



# Chargeurs

Holding Companies / France

## Upgraded FY20 EBIT guidance improves earnings outlook

Now pursuing organic growth ambitions - 28/01/2021

### Change in EPS

2020 : € 2.07 vs 1.94	+6.40%
2021 : € 0.78 vs 0.75	+3.66%

We have raised our EPS estimates for FY20 and FY21 on the back of an upgraded recurring operating profit guidance, from >€70m to over €75m. As a result, we have increased our underlying EBIT estimates from €71.8m to €76.1m in FY20, also increasing our operating result forecast for the Protective Films division (from €16.6m previously to €17.6m) driven by the division's FY20 reported revenues of €270m, which came in above our forecast of €256m.



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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 : 56.7%**

Target Price (6 months)	€ 29.5
Share Price	€ 18.8
Market Cap. €M	457
Price Momentum	<b>STRONG</b>
Extremes 12Months	8.48 ▶ 19.7
Bloomberg	CRI FP Equity
Reuters	CRIP.PA



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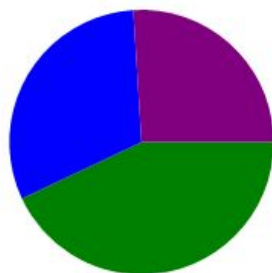


PERF	1w	1m	3m	12m
Chargeurs	-4.37%	6.70%	12.3%	7.83%
Other financials	-3.30%	-2.92%	10.4%	10.4%
SXXR Index	-1.91%	1.16%	14.6%	-0.61%

Last updated: 28/01/2021	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	26.6	7.66	24.2	18.1
Dividend yield (%)	2.28	4.29	3.46	3.72
EV/EBITDA(R) (x)	9.10	5.29	9.23	7.86
Adjusted EPS (€)	0.66	2.07	0.78	1.04
Growth in EPS (%)	-42.6	213	-62.4	33.3
Dividend (€)	0.40	0.68	0.65	0.70
Sales (€M)	626	822	649	708
Underlying operat. profit ma...	6.61	9.23	6.38	7.38
Attributable net profit (€M)	15.1	47.2	18.0	24.1
ROE (after tax) (%)	6.42	17.4	5.48	6.56
Gearing (%)	51.9	50.9	47.7	42.2

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## Sales by Geography



■ Europe (43.0%)  
■ Asia (31.0%)  
■ Americas (26.0%)

## Consolidated P&L Accounts

		12/19A	12/20E	12/21E
Sales	€M	626	822	649
Change in sales	%	9.23	31.3	-21.0
Change in staff costs	%	7.15	6.23	9.74
EBITDA	€M	60.0	97.3	63.3
<b>EBITDA(R) margin</b>	<b>%</b>	<b>9.58</b>	<b>11.8</b>	<b>9.75</b>
Depreciation	€M	-18.6	-18.9	-20.8
Underlying operating profit	€M	38.9	75.9	39.0
<b>Operating profit (EBIT)</b>	<b>€M</b>	<b>31.9</b>	<b>68.9</b>	<b>31.0</b>
Net financial expense	€M	-11.5	-12.8	-16.8
of which related to pensions	€M	-0.30	-0.14	-0.21
Exceptional items & other	€M			
Corporate tax	€M	-4.92	-9.32	3.23
Equity associates	€M	-0.40	0.50	0.50
Minority interests	€M	0.00	0.00	0.00
<b>Adjusted attributable net profit</b>	<b>€M</b>	<b>15.1</b>	<b>47.2</b>	<b>18.0</b>
NOPAT	€M	27.0	53.7	28.0

## Cashflow Statement

		12/19A	12/20E	12/21E
EBITDA	€M	60.0	97.3	63.3
Change in WCR	€M	-13.3	16.7	6.04
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	-3.30	-9.32	3.23
Exceptional items	€M			
Other operating cash flows	€M	-8.10	-8.00	-8.00
Total operating cash flows	€M	35.3	96.6	64.6
Capital expenditure	€M	-25.3	-23.0	-18.0
Total investment flows	€M	-34.7	-81.6	-28.0
Net interest expense	€M	-11.5	-12.8	-16.8
Dividends (parent company)	€M	-8.60	-16.4	-15.8
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	-9.80	0.00	0.00
Total financial flows	€M	-15.2	97.1	-75.7
Change in cash position	€M	-16.1	112	-39.1
<b>Free cash flow (pre div.)</b>	<b>€M</b>	<b>-1.50</b>	<b>60.8</b>	<b>29.8</b>

