



Chargeurs

Support Services / France

Chargeurs, the rationale behind a takeover bid

M&A /Corp. Action - 20/12/2023

On Friday, Chargeurs announced a takeover bid for itself. Columbus Holding, controlled by Michaël Fribourg, Chairman and CEO of Chargeurs, which currently holds 30% of Chargeurs' voting rights, is to launch a takeover bid to garner more than 50% of Chargeurs while retaining a listing. With an offer at a 50.5% premium compared to the last three months, Chargeurs sends a signal to the market about its value.

Fact

- The companies Colombus Holding and (newly formed) Colombus Holding 2, controlled by Michaël Fribourg, Chairman and CEO of Chargeurs, will launch a takeover bid for the shares of Chargeurs without looking for a delisting.
- To date, Colombus holds 26.5% of Chargeurs and 29.5% of Chargeurs' voting rights.
- The offer price of €12 per share represented a premium of 36.22% over last month's average share price and 50.5% over the last three months.
- The Board of Directors has welcomed this transaction, which remains subject to the opinion of the employee representative bodies and the independent expert's report.

Analysis

Colombus with currently close to 30% of the voting rights in Chargeurs (26.5% stake) announced on Friday, 15-12-2023, its intention to launch a bid to garner more than 50% (50% + 1 share at least) of Chargeurs. Yet, it intends to retain a listing "with a significant level of free float to ensure solid liquidity of the shares". The planned offer at €12 is at a 36% premium to the last month's average and corresponds to a 50.5% premium to the last three months' average. Colombus is ultimately controlled by Chargeurs's Chair and CEO with the support of the Dassault family office. For the purpose of this deal, a Colombus 2 is being set up, bringing together in capital alongside the Fribourg family the historic partners, i.e. the Habert-Dassault family and BNP Paribas Development, as well as new partners including MACSF and CARAC. If the transaction does not result in the acquisition of more than 50% of the capital or voting rights, the offer will lapse.

Michaël Fribourg explained that the market environment for small and mid-cap stocks is difficult with the high volatility. This is an environment that he believes is adding unwarranted strong downward pressure on Chargeurs' share price, making it difficult to develop a long-term strategy. In fact, Chargeurs sees 2024 as a transitional year, with a new strategic plan not due to be launched until 2025, with genuine changes expected in 2030-35. A structuring M&A operation in the near future is therefore no longer topical. All the above considerations explain Michaël Fribourg's determination to strengthen his grip on the stock. With a clear majority control, Michaël Fribourg would be able to fully implement his vision and, who knows, perhaps execute a complete turnaround away from its existing assets from 2025 onwards. The strategic review is unlikely to be released before late 2024 and for now the addition of luxury assets as part of a business reshuffling is



Saïma HUSSAIN

supportservices@alphavalue.eu

+33 (0) 1 70 61 10 50

corporate.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

Add	Upside: 20.3%
Target Price (6 months)	€ 14.1
Share Price	€ 11.7
Market Cap. €M	294
Price Momentum	GOOD
Extremes 12Months	6.40 ▶ 15.2
Sustainability score	2.3 /10
Credit Risk	B →
Bloomberg	CRI FP Equity
Reuters	CRIP.PA

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



PERF	1w	1m	3m	12m
Chargeurs	33.6%	34.8%	43.7%	-5.12%
Support Services	2.72%	4.34%	1.06%	2.42%
STOXX 600	0.91%	4.66%	4.49%	12.0%

Last updated: 22/11/2023	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	18.3	71.9	19.6	12.0
Dividend yield (%)	4.51	1.53	5.11	8.35
EV/EBITDA(R) (x)	8.72	10.7	8.00	6.29
Adjusted EPS (€)	0.92	0.16	0.60	0.98
Growth in EPS (%)	-29.2	-82.3	267	63.3
Dividend (€)	0.76	0.18	0.60	0.98
Sales (€M)	746	669	753	843
Underlying operat. profit ma...	6.08	3.91	5.75	7.06
Attributable net profit (€M)	22.1	3.92	14.4	23.2
ROE (after tax) (%)	8.08	1.45	5.30	7.78
Gearing (%)	53.5	74.3	74.7	68.3

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

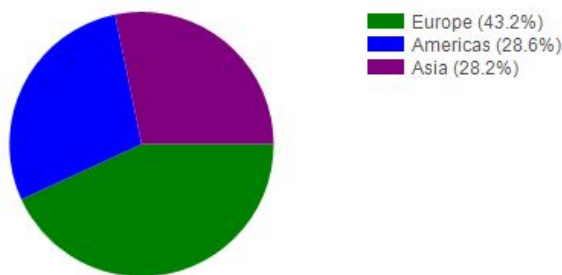
dropped.

All in all, if it is true that Chargeurs is showing resilience in a difficult environment, the rebound of its businesses is set to take time. In this sense, we see the tender offer as a liquidity opportunity for minority shareholders. In addition, the operation sends a signal to the market: Chargeurs believes in its stock and considers the market's sanctions too severe.

■ **Impact**

This news has no impact on our estimates, although we expect modest growth and a rebound, with 2025 sales below Chargeurs' €1bn target.

