



Chargeurs

Holding Companies / France

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Excellent 2016 comforts new management's ambitions

Chargeurs reshaped - 14/03/2017

Change in Target Price

€ 21.3 vs 20.9 **+2.15%**

The target price benefits from the strong dividend policy. EPS revisions are modest for the time being. More of an upside will depend on views on the NAV once the full balance sheet is released.

Change in EPS

2016 : € 1.10 vs 1.22 **-9.81%**
2017 : € 1.45 vs 1.40 **+3.09%**

EPS adjustments are minor including for 2016 with a bottom line that books restructuring cost layers that were not accounted for in our forecasts. We marginally upgrade 2017 and 2018.

Change in NAV

€ 21.7 vs 22.6 **-3.98%**

The NAV erosion is only due to a lower net cash position. The assets are very cautiously valued. We will probably upgrade these metrics when the full details are available.

Change in DCF

€ 18.1 vs 18.4 **-1.38%**

The marginally lower DCF is a reflection of the lower net cash balance. As a reminder, Chargeurs's DCF is hugely dependent on the view that one holds about the ability of the firm to ultimately recover part of its tax loss carry forwards thanks to a strong profitability.

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.

Reduce **Upside : 3.98%**

Target Price (6 months) € 21.3

Share Price € 20.5

Market Capitalisation €M 473

Price Momentum **STRONG**

Extremes 12Months 8.26 ▶ 20.5

Bloomberg CRI FP Equity

Reuters CRIP.PA

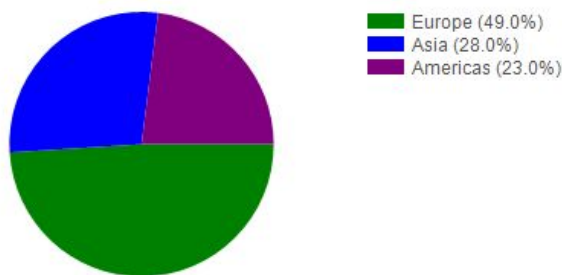
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PERF	1w	1m	3m	12m
Chargeurs	4.91%	11.2%	30.3%	146%
Other financials	0.92%	1.60%	4.59%	13.1%
SXXR Index	0.39%	2.26%	5.24%	12.6%

Last updated: 14/03/2017	12/14A	12/15A	12/16E	12/17E
Adjusted P/E (x)	8.96	9.61	9.68	14.2
Dividend yield (%)	4.08	4.50	5.15	2.92
EV/EBITDA(R) (x)	3.18	3.37	5.05	8.33
Adjusted EPS (€)	0.55	0.69	1.10	1.45
Growth in EPS (%)	48.2	26.9	58.9	31.1
Dividend (€)	0.20	0.30	0.55	0.60
Sales (€M)	478	499	506	533
Underlying operat. profit ma...	4.79	6.13	8.06	8.46
Attributable net profit (€M)	11.4	15.3	25.3	33.2
ROE (after tax) (%)	6.25	7.41	11.3	14.3
Gearing (%)	-3.04	-7.43	-6.86	-5.35

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

Sales by Geography



Consolidated P&L Accounts

	12/15A	12/16E	12/17E
Sales	€M 499	506	533
Change in sales	% 4.33	1.48	5.23
Change in staff costs	% 8.79	6.10	4.14
EBITDA	€M 40.4	48.8	55.1
EBITDA(R) margin	% 8.10	9.64	10.3
Depreciation	€M -9.70	-9.90	-10.0
Underlying operating profit	€M 30.6	38.9	45.1
Operating profit (EBIT)	€M 24.0	33.9	44.1
Net financial expense	€M -5.30	-2.00	-4.10
of which related to pensions	€M -0.30	-0.12	-0.24
Exceptional items & other	€M		
Corporate tax	€M 7.50	-4.58	-7.09
Equity associates	€M -10.7	-1.80	0.50
Minority interests	€M -0.20	-0.20	-0.20
Adjusted attributable net profit	€M 15.3	25.3	33.2
NOPAT	€M 10.9	24.9	32.2

