



Chargeurs

Holding Companies / France

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H1 shows jump in profitability

Chargeurs Redux. - 14/09/2016

Change in Target Price

€ 19.0 vs 16.5 **+15.4%**

All valuation metrics benefit from the very solid H1 16 release which raise the bar for profit potential

Change in EPS

2016 : € 1.18 vs 1.14 **+3.25%**
2017 : € 1.38 vs 1.22 **+13.6%**

The strong H1 earnings confirm that 2016 will be an excellent year so we have raised our expectations by about 4%. There is room for an even higher upgrade in 2017 at +14%.

Change in NAV

€ 22.5 vs 18.5 **+21.7%**

The NAV is propped up substantially by the higher levels of profitability of the various businesses, starting with the Protective Films one.

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.

Buy

Upside : 52.3%

Target Price (6 months)	€ 19.0
Share Price	€ 12.5
Market Capitalisation €M	288
Price Momentum	STRONG
Extremes 12Months	7.16 ▶ 12.7
Newsflow	Neutral
Bloomberg	CRI FP Equity
Reuters	CRIP.PA

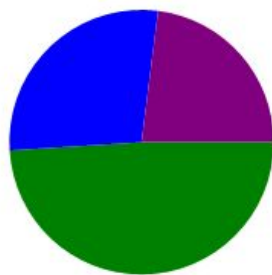
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PERF	1w	1m	3m	12m
Chargeurs	8.60%	4.87%	28.9%	64.4%
Other financials	-2.36%	-2.42%	6.23%	-1.95%
SXXR Index	-3.06%	-2.06%	4.12%	-1.98%

Last updated: 14/09/2016	12/14A	12/15A	12/16E	12/17E
Adjusted P/E (x)	9.74	9.82	10.6	9.05
Dividend yield (%)	3.75	4.40	2.88	3.44
EV/EBITDA(R) (x)	3.49	3.46	5.52	4.45
Adjusted EPS (€)	0.55	0.69	1.18	1.38
Growth in EPS (%)	48.2	26.9	69.4	17.4
Dividend (€)	0.20	0.30	0.36	0.43
Sales (€M)	478	499	498	530
Underlying operat. profit ma...	4.79	6.13	7.41	8.08
Attributable net profit (€M)	11.4	15.3	27.0	31.7
ROE (after tax) (%)	6.25	7.41	11.9	13.1
Gearing (%)	-3.04	-7.43	-12.9	-18.8

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Sales by Geography



■ Europe (49.0%)
■ Asia (28.0%)
■ Americas (23.0%)

Consolidated P&L Account

		12/15A	12/16E	12/17E
Sales	€M	499	498	530
Change in sales	%	4.33	-0.17	6.48
Change in staff costs	%	8.79	6.10	4.14
EBITDA	€M	40.4	46.9	52.9
EBITDA(R) margin	%	8.10	9.41	9.96
Depreciation	€M	-9.70	-10.0	-10.0
Underlying operating profit	€M	30.6	36.9	42.9
Operating profit (EBIT)	€M	24.0	33.9	41.9
Net financial expense	€M	-5.30	-0.60	-4.10
of which related to pensions	€M	-0.30	-0.12	-0.24
Exceptional items & other	€M			
Corporate tax	€M	7.50	-4.89	-6.36
Equity associates	€M	-10.7	-1.20	0.50
Minority interests	€M	-0.20	-0.20	-0.20
Adjusted attributable net profit	€M	15.3	27.0	31.7
NOPAT	€M	10.9	24.7	30.7

Cashflow Statement

		12/15A	12/16E	12/17E
EBITDA	€M	40.4	46.9	52.9
Change in WCR	€M	8.00	-1.90	6.00
Actual div. received from equity holdi...	€M	0.30	0.50	0.50
Paid taxes	€M	-5.90	-4.89	-6.36
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	35.6	48.0
Capital expenditure	€M	-12.9	-12.0	-13.0
Total investment flows	€M	-12.9	-15.0	-16.0
Net interest expense	€M	-5.30	-0.60	-4.10
Dividends (parent company)	€M	-3.20	-6.20	-8.28
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	-11.3	2.86
Change in cash position	€M	11.4	9.32	34.9
Free cash flow (pre div.)	€M	13.6	23.0	30.9

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	1.18	1.38
Restated NAV per share	€			
Net dividend per share	€	0.30	0.36	0.43

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 22.5	55%	■ Akzo Nobel
Dividend Yield	€ 11.9	20%	■ Solvay
DCF	€ 14.8	10%	■ Wendel
P/E	€ 21.5	10%	■ Bolloré
P/Book	€ 12.8	5%	■ GBL
TARGET PRICE	€ 19.0	100%	■ Sonae
			■ Hal Trust
			■ Eurazeo

NAV/SOTP Calculation

Balance Sheet

		12/15A	12/16E	12/17E
Goodwill	€M	76.7	76.0	76.0
Total intangible	€M	78.5	78.0	78.0
Tangible fixed assets	€M	55.9	57.0	60.0
Financial fixed assets	€M	18.1	19.0	19.0
WCR	€M	16.1	18.0	12.0
Other assets	€M	24.9	30.0	30.0
Total assets (net of short term liab.)	€M	196	207	204
Ordinary shareholders' equity	€M	219	234	251
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	-23.0	-23.0
Other liabilities	€M	8.80	11.0	11.0
Net debt (cash)	€M	-23.3	-37.2	-57.1
Total liab. and shareholders' equity	€M	196	207	204

Capital Employed

		12/15A	12/16E	12/17E
Capital employed after depreciation	€M	173	176	169

Profits & Risks Ratios

		12/15A	12/16E	12/17E
ROE (after tax)	%	7.41	11.9	13.1
ROCE	%	6.33	14.0	18.1
Gearing (at book value)	%	-7.43	-12.9	-18.8
Adj. Net debt/EBITDA(R)	x	-0.48	-0.71	-1.08
Interest cover (x)	x	6.12	76.0	11.1

Valuation Ratios

		12/15A	12/16E	12/17E
Reference P/E (benchmark)	x	9.82	10.6	9.05
Free cash flow yield	%	8.68	8.02	10.8
P/Book	x	0.71	1.23	1.14
Dividend yield	%	4.40	2.88	3.44

EV Calculation

		12/15A	12/16E	12/17E
Market cap	€M	157	287	287
+ 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	-37.2	-57.1
+ 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	140	259	235
EV/EBITDA(R)	x	3.46	5.52	4.45
EV/Sales	x	0.28	0.52	0.44

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 14/09/2016.