Sales by Geography



Consolidated P&L Accounts

	12/22A	12/23E	12/24E
Sales	€M 746	669	753
Change in sales	% 1.33	-10.3	12.6
Change in staff costs	% 6.99	5.45	5.40
EBITDA	€M 67.9	47.8	64.9
EBITDA(R) margin	% 9.10	7.13	8.61
Depreciation	€M -22.5	-21.0	-23.6
Underlying operating profit	€M 38.9	20.9	34.7
Operating profit (EBIT)	€M 38.5	15.9	29.7
Net financial expense	€M -19.1	-20.5	-16.2
of which related to pensions	€M	-0.23	-0.96
Exceptional items & other	€M		
Corporate tax	€M 2.50	7.77	0.21
Equity associates	€M 0.00	0.70	0.70
Minority interests	€M 0.20	0.00	0.00
Adjusted attributable net profit	€M 22.1	3.92	14.4
NOPAT	€M 29.2	16.6	27.4

Cashflow Statement

	12/22A	12/23E	12/24E
EBITDA	€M 67.9	47.8	64.9
Change in WCR	€M -40.5	-9.47	-14.0
Actual div. received from equity holdi...	€M 0.00	0.00	0.00
Paid taxes	€M -4.00	7.77	0.21
Exceptional items	€M		
Other operating cash flows	€M -15.9	-8.00	-8.00
Total operating cash flows	€M 7.50	38.1	43.1
Capital expenditure	€M -10.8	-17.8	-20.0
Total investment flows	€M -23.1	-27.8	-30.0
Net interest expense	€M -19.1	-20.5	-16.2
Dividends (parent company)	€M -17.9	-13.2	-1.32
Dividends to minorities interests	€M 0.00	0.00	0.00
New shareholders' equity	€M -3.90	0.00	0.00
Total financial flows	€M -81.7	-8.09	-19.5
Change in cash position	€M -97.3	2.16	-6.47
Free cash flow (pre div.)	€M -22.4	-0.24	6.89

Per Share Data

	Mio	24.0	24.0	24.2
No. of shares net of treas. stock (year...				
Number of diluted shares (average)	Mio	24.0	24.0	24.1
Benchmark EPS	€	0.92	0.16	0.60
Restated NAV per share	€			
Net dividend per share	€	0.76	0.18	0.60

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 11.8	35%	● AkzoNobel
NAV/SOTP per share	€ 28.0	20%	● Rentokil Initial
EV/Ebitda	€ 6.48	20%	● Quadiant
P/E	€ 6.12	10%	● Teleperformance
Dividend Yield	€ 15.5	10%	● Bureau Veritas
P/Book	€ 18.5	5%	
TARGET PRICE	€ 14.1	100%	

NAV/SOTP Calculation

Balance Sheet

	12/22A	12/23E	12/24E
Goodwill	€M 217	224	230
Total intangible	€M 276	283	289
Tangible fixed assets	€M 84.4	91.4	98.4
Financial fixed assets	€M 8.10	8.10	8.10
WCR	€M 15.4	24.9	38.9
Other assets	€M 49.0	49.0	49.0
Total assets (net of short term liab.)	€M 475	499	527
Ordinary shareholders' equity	€M 280	262	283
Quasi Equity & Preferred	€M		
Minority interests	€M 0.20	0.20	0.20
Provisions for pensions	€M 12.6	27.3	28.7
Other provisions for risks and liabilities	€M 13.1	13.1	13.1
Total provisions for risks and liabilities	€M 25.7	40.4	41.8
Tax liabilities	€M -42.8	-42.8	-42.8
Other liabilities	€M 30.4	30.4	30.4
Net debt (cash)	€M 182	208	215
Total liab. and shareholders' equity	€M 475	499	527

Capital Employed

	12/22A	12/23E	12/24E
Capital employed after depreciation	€M 413	436	465

Profits & Risks Ratios

	%	8.08	1.45	5.30
ROE (after tax)				
ROCE	% 7.06	3.80	5.91	
Gearing (at book value)	% 53.5	74.3	74.7	
Adj. Net debt/EBITDA(R)	x 3.11	4.97	3.77	
Interest cover (x)	x 2.04	1.03	2.28	

Valuation Ratios

	x	18.3	71.9	19.6
Reference P/E (benchmark)				
Free cash flow yield	% -5.53	-0.08	2.43	
P/Book	x 1.45	1.07	1.00	
Dividend yield	% 4.51	1.53	5.11	

EV Calculation

	€M	405	282	284
Market cap				
+ Provisions	€M 25.7	40.4	41.8	
+ Unrecognised actuarial losses/(gains)	€M 0.00	0.00	0.00	
+ Net debt at year end	€M 152	178	184	
+ Leases debt equivalent	€M 29.5	29.5	30.1	
- Financial fixed assets (fair value)	€M 20.7	20.7	20.7	
+ Minority interests (fair value)	€M 0.00	0.00	0.00	
= EV	€M 592	509	519	
EV/EBITDA(R)	x 8.72	10.7	8.00	
EV/Sales	x 0.79	0.76	0.69	

Analyst : Saïma Hussain, Changes to Forecasts : 22/11/2023.