



# Chargeurs

Support Services / France

## Slight adjustments to our FY22-23 outlook

On solid footing to attain 2025 ambitions - 24/03/2022

### Change in EPS

2022 : € 1.32 vs 1.36	-3.18%
2023 : € 1.48 vs 1.52	-2.36%

We have incorporated the FY21 figures, with the group's net result outperforming our forecast by €0.24 per share. This was mostly explained by a higher operating performance for CPF and CHS, slightly offset by a lower than expected operating result for CFT-PCC.

For FY22-23, the main changes to our forecast stem from a slight cut to our operating margin assumptions, from 7.3% to 7.1% in FY22 and from 7.9% to 7.6% in FY23, led by inflationary pressures (e.g. energy and transport prices), exacerbated by the volatile geopolitical environment provoked by Russia's invasion of Ukraine. We hold the view that rising raw material prices should not add significant pressure to margins, particularly for CPF, as the company has implemented pass-through clauses for its clients, and for CFT, which should offset the higher raw material cost by a positive volume effect in FY22.

### Change in NAV

€ 38.4 vs 38.0	+0.91%
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We have adjusted the value of the different divisions based on our updated FY22 EBIT and EBITDA forecasts, while maintaining the valuation multiples mostly in line with our previous assumptions. The slight increase in our SOTP-derived target price stems from the lower net debt position expected at end-FY22 versus our previous scenario.

### Change in DCF

€ 37.8 vs 38.9	-2.76%
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Our DCF-based valuation sees a marginal cut after incorporating the adjustments to our FY22-23 EPS forecasts. We have also rolled forward our estimates to 2024; we expect revenues to reach €926m and an underlying operating result of €83m. This base case scenario is based mainly on organic growth, hence it does not factor in the contribution from any potential future acquisitions, which Chargeurs estimates could add an extra €0.5bn to the top line and €50m to the ROPA by 2025, in line with the targets set in the Leap Forward strategic plan.



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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

### Buy

Upside : 63.1%

Target Price (6 months) € 33.0

Share Price € 20.3

Market Cap. €M 501

Price Momentum **UNFAVORABLE**

Extremes 12Months 18.0 ▶ 28.9

Bloomberg CRI FP Equity

Reuters CRIP.PA

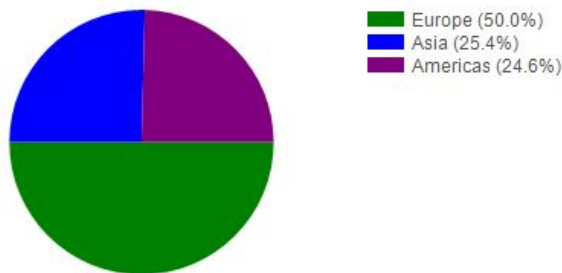
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PERF	1w	1m	3m	12m
Chargeurs	-0.30%	-5.06%	-21.2%	0.66%
Support Services	1.06%	3.92%	-11.3%	6.09%
SXXR Index	1.34%	0.17%	-5.57%	9.65%

Last updated: 24/03/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	17.7	15.4	13.6	10.1
Dividend yield (%)	5.37	3.75	4.24	5.43
EV/EBITDA(R) (x)	9.03	7.41	6.70	5.43
Adjusted EPS (€)	1.30	1.32	1.48	2.01
Growth in EPS (%)	-14.9	1.32	12.5	35.5
Dividend (€)	1.24	0.76	0.86	1.10
Sales (€M)	737	797	854	926
Underlying operat. profit ma...	6.88	7.15	7.55	8.91
Attributable net profit (€M)	30.6	31.4	35.3	48.1
ROE (after tax) (%)	12.1	11.4	11.7	14.2
Gearing (%)	45.6	41.8	37.3	29.9

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## Sales by Geography



## Consolidated P&L Accounts

	12/21A	12/22E	12/23E
Sales	€M 737	797	854
Change in sales	% -10.4	8.21	7.08
Change in staff costs	% 8.75	3.28	3.26
EBITDA	€M 73.8	80.5	88.5
<b>EBITDA(R) margin</b>	<b>% 10.0</b>	<b>10.1</b>	<b>10.4</b>
Depreciation	€M -23.1	-23.6	-24.0
Underlying operating profit	€M 45.2	51.5	59.0
<b>Operating profit (EBIT)</b>	<b>€M 41.2</b>	<b>45.5</b>	<b>53.0</b>
Net financial expense	€M -10.6	-10.0	-10.5
of which related to pensions	€M	-0.06	-0.11
Exceptional items & other	€M		
Corporate tax	€M -0.50	-4.72	-7.89
Equity associates	€M 0.70	0.70	0.70
Minority interests	€M -0.20	0.00	0.00
<b>Adjusted attributable net profit</b>	<b>€M 30.6</b>	<b>31.4</b>	<b>35.3</b>
NOPAT	€M 32.3	36.8	42.1

