CAPITAL GOODS





Solid start of the year

4 MAY 2021 at 20:29*

Mourad Lahmidi

(+33) 1 42 99 50 63 Mourad Lahmidi@exanebnpparibas.com

Stephen Benhamou

(+33) 1 42 99 23 81

Laurent Gelebart, CFA (+33) 1 44 95 21 56

Nicolas Langlet

(+33) 1 42 99 51 98

french-midcaps@exanebnpparibas.com

Solid Q1 21 trading update

Chargeurs posted Q1 21 sales of EUR181m up 14.8% of which15.6% LFL, tracking 8% above our EUR168m (+7% LFLe). The upside to our forecasts was driven by acceleration at protective films and sustained activity at Healthcare Solutions.

Protective films and CHS driving the beat

Trends at protective films picked up to reach +10.9% LFL thanks to strong demand in construction end markets, the ramp up of the Italian production facility and growing contribution from the recently created "Specialty Machines" segment. Chargeurs Healthcare Solutions continued to perform well with a sequential sales rebound at EUR42m, reflecting the win of several tender offers during Q4 which already provide visibility on achieving management's FY target of EUR50-100m sales for the division. Fashion Technologies (-25% LFL) continued to be affected by lockdowns although the group noted the return to positive LFL in a few countries and a sequential stability in Europe. Museum Solutions (-20% LFL) remained impacted by restrictions notably the closure of retail stores and the delays in the execution of some museum projects. The division nevertheless benefits from strong visibility on the back of a growing order book including the recent signing of a EUR20m project.

Attractive medium term outlook - we leave our estimates unchanged

We leave our estimates for 2021 unchanged including a normalization of group EBIT after a record year in 2020 thanks to face masks. Medium prospects remain attractive driven by: 1) the return to more normal economic conditions from end 2021; 2) investments made over the past two years (new production capacities in protective films /healthcare, product innovation at CFT PCC); 3) a growing project pipeline in museum services. We expect 20% EBIT CAGR in 2021-2025.

Price (4 May 2021)				EUR22.4	Performance ⁽¹⁾	1w	1m	3m	
Market cap (EURm)				518	Absolute(%)	7	5	30	
Free float (EURm)				300	Rel. Capital Goods(%)	10	5	24	
EV (EURm)				708	Rel. MSCI SMID(%)	/	2	20	
3m avg volume (EURm) Refinitiv / Bloomberg			CDID DA	1.8 CRLFP					
Country / Sub Sector		Erance / I	ndustrial N						
Country / Sub Sector		Trance / i	iluustilai i	naci ii ici y					
Financials	12/21e	12/22e	12/23e	12/24e	Valuation metrics	12/21e	12/22e	12/23e	12/2
EPS, Adjusted (EUR)	1.03	1.57	1.79	1.99	P/E (x)	21.8	14.3	12.5	1
EPS - Refinitiv (EUR)	0.89	1.45	1.77	1.99	Net yield (%)	1.0	1.7	2.0	
Net dividend (EUR)	0.23	0.39	0.45	0.51	FCF yield (%)	2.7	5.0	6.5	
					EV/Sales (x)	1.2	1.0	0.9	
Sales (EURm)	602	670	698	714	EV/EBITDA (x)	11.6	8.9	7.9	
EBITA, Adj. (EURm)	43.4	59.6	66.2	70.8	EV/EBITA (x)	16.3	11.5	10.0	!
Net profit, Adj.(EURm)	23.5	35.8	40.8	45.4	EV/CE (x)	1.7	1.7	1.6	
ROCE (%)	8.1	11.0	12.2	13.3					
Net Debt/EBITDA, Adj. (x)	3.7	2.6	2.1	1.7					

Source: Exane BNPP (estimates), Refinitiv (consensus) (1) In listing currency, with dividend reinvested

Investment case, valuation and risks

Chargeurs

Investment case

Chargeurs' convincing premiumization and build-up strategy is expected to continue delivering double digit earnings growth in the next three years.

Valuation methodology

A DCF valuation (WACC @ 7.5% and LT growth at 1%) points to EUR26/share while a ROCE/WACC 2022e approach points to EUR20/share.

Risks

To the upside:

Faster recovery in the apparel industry or in the museum services market.

To the downside:

Further weakness in the apparel industry, lower than expected activity at CHS.

