



# SFPI

Misc. Bldg &amp; Construct Prod / France

## As strong as its locks

Safety solutions and safe operations at its heart - 17/05/2022

### Change in Target Price

€ 5.30 vs 5.00	+5.99%
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The target price benefits from extremely solid 2021 execution that has provided a higher base looking forward. We have injected a degree of caution on the outlook from H2-2022 even though the activity target (€600m sales) within reach.

### Change in EPS

2022 : € 0.36 vs 0.33	+10.8%
2023 : € 0.37 vs 0.37	+1.86%

EPS mechanically benefit from the excellent 2021 execution. Looking into 2022 and 2023, the order book and tight management should help digest fast-rising costs as long as the top line remains in positive territory.

### Change in NAV

€ 6.55 vs 5.04	+30.1%
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The NAV benefits from repeated strong realisations that combine with higher market multiples on similar businesses



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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 : 89.4%

Target Price (6 months)	€ 5.30
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Share Price	€ 2.80
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Market Cap. €M	278
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Price Momentum	<b>UNFAVORABLE</b>
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Extremes 12Months	2.25 ▶ 3.91
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Bloomberg	SFPI FP Equity
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Reuters	SFPI.PA
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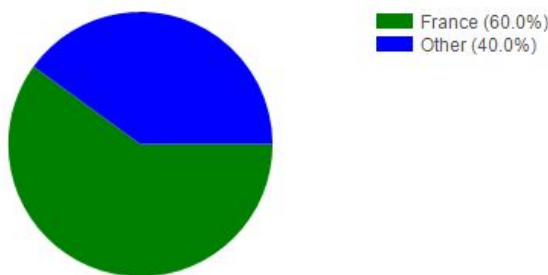

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PERF	1w	1m	3m	12m
SFPI Group	-1.75%	2.56%	-6.98%	21.2%
Building Prod. & Materials	2.41%	-3.72%	-13.6%	-10.3%
SXXR Index	4.02%	-5.05%	-6.02%	0.43%

Last updated: 17/05/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	7.99	7.72	7.50	7.55
Dividend yield (%)	2.98	2.86	3.04	3.21
EV/EBITDA(R) (x)	3.89	3.78	3.44	2.92
Adjusted EPS (€)	0.34	0.36	0.37	0.37
Growth in EPS (%)	45.1	7.87	2.89	-0.55
Dividend (€)	0.08	0.08	0.09	0.09
Sales (€M)	569	600	622	634
EBIT margin (%)	7.66	7.60	7.55	7.61
Attributable net profit (€M)	32.5	32.4	32.4	32.2
ROE (after tax) (%)	14.5	13.5	12.5	11.2
Gearing (%)	-25.5	-29.4	-33.3	-34.0

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## Sales by Geography



## Consolidated P&L Accounts

		12/21A	12/22E	12/23E
Sales	€M	569	600	622
Change in sales	%	14.0	5.45	3.69
Change in staff costs	%	10.0	6.62	4.18
EBITDA	€M	62.1	63.9	66.3
<b>EBITDA(R) margin</b>	%	<b>10.9</b>	<b>10.6</b>	<b>10.7</b>
Depreciation	€M	-18.1	-19.0	-20.0
Underlying operating profit	€M	43.9	44.9	46.3
<b>Operating profit (EBIT)</b>	<b>€M</b>	<b>44.9</b>	<b>43.7</b>	<b>43.6</b>
Net financial expense	€M	-0.41	-0.20	-0.20
of which related to pensions	€M		-0.95	-0.97
Exceptional items & other	€M			
Corporate tax	€M	-12.0	-11.1	-11.0
Equity associates	€M	0.20	0.20	0.20
Minority interests	€M	-0.22	-0.22	-0.22
<b>Adjusted attributable net profit</b>	<b>€M</b>	<b>32.2</b>	<b>33.4</b>	<b>34.4</b>
NOPAT	€M	30.9	32.3	33.3