## Per Share Data

		12/19A	12/20E	12/21E
No. of shares net of treas. stock (year...)	Mio	22.7	23.0	23.2
Number of diluted shares (average)	Mio	22.8	22.9	23.1
<b>Benchmark EPS</b>	<b>€</b>	<b>0.66</b>	<b>2.07</b>	<b>0.78</b>
Restated NAV per share	€			
<b>Net dividend per share</b>	<b>€</b>	<b>0.40</b>	<b>0.68</b>	<b>0.65</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 31.9	55%	● Ackermans & van H...
Dividend Yield	€ 28.3	20%	■ Wacker Chemie
DCF	€ 32.9	10%	■ AkzoNobel
P/E	€ 19.3	10%	■ Solvay
P/Book	€ 20.4	5%	● Bolloré
TARGET PRICE	€ 29.5	100%	● GBL
			● Sonae
			● Hal Trust

### NAV/SOTP Calculation

## Balance Sheet

		12/19A	12/20E	12/21E
Goodwill	€M	136	206	213
Total intangible	€M	173	244	251
Tangible fixed assets	€M	87.3	110	134
Financial fixed assets	€M	12.6	20.0	25.0
WCR	€M	48.5	31.8	25.8
Other assets	€M	31.6	32.0	35.0
Total assets (net of short term liab.)	€M	386	475	512
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>232</b>	<b>309</b>	<b>347</b>
Quasi Equity & Preferred	€M			
Minority interests	€M	0.00	0.00	0.00
Provisions for pensions	€M	18.3	16.2	16.5
Other provisions for risks and liabilities	€M	0.40	0.50	0.50
Total provisions for risks and liabilities	€M	18.7	16.7	17.0
Tax liabilities	€M	-27.7	-30.0	-30.0
Other liabilities	€M	13.4	13.4	13.4
<b>Net debt (cash)</b>	<b>€M</b>	<b>149</b>	<b>166</b>	<b>165</b>
Total liab. and shareholders' equity	€M	386	475	512

## Capital Employed

		12/19A	12/20E	12/21E
Capital employed after depreciation	€M	347	436	470

## Profits & Risks Ratios

		12/19A	12/20E	12/21E
<b>ROE (after tax)</b>	<b>%</b>	<b>6.42</b>	<b>17.4</b>	<b>5.48</b>
ROCE	%	7.79	12.3	5.95
<b>Gearing (at book value)</b>	<b>%</b>	<b>51.9</b>	<b>50.9</b>	<b>47.7</b>
Adj. Net debt/EBITDA(R)	x	2.91	2.01	3.15
Interest cover (x)	x	3.47	5.99	2.35

## Valuation Ratios

		12/19A	12/20E	12/21E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>26.6</b>	<b>7.66</b>	<b>24.2</b>
Free cash flow yield	%	-0.38	16.7	6.84
P/Book	x	1.71	1.18	1.26
<b>Dividend yield</b>	<b>%</b>	<b>2.28</b>	<b>4.29</b>	<b>3.46</b>

## EV Calculation

		12/19A	12/20E	12/21E
Market cap	€M	398	364	435
+ Provisions	€M	18.7	16.7	17.0
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	123	136	130
+ Leases debt equivalent	€M	25.8	30.0	35.0
- Financial fixed assets (fair value)	€M	19.3	32.3	32.3
+ Minority interests (fair value)	€M	0.00	0.00	0.00
= EV	€M	546	515	585
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>9.10</b>	<b>5.29</b>	<b>9.23</b>
EV/Sales	x	0.87	0.63	0.90

Analyst : Jorge Velandia, Changes to Forecasts : 28/01/2021.