



# Chargeurs

Holding Companies / France

## Carrying on with strategic acquisitions

18/11/2019

### Change in EPS

2019 : € 0.81 vs 0.87	-6.96%
2020 : € 1.28 vs 1.28	+0.38%

We have slightly trimmed our 2019 EPS estimates based on a recurring EBIT target around the level reached in 2017 (€44m), given the softer dynamic presented particularly over H1 19. Nonetheless, Chargeurs continues to deliver on all fronts, hence we don't see any changes to our long-term forecasts.



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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 : **86.8%**

Target Price (6 months)	€ 30.6
Share Price	€ 16.4
Market Cap. €M	379
Price Momentum	<b>GOOD</b>
Extremes 12Months	14.5 ▶ 21.0
Bloomberg	CRI FP Equity
Reuters	CRIP.PA

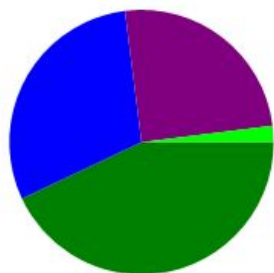

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PERF	1w	1m	3m	12m
Chargeurs	-5.53%	4.73%	6.93%	-3.48%
Other financials	0.39%	2.80%	11.2%	27.6%
SXXR Index	0.19%	3.33%	11.6%	16.7%

Last updated: 18/11/2019	12/18A	12/19E	12/20E	12/21E
Adjusted P/E (x)	16.9	20.2	12.8	10.2
Dividend yield (%)	3.46	4.57	5.18	5.49
EV/EBITDA(R) (x)	9.11	9.75	7.27	6.11
Adjusted EPS (€)	1.15	0.81	1.28	1.60
Growth in EPS (%)	5.33	-29.1	57.8	24.9
Dividend (€)	0.67	0.75	0.85	0.90
Sales (€M)	573	631	776	966
Underlying operat. profit ma...	8.55	7.03	8.39	8.92
Attributable net profit (€M)	26.6	18.7	32.0	43.2
ROE (after tax) (%)	11.4	7.63	10.2	11.0
Gearing (%)	17.6	52.7	40.4	36.5

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## Sales by Geography



Europe	(43.0%)
Americas	(30.0%)
Asia	(25.0%)
Other	(2.0%)

## Consolidated P&L Accounts

	12/18A	12/19E	12/20E
Sales	€M 573	631	776
Change in sales	% 7.56	10.1	23.0
Change in staff costs	% 33.9	11.5	20.4
EBITDA	€M 59.8	57.2	80.1
<b>EBITDA(R) margin</b>	<b>% 10.4</b>	<b>9.06</b>	<b>10.3</b>
Depreciation	€M -10.8	-12.8	-15.0
Underlying operating profit	€M 48.1	42.4	61.6
<b>Operating profit (EBIT)</b>	<b>€M 42.2</b>	<b>31.5</b>	<b>49.6</b>
Net financial expense	€M -10.6	-12.2	-15.3
of which related to pensions	€M -0.30	-0.14	-0.22
Exceptional items & other	€M		
Corporate tax	€M -5.08	-1.05	-2.79
Equity associates	€M 0.10	0.50	0.50
Minority interests	€M 0.00	0.00	0.00
<b>Adjusted attributable net profit</b>	<b>€M 26.6</b>	<b>18.7</b>	<b>32.0</b>
NOPAT	€M 34.0	30.3	43.8

## Cashflow Statement

	12/18A	12/19E	12/20E
EBITDA	€M 59.8	57.2	80.1
Change in WCR	€M -22.5	-13.3	-5.00
Actual div. received from equity holdi...	€M 0.00	0.50	0.50
Paid taxes	€M -6.00	-1.05	-2.79
Exceptional items	€M		
Other operating cash flows	€M -8.40	-5.00	-5.00
Total operating cash flows	€M 22.9	38.3	67.8
Capital expenditure	€M -24.3	-20.0	-17.0
Total investment flows	€M -90.3	-90.0	-87.0
Net interest expense	€M -10.6	-12.2	-15.3
Dividends (parent company)	€M -10.8	-15.6	-17.5
Dividends to minorities interests	€M 0.00	0.00	0.00
New shareholders' equity	€M -10.2	0.00	100
Total financial flows	€M -42.6	-38.0	62.4
Change in cash position	€M -110	-89.7	43.2
<b>Free cash flow (pre div.)</b>	<b>€M -12.0</b>	<b>6.11</b>	<b>35.5</b>

