



Chargeurs

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Strong divisional contributions partly absorbed by financing costs

Chargeurs charges ahead, convincingly - 18/04/2018

Change in Target Price

€ 29.2 vs 26.9 **+8.62%**

Earnings adjustments essentially below the EBIT line matter less than the upgrades to the NAV after yet another strong year.

Change in EPS

2018 : € 1.28 vs 1.44 **-10.6%**
2019 : € 1.45 vs 1.57 **-7.49%**

EPS adjustments are essentially the by-product of 2017 final numbers highlighting rising central costs and a higher than expected interest bill (excess resources). This new base as well as an allowance for 2018 negative USD impacts explain the bulk of the downgrades which are thus not related to operations.

Change in NAV

€ 30.1 vs 27.5 **+9.81%**

The NAV allows for the upgrade of the Protective Films business after yet another very strong performance and solid growth perspectives. The value of the tax assets has been reappraised as the improved earnings outlook makes them more certain.



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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.

Add **Upside : 11.1%**

Target Price (6 months) € 29.2

Share Price € 26.3

Market Cap. €M 613

Price Momentum **UNFAVORABLE**

Extremes 12Months 18.4 ▶ 28.5

Bloomberg CRI FP Equity

Reuters CRIP.PA



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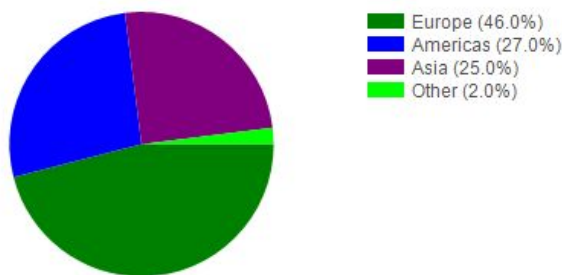


PERF	1w	1m	3m	12m
Chargeurs	7.00%	4.20%	-0.90%	35.5%
Other financials	-0.51%	0.50%	-2.17%	17.9%
SXXR Index	0.75%	1.21%	-3.52%	2.76%

Last updated: 18/04/2018	12/16A	12/17A	12/18E	12/19E
Adjusted P/E (x)	9.93	20.7	20.5	18.1
Dividend yield (%)	5.09	2.66	2.66	3.04
EV/EBITDA(R) (x)	5.14	9.48	10.6	9.59
Adjusted EPS (€)	1.09	1.09	1.28	1.45
Growth in EPS (%)	56.8	0.02	17.9	12.9
Dividend (€)	0.55	0.60	0.70	0.80
Sales (€M)	506	533	555	592
Underlying operat. profit ma...	7.68	8.33	8.44	8.95
Attributable net profit (€M)	25.0	25.2	29.9	33.8
ROE (after tax) (%)	11.2	11.0	12.7	13.6
Gearing (%)	-5.43	-2.24	-0.57	3.45

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Sales by Geography



Consolidated P&L Accounts

		12/17A	12/18E	12/19E
Sales	€M	533	555	592
Change in sales	%	5.25	4.15	6.72
Change in staff costs	%	12.0	5.91	5.85
EBITDA	€M	54.6	58.3	65.0
EBITDA(R) margin	%	10.6	10.8	11.3
Depreciation	€M	-10.2	-11.5	-12.0
Underlying operating profit	€M	44.4	46.8	53.0
Operating profit (EBIT)	€M	38.5	41.8	48.0
Net financial expense	€M	-8.50	-9.10	-9.50
of which related to pensions	€M		-0.10	-0.13
Exceptional items & other	€M			
Corporate tax	€M	-4.00	-3.30	-5.21
Equity associates	€M	-0.80	0.50	0.50
Minority interests	€M	0.00	0.00	0.00
Adjusted attributable net profit	€M	25.2	29.9	33.8
NOPAT	€M	30.3	33.4	37.7