Cashflow Statement

	12/15A	12/16E	12/17E
EBITDA	€M 40.4	48.8	55.1
Change in WCR	€M 8.00	1.10	3.00
Actual div. received from equity holdi...	€M 0.30	0.30	0.50
Paid taxes	€M -5.90	-4.58	-7.09
Exceptional items	€M 0.00	0.00	
Other operating cash flows	€M -11.0	-5.00	-5.00
Total operating cash flows	€M 31.8	40.6	46.5
Capital expenditure	€M -12.9	-10.9	-13.0
Total investment flows	€M -12.9	-13.9	-16.0
Net interest expense	€M -5.30	-2.00	-4.10
Dividends (parent company)	€M -3.20	-11.5	-13.8
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 -5.50	-26.2	-5.66
Change in cash position	€M 11.4	-20.1	24.8
Free cash flow (pre div.)	€M 13.6	27.7	29.4

Per Share Data

	12/15A	12/16E	12/17E
No. of shares net of treas. stock (year...)	Mio 23.0	23.0	23.0
Number of diluted shares (average)	Mio 23.0	23.0	23.0
Benchmark EPS	€ 0.69	1.10	1.45
Restated NAV per share	€		
Net dividend per share	€ 0.30	0.55	0.60

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 21.7	55%	● Akzo Nobel
Dividend Yield	€ 19.6	20%	■ Solvay
DCF	€ 18.1	10%	■ Wendel
P/E	€ 29.4	10%	■ Bolloré
P/Book	€ 15.1	5%	■ GBL
TARGET PRICE	€ 21.3	100%	■ Sonae
			■ Hal Trust
			■ Eurazeo

NAV/SOTP Calculation

Balance Sheet

	12/15A	12/16E	12/17E
Goodwill	€M 76.7	90.1	90.1
Total intangible	€M 78.5	92.1	92.1
Tangible fixed assets	€M 55.9	61.8	66.0
Financial fixed assets	€M 18.1	15.0	18.0
WCR	€M 16.1	15.0	12.0
Other assets	€M 24.9	30.0	30.0
Total assets (net of short term liab.)	€M 196	225	230
Ordinary shareholders' equity	€M 219	227	238
Quasi Equity & Preferred	€M		
Minority interests	€M 3.10	5.00	5.00
Provisions for pensions	€M 14.6	16.2	16.1
Other provisions for risks and liabilities	€M 0.70	1.00	1.00
Total provisions for risks and liabilities	€M 15.3	17.2	17.1
Tax liabilities	€M -27.1	-25.0	-23.0
Other liabilities	€M 8.80	9.00	10.0
Net debt (cash)	€M -23.3	-7.84	-17.7
Total liab. and shareholders' equity	€M 196	225	230

Capital Employed

	12/15A	12/16E	12/17E
Capital employed after depreciation	€M 173	188	188

Profits & Risks Ratios

	12/15A	12/16E	12/17E
ROE (after tax)	% 7.41	11.3	14.3
ROCE	% 6.33	13.2	17.1
Gearing (at book value)	% -7.43	-6.86	-5.35
Adj. Net debt/EBITDA(R)	x -0.48	-0.08	-0.32
Interest cover (x)	x 6.12	20.6	11.7

Valuation Ratios

	12/15A	12/16E	12/17E
Reference P/E (benchmark)	x 9.61	9.68	14.2
Free cash flow yield	% 8.88	11.3	6.24
P/Book	x 0.70	1.08	1.98
Dividend yield	% 4.50	5.15	2.92

EV Calculation

	12/15A	12/16E	12/17E
Market cap	€M 153	245	471
+ Provisions	€M 15.3	17.2	17.1
+ Unrecognised actuarial losses/(gains)	€M 0.00	0.00	0.00
+ Net debt at year end	€M -23.3	-7.84	-17.7
+ Leases debt equivalent	€M 4.00	4.00	0.01
- Financial fixed assets (fair value)	€M 16.0	16.0	16.0
+ Minority interests (fair value)	€M 3.10	4.00	4.00
= EV	€M 136	247	459
EV/EBITDA(R)	x 3.37	5.05	8.33
EV/Sales	x 0.27	0.49	0.86

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 14/03/2017.