



Chargeurs

Holding Companies / France



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Update

09/05/2016

Change in Target Price

€ 16.5 vs 14.8 **+11.3%**

We have updated our figures with 2015 finals and given a slightly more positive twist to 2016 after strong Q1 revenue figures on a pro forma basis.

Change in EPS

2016 : € 1.14 vs 1.09 **+5.00%**
2017 : € 1.22 vs 1.16 **+4.70%**

Strong Q1 revenues help support the case for a solid outlook in both 2016 and 2017. We record a small increase in bottom lines as a result.

Change in DCF

€ 13.6 vs -28.0 **ns**

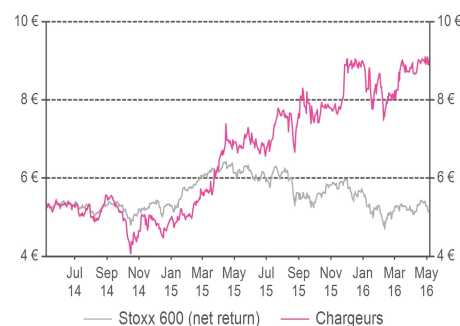
The DCF based valuation gains from allowing for the strong 2016 net cash situation and the cancellation of a mistake on outyear tax payment in previous modelling.

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 : 81.5%

Target Price (6 months)	€ 16.5
Share Price	€ 9.08
Market Capitalisation €M	209
Price Momentum	STRONG
Extremes 12Months	6.57 ▶ 9.10
Newsflow	Neutral
Bloomberg	CRI FP Equity
Reuters	CRIP.PA

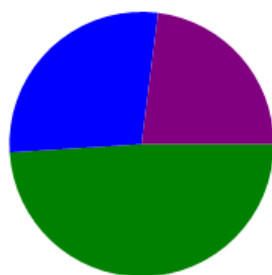
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PERF	1w	1m	3m	12m
Chargeurs	1.79%	4.49%	9.00%	33.3%
Other financials	-1.60%	1.86%	5.09%	-9.41%
SXXR Index	-2.65%	1.05%	3.13%	-12.2%

Last updated: 09/05/2016	12/14A	12/15A	12/16E	12/17E
Adjusted P/E (x)	9.74	9.82	7.97	7.47
Dividend yield (%)	3.75	4.40	3.96	4.74
EV/EBITDA(R) (x)	3.49	3.46	4.03	3.44
Adjusted EPS (€)	0.55	0.69	1.14	1.22
Growth in EPS (%)	48.2	26.9	64.1	6.68
Dividend (€)	0.20	0.30	0.36	0.43
Sales (€M)	478	499	507	528
Underlying operat. profit ma...	4.79	6.13	6.67	6.85
Attributable net profit (€M)	11.4	15.3	26.2	27.9
ROE (after tax) (%)	6.25	7.41	11.6	11.6
Gearing (%)	-3.04	-7.43	-13.1	-18.1

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Sales by Geography



■ Europe (49.0%)
■ Asia (28.0%)
■ Americas (23.0%)

Consolidated P&L Account

		12/15A	12/16E	12/17E
Sales	€M	499	507	528
Change in sales	%	4.33	1.58	4.22
Change in staff costs	%	8.79	5.90	3.95
EBITDA	€M	40.4	43.8	46.2
EBITDA(R) margin	%	8.10	8.64	8.74
Depreciation	€M	-9.70	-10.0	-10.0
Underlying operating profit	€M	30.6	33.8	36.2
Operating profit (EBIT)	€M	24.0	32.8	35.2
Net financial expense	€M	-5.30	-3.30	-3.10
of which related to pensions	€M	-0.30	-0.43	-0.47
Exceptional items & other	€M			
Corporate tax	€M	7.50	-3.63	-4.49
Equity associates	€M	-10.7	0.50	0.50
Minority interests	€M	-0.20	-0.20	-0.20
Adjusted attributable net profit	€M	15.3	26.2	27.9
NOPAT	€M	10.9	24.4	26.2