## Cashflow Statement

		12/21A	12/22E	12/23E
EBITDA	€M	62.1	63.9	66.3
Change in WCR	€M	-11.7	1.72	-4.68
Actual div. received from equity holdi...	€M	0.00	0.00	0.00
Paid taxes	€M	-11.6	-11.1	-11.0
Exceptional items	€M			
Other operating cash flows	€M	4.50	-1.00	-1.00
Total operating cash flows	€M	43.3	53.6	49.6
Capital expenditure	€M	-10.7	-20.4	-21.2
Total investment flows	€M	-11.1	-30.4	-26.2
Net interest expense	€M	-0.41	-0.20	-0.20
Dividends (parent company)	€M	-5.68	-7.95	-7.95
Dividends to minorities interests	€M	-0.10	-0.10	-0.10
New shareholders' equity	€M	-10.0	0.00	0.00
Total financial flows	€M	-38.7	-2.53	-7.28
Change in cash position	€M	-6.51	20.6	16.2
<b>Free cash flow (pre div.)</b>	<b>€M</b>	<b>32.1</b>	<b>33.0</b>	<b>28.3</b>

## Per Share Data

		12/21A	12/22E	12/23E
No. of shares net of treas. stock (year...	Mio	92.2	92.2	92.2
Number of diluted shares (average)	Mio	95.7	92.2	92.2
<b>Benchmark EPS</b>	<b>€</b>	<b>0.34</b>	<b>0.36</b>	<b>0.37</b>
Restated NAV per share	€			
<b>Net dividend per share</b>	<b>€</b>	<b>0.08</b>	<b>0.08</b>	<b>0.09</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 4.85	35%	● dormakaba
NAV/SOTP per share	€ 6.55	20%	● GEA Group
EV/Ebitda	€ 5.60	20%	● Alfa Laval
P/E	€ 5.60	10%	● IMI
Dividend Yield	€ 3.36	10%	● Travis Perkins
P/Book	€ 5.60	5%	
TARGET PRICE	€ 5.30	100%	

### NAV/SOTP Calculation

## Balance Sheet

		12/21A	12/22E	12/23E
Goodwill	€M	46.8	46.8	46.8
Total intangible	€M	51.0	51.0	51.0
Tangible fixed assets	€M	79.1	80.7	82.3
Financial fixed assets	€M	2.90	2.96	3.02
WCR	€M	129	127	132
Other assets	€M	39.3	40.1	40.9
Total assets (net of short term liab.)	€M	320	321	329
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>233</b>	<b>249</b>	<b>268</b>
Quasi Equity & Preferred	€M			
Minority interests	€M	1.35	1.63	1.63
Provisions for pensions	€M	62.1	65.2	66.1
Other provisions for risks and liabilities	€M	12.2	13.0	15.0
Total provisions for risks and liabilities	€M	74.3	78.2	81.1
Tax liabilities	€M	8.81	8.99	9.17
Other liabilities	€M	68.6	65.0	66.3
<b>Net debt (cash)</b>	<b>€M</b>	<b>-65.2</b>	<b>-81.1</b>	<b>-97.2</b>
Total liab. and shareholders' equity	€M	320	321	329

## Capital Employed

		12/21A	12/22E	12/23E
Capital employed after depreciation	€M	262	262	268

## Profits & Risks Ratios

		12/21A	12/22E	12/23E
<b>ROE (after tax)</b>	%	<b>14.5</b>	<b>13.5</b>	<b>12.5</b>
ROCE	%	11.8	12.3	12.4
<b>Gearing (at book value)</b>	%	<b>-25.5</b>	<b>-29.4</b>	<b>-33.3</b>
Adj. Net debt/EBITDA(R)	x	-1.05	-1.27	-1.47
Interest cover (x)	x	106	-60.0	-60.3

## Valuation Ratios

		12/21A	12/22E	12/23E
<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>7.99</b>	<b>7.72</b>	<b>7.50</b>
Free cash flow yield	%	13.0	12.8	11.0
P/Book	x	1.06	1.04	0.96
<b>Dividend yield</b>	%	<b>2.98</b>	<b>2.86</b>	<b>3.04</b>

## EV Calculation

		12/21A	12/22E	12/23E
Market cap	€M	248	258	258
+ Provisions	€M	74.3	78.2	81.1
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	-78.9	-94.7	-111
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M	2.90	2.00	2.00
+ Minority interests (fair value)	€M	1.35	2.00	2.00
= EV	€M	241	242	228
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>3.89</b>	<b>3.78</b>	<b>3.44</b>
EV/Sales	x	0.42	0.40	0.37

Analyst : Pierre-Yves Gauthier, Changes to Forecasts : 17/05/2022.