DISCLOSURE APPENDIX

Analyst Certification

I, Mourad Lahmidi, (authors of or contributors to the report) hereby certify that all of the views expressed in this report accurately reflect my personal view(s) about the company or companies and securities discussed in this report. No part of my compensation was, is, or will be, directly, or indirectly, related to the specific recommendations or views expressed in this research report.

Non-US Research Analyst Disclosure

The research analysts named below were involved in preparing this research report. Research analysts at Exane SA (including Exane SA branches, based in the United Kingdom, in the European Economic Area or Switzerland) are not associated persons of Exane Inc. and thus are not registered or qualified in the U.S. as research analysts with the Financial Industry Regulatory Authority (FINRA) or the New York Stock Exchange (NYSE). These non-U.S. analysts are not subject to the NASD Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Mourad Lahmidi

Exane SA

Exane SA is regulated by the Autorité de contrôle prudentiel et de regulation ("ACPR") and by the Autorité des Marchés Financiers ("AMF") in France.

Exane SA branches based in the European Economic Area are authorized and regulated by ACPR and by the local relevant regulator.

Exane SA Geneva Branch is authorized and regulated by the Swiss Financial Market Supervisory Authority ("FINMA")

Exane SA, London Branch is deemed authorised and regulated by the Financial Conduct Authority. Details of the Financial Services Contracts Regime, which allows EEA-based firms to operate in the UK for a limited period to carry on activities which are necessary for the performance of pre-existing contracts, are available on the Financial Conduct Authority's website

Exane Inc. is regulated by FINRA and the U.S. Securities and Exchange Commission in the United States.

Research Analyst Compensation

The research analyst(s) responsible for the preparation of this report receive(s) compensation based upon various factors including overall firm revenues, which may include investment banking activities.

Sponsored Research

The subject Company of this Research report has commissioned Exane to cover its stock and, consequently, Exane has received compensation from the Company for the preparation and dissemination of this research report.

Research Analyst-Specific Disclosures

The research analyst(s) responsible for the preparation of this report (or members of their household) may have a relationship with the companies covered by this research report, as described in the numbered disclosures below. The table immediately below indicates which, if any, of these disclosures apply to the research analyst(s) responsible for preparation of this research report.

Research Analyst(s)	Companies	Disclosures		
NONE				

- 1 The research analyst(s) responsible for the preparation of this report or a member of his/her household has/have a financial interest in the securities of the subject company/ies, as indicated in the previous table.
- 2 The research analyst(s) responsible for the preparation of this report or a member of his/her household serve(s) as an officer, director or advisory board member of the subject company/ies indicated in the previous table.
- 3 The research analyst(s) responsible for the preparation of this report received compensation from the subject company/ies indicated in the previous table in the

Exane-Specific Regulatory Disclosures

Exane SA (including Exane SA branches, based in the United Kingdom, in the European Economic Area and in Switzerland) and Exane Inc. (collectively, "Exane") may have a relationship with the companies covered by this research report, as described in the numbered disclosures below. The table immediately below indicates which, if any, of these disclosures apply to Exane's relationship with the subject company/ies.

Companies Disclosures Chargeurs 13

- 1 Exane beneficially owns 1% or more of any class of common equity securities of the subject company/ies.
- 2 Exane managed or co-managed an offering of Equity securities for the subject company/ies in the past 12 months.
- 3 Exane received compensation for investment banking services from the subject company/ies in the past 12 months (the only investment banking services for Exane with regards to the subject company/ies are those when Exane is distributor or underwriter for Equity securities offerings managed-or co-managed by BNP Paribas, when BNP Paribas managed or co-managed an offering of Equity securities for the subject company/ies).
- 4 Exane expects to receive or intends to seek compensation for investment banking services from the subject company/ies in the next 3 months.
- 5 Exane SA is a market maker and/or liquidity provider in the securities of the subject company/ies.
- 6 Exane Inc. received compensation for products and services other than investment banking services from the subject company/ies in the past 12 months.
- 7 Exane Inc. had an investment banking services client relationship with the subject company/ies in the past 12 months
- 8 Exane Inc. had a non-investment banking, securities-related client relationship with the subject company/ies in the past 12 months.
- 9 Exane Inc. had a non-securities-related services relationship with the subject company/ies in the past 12 months.
- 10 Exane Inc. is a market maker in the securities of the subject company/ies.
- 11 Exane beneficially owns at least 0.5% long or short position of the subject company/ies.
- 12 Exame received compensation from a Private Equity firm to carry out a bespoke work related to the subject company/ies in the past 12 months.