Cashflow Statement

		12/17A	12/18E	12/19E
EBITDA	€M	54.6	58.3	65.0
Change in WCR	€M	-6.70	1.10	-2.00
Actual div. received from equity holdi...	€M	0.80	0.80	0.50
Paid taxes	€M	-7.00	-3.30	-5.21
Exceptional items	€M			
Other operating cash flows	€M	-4.30	-5.00	-5.00
Total operating cash flows	€M	37.4	51.9	53.3
Capital expenditure	€M	-12.9	-26.0	-20.0
Total investment flows	€M	-17.9	-41.0	-30.0
Net interest expense	€M	-8.50	-9.10	-9.50
Dividends (parent company)	€M	-13.8	-14.0	-16.3
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	7.20	0.00	0.00
Total financial flows	€M	31.3	-37.3	-36.7
Change in cash position	€M	54.1	-26.3	-13.4
Free cash flow (pre div.)	€M	16.0	16.8	23.8

Per Share Data

		12/17A	12/18E	12/19E
No. of shares net of treas. stock (year...	Mio	23.3	23.3	23.3
Number of diluted shares (average)	Mio	23.1	23.3	23.3
Benchmark EPS	€	1.09	1.28	1.45
Restated NAV per share	€			
Net dividend per share	€	0.60	0.70	0.80

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 30.1	55%	■ Ackermans & van H...
Dividend Yield	€ 27.8	20%	■ Wacker Chemie
DCF	€ 28.5	10%	■ Akzo Nobel
P/E	€ 33.0	10%	■ Solvay
P/Book	€ 18.0	5%	■ Bolloré
TARGET PRICE	€ 29.2	100%	■ GBL
			■ Sonae
			■ Hal Trust

NAV/SOTP Calculation

Balance Sheet

		12/17A	12/18E	12/19E
Goodwill	€M	86.2	95.0	100
Total intangible	€M	88.3	97.0	102
Tangible fixed assets	€M	63.2	80.0	85.0
Financial fixed assets	€M	11.7	12.0	15.0
WCR	€M	21.1	20.0	22.0
Other assets	€M	24.0	27.0	30.0
Total assets (net of short term liab.)	€M	211	239	258
Ordinary shareholders' equity	€M	230	242	256
Quasi Equity & Preferred	€M			
Minority interests	€M	0.00	0.00	0.00
Provisions for pensions	€M	16.4	14.6	14.8
Other provisions for risks and liabilities	€M	0.70	1.00	1.00
Total provisions for risks and liabilities	€M	17.1	15.6	15.8
Tax liabilities	€M	-30.3	-30.0	-30.0
Other liabilities	€M	3.10	5.00	5.00
Net debt (cash)	€M	-8.90	6.14	11.5
Total liab. and shareholders' equity	€M	211	239	258

Capital Employed

		12/17A	12/18E	12/19E
Capital employed after depreciation	€M	196	221	236

Profits & Risks Ratios

		12/17A	12/18E	12/19E
ROE (after tax)	%	11.0	12.7	13.6
ROCE	%	16.0	15.6	16.5
Gearing (at book value)	%	-2.24	-0.57	3.45
Adj. Net debt/EBITDA(R)	x	0.05	0.30	0.35
Interest cover (x)	x	5.07	5.06	5.47

Valuation Ratios

		12/17A	12/18E	12/19E
Reference P/E (benchmark)	x	20.7	20.5	18.1
Free cash flow yield	%	3.04	2.75	3.89
P/Book	x	2.29	2.53	2.40
Dividend yield	%	2.66	2.66	3.04

EV Calculation

		12/17A	12/18E	12/19E
Market cap	€M	526	613	613
+ Provisions	€M	17.1	15.6	15.8
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-8.90	6.14	11.5
+ Leases debt equivalent	€M	11.9	11.9	11.9
- 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	534	634	640
EV/EBITDA(R)	x	9.48	10.6	9.59
EV/Sales	x	1.00	1.14	1.08

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 18/04/2018.