## Per Share Data

		12/18A	12/19E	12/20E
No. of shares net of treas. stock (year...	Mio	23.1	23.0	27.0
Number of diluted shares (average)	Mio	23.2	23.0	25.0
<b>Benchmark EPS</b>	<b>€</b>	<b>1.15</b>	<b>0.81</b>	<b>1.28</b>
Restated NAV per share	€			
<b>Net dividend per share</b>	<b>€</b>	<b>0.67</b>	<b>0.75</b>	<b>0.85</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 29.5	55%	● Ackermans & van H...
Dividend Yield	€ 32.8	20%	■ Wacker Chemie
DCF	€ 38.3	10%	■ Akzo Nobel
P/E	€ 30.3	10%	■ Solvay
P/Book	€ 19.9	5%	■ Bolloré
TARGET PRICE	€ 30.6	100%	● GBL
			● Sonae
			● Hal Trust

### NAV/SOTP Calculation

## Balance Sheet

	12/18A	12/19E	12/20E
Goodwill	€M 128	202	248
Total intangible	€M 158	204	250
Tangible fixed assets	€M 80.7	113	136
Financial fixed assets	€M 13.1	15.0	20.0
WCR	€M 41.7	55.0	60.0
Other assets	€M 23.0	30.0	32.0
Total assets (net of short term liab.)	€M 324	421	504
<b>Ordinary shareholders' equity</b>	<b>€M 237</b>	<b>253</b>	<b>376</b>
Quasi Equity & Preferred	€M		
Minority interests	€M 0.00	0.00	0.00
Provisions for pensions	€M 17.4	17.6	17.8
Other provisions for risks and liabilities	€M 0.50	1.00	5.00
Total provisions for risks and liabilities	€M 17.9	18.6	22.8
Tax liabilities	€M -27.2	-30.0	-30.0
Other liabilities	€M 3.50	5.00	5.00
<b>Net debt (cash)</b>	<b>€M 92.2</b>	<b>175</b>	<b>129</b>
Total liab. and shareholders' equity	€M 324	421	504

## Capital Employed

	12/18A	12/19E	12/20E
Capital employed after depreciation	€M 294	387	467

## Profits & Risks Ratios

		12/18A	12/19E	12/20E
<b>ROE (after tax)</b>	<b>%</b>	<b>11.4</b>	<b>7.63</b>	<b>10.2</b>
ROCE	%	11.6	7.81	9.38
<b>Gearing (at book value)</b>	<b>%</b>	<b>17.6</b>	<b>52.7</b>	<b>40.4</b>
Adj. Net debt/EBITDA(R)	x	1.54	3.05	1.61
Interest cover (x)	x	4.67	3.55	4.12

## Valuation Ratios

		12/18A	12/19E	12/20E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>16.9</b>	<b>20.2</b>	<b>12.8</b>
Free cash flow yield	%	-2.69	1.62	8.03
P/Book	x	1.88	1.49	1.17
<b>Dividend yield</b>	<b>%</b>	<b>3.46</b>	<b>4.57</b>	<b>5.18</b>

## EV Calculation

		12/18A	12/19E	12/20E
Market cap	€M	447	376	442
+ Provisions	€M	17.9	18.6	22.8
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	92.2	175	129
+ Leases debt equivalent	€M	0.00	0.00	0.00
- 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	545	558	582
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>9.11</b>	<b>9.75</b>	<b>7.27</b>
EV/Sales	x	0.95	0.88	0.75

Analyst : Jorge Velandia, Changes to Forecasts : 18/11/2019.