 13 Exame received or expects to receive compensation for non-investment banking services from the subject company/ies in the past 12 months or in the next 3 months.
- 14 Sections of this report, with the research summary, target price and rating removed, have been presented to the subject company/ies prior to its distribution, for the sole purpose of verifying the accuracy of factual statements.
- 15 Following the presentation of sections of this report to this subject company, some conclusions were amended.

Commitment to transparency on potential conflicts of interest: BNP Paribas

While BNP Paribas ("BNPP") holds a material ownership interest in the various Exane entities, Exane and BNPP have entered into an agreement to maintain the independence of Exane's research reports from BNPP. These research reports are published under the brand name "Exane BNP Paribas". Nevertheless, for the sake of transparency, we separately identify potential conflicts of interest with BNPP regarding the company/(ies) covered by this research document.

BNP Paribas-related disclosures

BNPP may have a relationship with the companies covered by this research report, as described in the numbered disclosures below. The table immediately below indicates which, if any, of these disclosures apply to BNPP's relationship with the subject company/ies.

Companies	Disclosures	
Companies	Disclosures	
Chargeurs	4. 5	

- 1 BNPP beneficially owns 1% or more of any class of common equity securities of the subject company/ies
 2 BNPP managed or co-managed an offering of Equity securities for the subject company/ies in the past 12 months
 3 BNPP acted as Advisor in a Public Offer involving the subject Company/ies in the past 12 months.
- 4 BNPP received compensation for investment banking services from the subject company/ies in the past 12 months
- 5 BNPP expects to receive or intends to seek compensation for investment banking services from the subject company/ies in the next 3 months
- 6 A member of senior BNPP management is a member of the Board of the subject company
- 7 BNPP beneficially owns at least 0.5% long or short position of the subject company/ies.

Price and Ratings Chart

Chargeurs

Historical closing price & target price (as of 04/05/2021)



Source: Exane BNP Paribas

Historical rating & target price changes

The latest company-specific disclosures, valuation methodologies and investment case risks for all other companies covered by this document are available on http://cube.exane.com/compliance.

EBITDA / Financial charges (**)

