/18E
EBITDA	€M	48.8	54.3	60.4
Change in WCR	€M	0.80	-0.30	0.00
Actual div. received from equity holdi...	€M	0.30	0.50	0.50
Paid taxes	€M	-8.00	-3.82	-5.81
Exceptional items	€M	0.00		
Other operating cash flows	€M	-8.00	-5.00	-5.00
Total operating cash flows	€M	33.9	45.7	50.1
Capital expenditure	€M	-10.8	-15.0	-26.0
Total investment flows	€M	-31.4	-24.0	-36.0
Net interest expense	€M	-2.00	-7.50	-7.10
Dividends (parent company)	€M	-11.5	-7.00	-16.1
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	0.00	2.30	0.00
Total financial flows	€M	59.9	-23.1	-34.1
Change in cash position	€M	56.4	-1.46	-20.0
Free cash flow (pre div.)	€M	21.1	23.2	17.0

Per Share Data

		12/16A	12/17E	12/18E
No. of shares net of treas. stock (year...)	Mio	23.0	23.3	23.3
Number of diluted shares (average)	Mio	23.0	23.1	23.3
Benchmark EPS	€	1.09	1.25	1.44
Restated NAV per share	€			
Net dividend per share	€	0.55	0.70	0.80

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 27.5	55%	■ Akzo Nobel
Dividend Yield	€ 24.5	20%	■ Solvay
DCF	€ 26.0	10%	● Wendel
P/E	€ 31.4	10%	● Bolloré
P/Book	€ 14.9	5%	■ GBL
TARGET PRICE	€ 26.5	100%	■ Sonae
			■ Hal Trust
			● Eurazeo

NAV/SOTP Calculation

Balance Sheet

		12/16A	12/17E	12/18E
Goodwill	€M	90.1	92.0	95.0
Total intangible	€M	92.1	94.0	97.0
Tangible fixed assets	€M	61.8	69.0	80.0
Financial fixed assets	€M	14.9	16.0	18.0
WCR	€M	21.7	22.0	22.0
Other assets	€M	23.8	27.0	29.0
Total assets (net of short term liab.)	€M	217	232	251
Ordinary shareholders' equity	€M	227	240	247
Quasi Equity & Preferred	€M			
Minority interests	€M	0.00	0.00	0.00
Provisions for pensions	€M	16.7	15.0	15.0
Other provisions for risks and liabilities	€M	0.50	10.0	10.0
Total provisions for risks and liabilities	€M	17.2	25.0	25.0
Tax liabilities	€M	-29.0	-30.0	-30.0
Other liabilities	€M	3.10	5.00	5.00
Net debt (cash)	€M	-1.40	-7.94	4.05
Total liab. and shareholders' equity	€M	217	232	251

Capital Employed

		12/16A	12/17E	12/18E
Capital employed after depreciation	€M	195	201	217

Profits & Risks Ratios

		12/16A	12/17E	12/18E
ROE (after tax)	%	11.2	12.4	13.8
ROCE	%	12.8	15.1	16.0
Gearing (at book value)	%	-5.43	-1.95	-0.79
Adj. Net debt/EBITDA(R)	x	0.05	-0.15	0.07
Interest cover (x)	x	24.3	5.84	6.99

Valuation Ratios

		12/16A	12/17E	12/18E
Reference P/E (benchmark)	x	9.93	18.0	19.6
Free cash flow yield	%	8.50	4.40	2.59
P/Book	x	1.09	2.19	2.66
Dividend yield	%	5.09	3.10	2.84

EV Calculation

		12/16A	12/17E	12/18E
Market cap	€M	248	526	656
+ Provisions	€M	17.2	25.0	25.0
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-1.40	-7.94	4.05
+ Leases debt equivalent	€M	4.00	0.01	0.01
- 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	256	531	673
EV/EBITDA(R)	x	5.25	9.78	11.1
EV/Sales	x	0.51	0.99	1.19