



Chargeurs

Holding Companies / France



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

Capex acceleration to foster quality growth

Re-energised Chargeurs. - 20/11/2017

Change in Target Price

€ 25.8 vs 25.2 **+2.23%**

On the back of robust Q3 sales and expanded capex plans spanning 2017-2019, we fine tune our figures for 2017 to 2019 including higher financing costs reflecting preemptive excess funding.

Change in EPS

2017 : € 1.25 vs 1.37 **-8.76%**
 2018 : € 1.44 vs 1.53 **-6.15%**

We adjust 2017 for higher financing-related costs and possibly marginally higher opex increases than those already booked, thereby preparing the way for long-term quality growth. 2018 and 2019 marginal changes reflect higher capex and no immediate extra sales.

Change in DCF

€ 26.2 vs 28.6 **-8.40%**

The DCF drop reflects higher near term capex & net debt while it is a bit early to allow for stronger growth (from 2020 on). This is a conservative adjustment

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 : 12.3%
Target Price (6 months)	€ 25.8
Share Price	€ 23.0
Market Cap. €M	536
Price Momentum	UNFAVORABLE
Extremes 12Months	14.9 ▶ 26.5
Bloomberg	CRI FP Equity
Reuters	CRIP.PA



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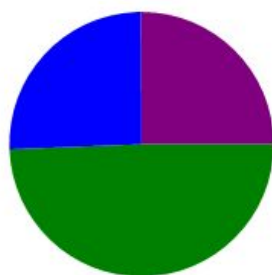


PERF	1w	1m	3m	12m
Chargeurs	-1.20%	-8.16%	-1.79%	51.5%
Other financials	1.24%	0.45%	5.78%	29.4%
SXXR Index	-1.21%	-1.85%	2.14%	15.7%

Last updated: 20/11/2017	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)	9.61	9.81	18.3	16.0
Dividend yield (%)	4.50	5.15	3.05	3.48
EV/EBITDA(R) (x)	3.37	5.18	9.96	9.14
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

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Sales by Geography



■ Europe (49.4%)
■ Asia (25.6%)
■ Americas (25.1%)

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	€ 22.3	20%	■ Solvay
DCF	€ 26.2	10%	■ Wendel
P/E	€ 29.0	10%	■ Bolloré
P/Book	€ 14.1	5%	■ GBL
TARGET PRICE	€ 25.8	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	9.81	18.3	16.0
Free cash flow yield	%	8.60	4.33	3.18
P/Book	x	1.08	2.23	2.17
Dividend yield	%	5.15	3.05	3.48

EV Calculation

		12/16A	12/17E	12/18E
Market cap	€M	245	535	535
+ 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	253	540	552
EV/EBITDA(R)	x	5.18	9.96	9.14
EV/Sales	x	0.50	1.01	0.97

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 20/11/2017.