Cashflow Statement

		12/15A	12/16E	12/17E
EBITDA	€M	40.4	43.8	46.2
Change in WCR	€M	8.00	3.10	3.00
Actual div. received from equity holdi...	€M	0.30	0.50	0.50
Paid taxes	€M	-5.90	-3.63	-4.49
Exceptional items	€M	0.00	0.00	
Other operating cash flows	€M	-11.0	-5.00	-5.00
Total operating cash flows	€M	31.8	38.8	40.2
Capital expenditure	€M	-12.9	-12.0	-13.0
Total investment flows	€M	-12.9	-15.0	-16.0
Net interest expense	€M	-5.30	-3.30	-3.10
Dividends (parent company)	€M	-3.20	-6.20	-8.28
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	-5.50	-13.7	4.09
Change in cash position	€M	11.4	10.1	28.3
Free cash flow (pre div.)	€M	13.6	23.5	24.1

Per Share Data

		12/15A	12/16E	12/17E
No. of shares net of treas. stock (year...	Mio	23.0	23.0	23.0
Number of diluted shares (average)	Mio	23.0	23.0	23.0
Benchmark EPS	€	0.69	1.14	1.22
Restated NAV per share	€			
Net dividend per share	€	0.30	0.36	0.43

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 18.5	55%	■ Akzo Nobel
Dividend Yield	€ 12.5	20%	■ Solvay
DCF	€ 13.6	10%	■ Wendel
P/E	€ 18.2	10%	■ Bolloré
P/Book	€ 12.5	5%	■ GBL
TARGET PRICE	€ 16.5	100%	■ Sonae
			■ Hal Trust
			■ Eurazeo

NAV/SOTP Calculation

Balance Sheet

		12/15A	12/16E	12/17E
Goodwill	€M	76.7	76.0	76.0
Total intangible	€M	78.5	78.0	78.0
Tangible fixed assets	€M	55.9	57.0	60.0
Financial fixed assets	€M	18.1	19.0	19.0
WCR	€M	16.1	13.0	10.0
Other assets	€M	24.9	30.0	30.0
Total assets (net of short term liab.)	€M	196	202	202
Ordinary shareholders' equity	€M	219	233	246
Quasi Equity & Preferred	€M			
Minority interests	€M	3.10	5.00	5.00
Provisions for pensions	€M	14.6	12.9	12.9
Other provisions for risks and liabilities	€M	0.70	1.00	1.00
Total provisions for risks and liabilities	€M	15.3	13.9	13.9
Tax liabilities	€M	-27.1	-23.0	-23.0
Other liabilities	€M	8.80	11.0	11.0
Net debt (cash)	€M	-23.3	-38.0	-51.3
Total liab. and shareholders' equity	€M	196	202	202

Capital Employed

		12/15A	12/16E	12/17E
Capital employed after depreciation	€M	173	171	167

Profits & Risks Ratios

		12/15A	12/16E	12/17E
ROE (after tax)	%	7.41	11.6	11.6
ROCE	%	6.33	14.3	15.7
Gearing (at book value)	%	-7.43	-13.1	-18.1
Adj. Net debt/EBITDA(R)	x	-0.48	-0.78	-1.11
Interest cover (x)	x	6.12	11.8	13.7

Valuation Ratios

		12/15A	12/16E	12/17E
Reference P/E (benchmark)	x	9.82	7.97	7.47
Free cash flow yield	%	8.68	11.3	11.6
P/Book	x	0.71	0.89	0.85
Dividend yield	%	4.40	3.96	4.74

EV Calculation

		12/15A	12/16E	12/17E
Market cap	€M	157	208	208
+ Provisions	€M	15.3	13.9	13.9
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-23.3	-38.0	-51.3
+ Leases debt equivalent	€M	4.00	4.00	0.01
- Financial fixed assets (fair value)	€M	16.0	16.0	16.0
+ Minority interests (fair value)	€M	3.10	4.00	4.00
= EV	€M	140	176	159
EV/EBITDA(R)	x	3.46	4.03	3.44
EV/Sales	x	0.28	0.35	0.30

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 09/05/2016.