## Cashflow Statement

	12/21A	12/22E	12/23E
EBITDA	€M 73.8	80.5	88.5
Change in WCR	€M 21.9	-8.18	-11.3
Actual div. received from equity holdi...	€M 0.00	0.00	0.00
Paid taxes	€M -6.10	-4.72	-7.89
Exceptional items	€M		
Other operating cash flows	€M -11.7	-8.00	-8.00
Total operating cash flows	€M 77.9	59.6	61.3
Capital expenditure	€M -13.0	-17.3	-18.0
Total investment flows	€M -16.9	-27.3	-28.0
Net interest expense	€M -10.6	-10.0	-10.5
Dividends (parent company)	€M -17.7	-24.1	-13.1
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 -54.0	-37.8	-74.1
Change in cash position	€M 10.2	-5.47	-40.8
<b>Free cash flow (pre div.)</b>	<b>€M 54.3</b>	<b>32.3</b>	<b>32.8</b>

## Per Share Data

	12/21A	12/22E	12/23E
No. of shares net of treas. stock (year...	Mio 24.0	23.7	23.8
Number of diluted shares (average)	Mio 23.5	23.8	23.8
<b>Benchmark EPS</b>	<b>€ 1.30</b>	<b>1.32</b>	<b>1.48</b>
Restated NAV per share	€		
<b>Net dividend per share</b>	<b>€ 1.24</b>	<b>0.76</b>	<b>0.86</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 37.8	35%	● AkzoNobel
NAV/SOTP per share	€ 38.4	20%	● Rentokil Initial
EV/Ebitda	€ 25.9	20%	● Quadiant
P/E	€ 21.2	10%	● Teleperformance
Dividend Yield	€ 34.9	10%	● Bureau Veritas
P/Book	€ 26.9	5%	
TARGET PRICE	€ 33.0	100%	

### NAV/SOTP Calculation

## Balance Sheet

	12/21A	12/22E	12/23E
Goodwill	€M 189	195	202
Total intangible	€M 238	245	251
Tangible fixed assets	€M 85.3	92.3	99.3
Financial fixed assets	€M 7.90	7.90	7.90
WCR	€M -18.0	-9.82	1.49
Other assets	€M 42.4	42.4	42.4
Total assets (net of short term liab.)	€M 418	440	466
<b>Ordinary shareholders' equity</b>	<b>€M 267</b>	<b>286</b>	<b>319</b>
Quasi Equity & Preferred	€M		
Minority interests	€M -0.60	-0.60	-0.60
Provisions for pensions	€M 14.6	13.1	13.4
Other provisions for risks and liabilities	€M 13.8	13.8	13.8
Total provisions for risks and liabilities	€M 28.4	26.9	27.2
Tax liabilities	€M -36.9	-36.9	-36.9
Other liabilities	€M 42.4	42.4	42.4
<b>Net debt (cash)</b>	<b>€M 117</b>	<b>122</b>	<b>115</b>
Total liab. and shareholders' equity	€M 418	440	466

## Capital Employed

	12/21A	12/22E	12/23E
Capital employed after depreciation	€M 345	367	392

## Profits & Risks Ratios

	12/21A	12/22E	12/23E
<b>ROE (after tax)</b>	<b>% 12.1</b>	<b>11.4</b>	<b>11.7</b>
ROCE	% 9.38	10.0	10.7
<b>Gearing (at book value)</b>	<b>% 45.6</b>	<b>41.8</b>	<b>37.3</b>
Adj. Net debt/EBITDA(R)	x 2.01	1.91	1.66
Interest cover (x)	x 4.26	5.17	5.68

## Valuation Ratios

	12/21A	12/22E	12/23E
<b>Reference P/E (benchmark)</b>	<b>x 17.7</b>	<b>15.4</b>	<b>13.6</b>
Free cash flow yield	% 9.82	6.73	6.79
P/Book	x 2.07	1.68	1.52
<b>Dividend yield</b>	<b>% 5.37</b>	<b>3.75</b>	<b>4.24</b>

## EV Calculation

	12/21A	12/22E	12/23E
Market cap	€M 553	480	483
+ Provisions	€M 28.4	26.9	27.2
+ Unrecognised actuarial losses/(gains)	€M 0.00	0.00	0.00
+ Net debt at year end	€M 85.9	90.0	82.6
+ Leases debt equivalent	€M 31.4	32.0	32.0
- Financial fixed assets (fair value)	€M 32.3	32.3	32.3
+ Minority interests (fair value)	€M 0.00	0.00	0.00
= EV	€M 666	597	593
<b>EV/EBITDA(R)</b>	<b>x 9.03</b>	<b>7.41</b>	<b>6.70</b>
EV/Sales	x 0.90	0.75	0.69

Analyst : Jorge Velandia, Changes to Forecasts : 24/03/2022.