



Chargeurs

Holding Companies / France



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Protective Films pulls up valuation strongly again

Re-energised Chargeurs - 24/04/2017

Change in Opinion

Change in EPS

2017 : € 1.54 vs 1.45	+6.43%
2018 : € 1.59 vs 1.64	-2.98%

We have upgraded our 2017 earnings on the back of the excellent 2016 delivery and complemented by a strong Q1 top line. Beyond 2017, it is hard to expect any additional progress in already very strong margins. More may depend on acquired growth.

Change in NAV

€ 25.8 vs 21.7	+19.2%
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We have significantly increased our NAV due to the higher valuation of Protective Films. This business benefits from higher industry (specialist chemicals) multiples and improved EBITDA outlook.

Change in DCF

€ 23.9 vs 18.1	+32.0%
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The strong increase reflects a higher cash generation potential made clear by solid 2016 earnings as well as a positive first stab at 2019. Out-year growth is kept low and assumes an erosion in margins.

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.

Add

Upside : 22.2%

Target Price (6 months)	€ 24.9
Share Price	€ 20.4
Market Capitalisation €M	471
Price Momentum	STRONG
Extremes 12Months	8.48 ▶ 21.7
Bloomberg	CRI FP Equity
Reuters	CRIP.PA

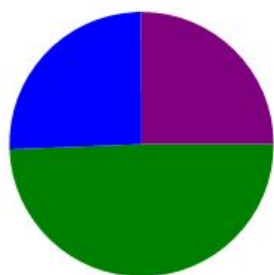
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PERF	1w	1m	3m	12m
Chargeurs	2.56%	-3.91%	17.2%	138%
Other financials	0.22%	3.93%	6.37%	14.2%
SXXR Index	-0.58%	1.49%	5.19%	11.3%

Last updated: 24/04/2017	12/15A	12/16A	12/17E	12/18E
Adjusted P/E (x)	9.61	9.81	13.3	12.9
Dividend yield (%)	4.50	5.15	3.43	3.92
EV/EBITDA(R) (x)	3.37	5.18	8.24	7.81
Adjusted EPS (€)	0.69	1.09	1.54	1.59
Growth in EPS (%)	26.9	56.8	41.3	3.18
Dividend (€)	0.30	0.55	0.70	0.80
Sales (€M)	499	506	552	572
Underlying operat. profit ma...	6.13	8.06	8.34	8.35
Attributable net profit (€M)	15.3	25.0	35.3	36.4
ROE (after tax) (%)	7.41	11.2	14.8	14.1
Gearing (%)	-7.43	-5.43	-2.46	-5.31

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Sales by Geography



■ Europe (49.4%)
■ Asia (25.6%)
■ Americas (25.1%)

Consolidated P&L Accounts

		12/16A	12/17E	12/18E
Sales	€M	506	552	572
Change in sales	%	1.48	8.97	3.57
Change in staff costs	%	1.43	2.88	3.57
EBITDA	€M	48.8	56.0	58.2
EBITDA(R) margin	%	9.64	10.2	10.2
Depreciation	€M	-9.90	-10.0	-10.5
Underlying operating profit	€M	38.9	46.0	47.7
Operating profit (EBIT)	€M	33.9	45.0	46.7
Net financial expense	€M	-2.00	-3.50	-3.50
of which related to pensions	€M	-0.40	-0.08	-0.10
Exceptional items & other	€M			
Corporate tax	€M	-4.90	-6.70	-7.26
Equity associates	€M	-2.00	0.50	0.50
Minority interests	€M	0.00	0.00	0.00
Adjusted attributable net profit	€M	25.0	35.3	36.4
NOPAT	€M	24.9	32.8	34.0

Cashflow Statement

		12/16A	12/17E	12/18E
EBITDA	€M	48.8	56.0	58.2
Change in WCR	€M	0.80	-0.30	0.00
Actual div. received from equity holdi...	€M	0.30	0.50	0.50
Paid taxes	€M	-8.00	-6.70	-7.26
Exceptional items	€M	0.00		
Other operating cash flows	€M	-8.00	-5.00	-5.00
Total operating cash flows	€M	33.9	44.5	46.4
Capital expenditure	€M	-10.8	-13.0	-14.0
Total investment flows	€M	-31.4	-16.0	-17.0
Net interest expense	€M	-2.00	-3.50	-3.50
Dividends (parent company)	€M	-11.5	-12.7	-16.1
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	59.9	-27.1	-30.5
Change in cash position	€M	56.4	1.46	-1.05
Free cash flow (pre div.)	€M	21.1	28.0	28.9

Per Share Data

		12/16A	12/17E	12/18E
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	€	1.09	1.54	1.59
Restated NAV per share	€			
Net dividend per share	€	0.55	0.70	0.80

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
NAV/SOTP per share	€ 25.8	55%	● Akzo Nobel
Dividend Yield	€ 22.4	20%	■ Solvay
DCF	€ 23.9	10%	■ Wendel
P/E	€ 30.7	10%	■ Bolloré
P/Book	€ 16.0	5%	■ GBL
TARGET PRICE	€ 24.9	100%	■ Sonae
			■ Hal Trust
			■ Eurazeo

NAV/SOTP Calculation

Balance Sheet

		12/16A	12/17E	12/18E
Goodwill	€M	90.1	92.0	95.0
Total intangible	€M	92.1	94.0	97.0
Tangible fixed assets	€M	61.8	66.0	72.0
Financial fixed assets	€M	14.9	16.0	18.0
WCR	€M	21.7	22.0	22.0
Other assets	€M	23.8	27.0	29.0
Total assets (net of short term liab.)	€M	217	229	243
Ordinary shareholders' equity	€M	227	249	270
Quasi Equity & Preferred	€M			
Minority interests	€M	0.00	0.00	0.00
Provisions for pensions	€M	16.7	15.0	15.0
Other provisions for risks and liabilities	€M	0.50	1.00	1.00
Total provisions for risks and liabilities	€M	17.2	16.0	16.0
Tax liabilities	€M	-29.0	-30.0	-30.0
Other liabilities	€M	3.10	5.00	5.00
Net debt (cash)	€M	-1.40	-10.9	-17.8
Total liab. and shareholders' equity	€M	217	229	243

Capital Employed

		12/16A	12/17E	12/18E
Capital employed after depreciation	€M	195	198	209

Profits & Risks Ratios

		12/16A	12/17E	12/18E
ROE (after tax)	%	11.2	14.8	14.1
ROCE	%	12.8	16.6	16.3
Gearing (at book value)	%	-5.43	-2.46	-5.31
Adj. Net debt/EBITDA(R)	x	0.05	-0.19	-0.31
Interest cover (x)	x	24.3	13.5	14.0

Valuation Ratios

		12/16A	12/17E	12/18E
Reference P/E (benchmark)	x	9.81	13.3	12.9
Free cash flow yield	%	8.60	5.98	6.18
P/Book	x	1.08	1.88	1.74
Dividend yield	%	5.15	3.43	3.92

EV Calculation

		12/16A	12/17E	12/18E
Market cap	€M	245	469	469
+ Provisions	€M	17.2	16.0	16.0
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-1.40	-10.9	-17.8
+ Leases debt equivalent	€M	4.00	0.01	0.01
- 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	253	462	455
EV/EBITDA(R)	x	5.18	8.24	7.81
EV/Sales	x	0.50	0.84	0.80

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 24/04/2017.