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# SFPI GROUP

Misc. Bldg &amp; Construct Prod / France


**ALPHAVALUE**  
CORPORATE SERVICES

## Hands-on conglomerate with a locks forte

### Pros

- SFPI combines exposure to capital goods and construction. Its growth hinges on the continuing need for security, energy savings, IoT, renovation and increasing regulation
- No capital increase despite the successive crises and a policy to at least maintain the dividend (only briefly dropped in COVID times) are two differentiating elements in the small cap universe
- Excellent track record in terms of acquisitions (more than 80 implemented): SFPI Group operates in niche, fragmented markets with bolt-on acquisitions to restart when prices adjust lower

### Cons

- SFPI is a by-word for industrial caution. This has kept the lid on debt-financed growth, but proved a formidable plus in COVID times
- SFPI is France-centred (c.60% of sales), but the company is willing to accelerate in Europe as well as globally but on a longer horizon.
- Management efforts to aggregate environmental data at group level are likely to deliver only from 2022 leading to the current weak sustainability ratings

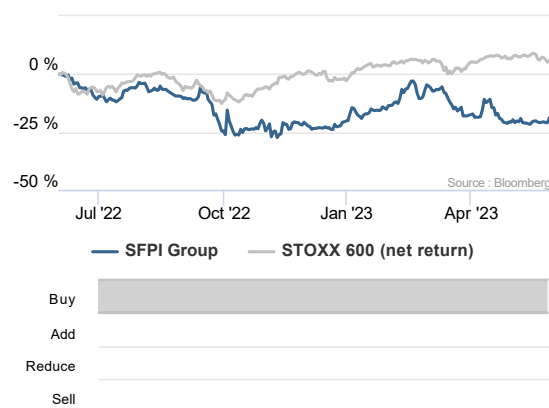
Key Figures	12/21A	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	7.99	9.39	7.57	6.96	5.86
Dividend yield (%)	2.98	1.91	2.64	2.86	3.08
EV/EBITDA(R) (x)	3.89	4.92	3.75	3.46	2.97
Adjusted EPS (€)	0.34	0.28	0.30	0.33	0.39
Growth in EPS (%)	45.1	-16.9	7.67	8.72	18.8
Dividend (€)	0.08	0.05	0.06	0.07	0.07
Sales (€M)	569	629	715	740	787
EBIT margin (%)	7.66	5.72	5.71	5.95	6.22
Attributable net profit (€M)	32.5	21.7	25.7	28.1	33.8
ROE (after tax) (%)	14.5	9.03	9.95	10.1	11.3
Gearing (%)	-25.5	-14.0	-1.63	-4.11	-8.11

## Buy

Upside : 92.6%

Price (€)	2.28
Target Price (€)	4.38
Momentum	—
Market Cap (€M)	226
Enterprise Value (€M)	239
High/Low (12M)	€ 2.02/2.78
BBG : SFPI FP	RIC : SFPI.PA
Credit Risk & outlook	BBB →
Fundamental Strength	4 /10
Sustainability score	2.5 /10

### Price relative to index & historical opinion



Performances (%)	1m	3m	12m
Absolute	2.94%	-13.2%	-18.3%

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### Conflicts of interest

Corporate broking	No
Trading in corporate shares	No
Analyst ownership	No
Advice to corporate	No
Research paid for by corporate	Yes
Corporate access	No
Brokerage activity at AlphaValue	No
Client of AlphaValue Research	No