ROCE, incl. gross goodw ill

WACC

Adjusted financial debt (A)+(B) / EBITDA (**) ROCE, excl. gdw ./intangibles

4.5x

5.1x 7.7% 5.5%

4.5%

3.1x

5.9x

2.6x

5.4%

8.6x

1.4x

9.7%

6.7%

Price at 04 May 21: EUR22.4 **CHARGEURS** Valuation range (EUR): 20.0 (-11%) | 26.0 (+16%) Refinitiv / Bloomberg: CRIP.PA / CRI FP
Company Highlights Industrial Machinery | Capital Goods - France Analyst: Mourad Lahmidi (+33) 1 42 99 50 63 Market capitalisation 518 Free float 12. Performance (*) 12m 49% (7%) Rel. MSCI SMID 12m Hi/Lo (EL CAGR EPS restated (8% CFPS Price (4% Dec. 12 Dec. 14 Dec. 15 De c. 18 Dec. 19 ¹ De c. 22e PER SHARE DATA (EUR) Dec. 11 De c. 13 De c. 16 Dec. 17 De c. 20p Dec. 21e De c. 23e ec. 24e No of shares year end, basic, (m)
Avg no of shares, diluted, excl. treasury stocks (m)
EPS reported, Gaap 19.616 21.80 22.407 23.36 22.85 0.82 0.26 EPS company definition
EPS restated, fully diluted (1.12) (0.43) 1.05 1.31 1.29 0.82 0.26 0.69 0.78 0 94 1.15 0.66 1.79 0.75 1 51 1 71 0.26 1.03 0.36 0.52 0.97 % change (32.8%) *NS* 12.3 NS 98.3% 174.6% (21.9%) 16.9% 5.8% (29.5%) 179.4% (62.2%) 52.3% 14.1% 11.3% Rook value (BVPS) (a) 13 9 11 0 11 4 9.5 99 10 1 10.2 10.5 126 13 9 Net dividend
STOCKMARKET RATIOS Dec. 11 Dec. 12 De c. 13 ec. 14 De c. 15 Dec. 16 ec. 17 ec. 18 De c. 19 ¹ c. 20p Dec. 21e c. 22e c. 23e c. 24e P / E (P/ EPS restate NC NC 5.8x 15% 21.8x 100% P/ E relative to MSCI SMID 27% 61% 95% 105% 81% 52% 97% 80% FCF vield (26.3%) 58.5% 31.6% 21.0% 10.7% 8.1% 2.0% (1.4%)(2.5%)15.3% 2.7% 5.0% 6.5% 7.3% 1.14x 4.9% 1.55x 3.4% 2.15x 1.0% P/BVPS 0.33 0.26x 0.34x 0.46x 0.74x 2.31x 2.29 1.80> 1.95x 1.78x 1 62 0.0% 0.0% 0.0% Net yield 3.8% 4.2% 2.6% 2.3% 2.0% 2.3% Payout 0.0% 0.0% 0.0% 38.4% 21.0% 49.2% 45.9% 48.4% 41.0% 19.8% 21.9% 25.7% FV / Sale 0.36 0.23x 0.21x 0.24 0.32x 0.60× 1.07x 1.19> 0.97 0.71x 5.7x 7.4x 1.18x 11.6x 16.3x 1.03× 0.95× 0.89 10.1x 6.6x 3.6x 8.9x EV / Restated EBITA 9.6x 12.9x 6.7x 5.1x 5.2x 7.9x 12.8x 13.9x 14.7x 11.5x 10.0x 9.0x 21.5x 17.1x EV / NOPAT 14.0x 18 4¥ 9 8 9 7.0x 9 7x 14 8v 16 6x 19 4 8.2> 15.2x 13 2v 11 5v 11.9x EV / Capital employed (incl. gross goodwill) 0.8x 0.6x 0.6x 0.9x 2.9x ENTERPRISE VALUE (EURm) 200 121 96 116 161 306 569 682 609 587 708 687 663 635 + Adjusted net debt (including lease liability) 157 99 145 225 204 179 + Other liabilities and commitr + Revalued minority interests 11 13 16 15 16 17 18 18 18 18 Revalued investments 19 P & L HIGHLIGHTS (EURm) . 11 . 12 . 13 . 14 . 15 . 16 . 17 c. 18 . 19 ¹ . 21e 22e 23e . 24e 552 524 467 478 499 506 533 573 626 670 698 Restated EBITDA (b) (**) 31 23 32 61 102 (10) **21** (9) **23** (10) (10) (12) (19) (18) **60** (18) **66** Restated EBITA (b) Reported operating profit (loss) Net financial income (charges) 24 21 24 34 39 42 32 56 51 58 62 (10) (11) (7) 0 (5) (9) (11) (12) (10) (12) (12) (12) (12) (2) (11) (0) (1) (1) (0) (2) (1) (1) (1) (1) Other (5) 0 10 (9) (4) (0) (5) (4) 0 (5) (5) (4) (5) (9) (11) (11) Net attributable profit reported (12) 22 27 15 25 15 41 29 35 39 Net attributable profit restated (c) CASH FLOW HIGHLIGHTS (EURm) 17 20p EBITDA (reported) (**) EBITDA adjustment (b) (3) 30 44 5 49 6 55 6 53 85 3 (3) (4) **71** (13) Other items (2) (8) (5) (5) (14)(3) (3) Change in WCR (30) 23 (7) (23)(13)(4) (4) (4) Operating cash flow **44** (5) **77** (10) **34** (7) (10) (11) (24) (25) (10) (13) Operating free cash flow (OpFCF) (3) (14) 39 27 28 26 25 14 81 58 67 71 (11) **15** (15) **10** (28) 14 (32) **26** Net financial items (d) + tax pa (17) (24) (33) (33) (16) 26 38 (7) (10) Net financial investments & acquisitions (1) 10 (20) (4) (66) (9) (53) (4) (13) (7) (10) (19) (9) (5) (12) (5) Dividends paid (3) (7) (11)(9) (6) (12)(9) (10)(36) 19 De c. 13 (21) 43 Increase (decrease) in net financial debt 101 (28) 53 (8) Cash flow, group share BALANCE SHEET HIGHLIGHTS (EURm) 31 c. 17 e c. 18 c. 15 c. 12 c. 19 ¹ c. 22e . 24e c. 11 c. 14 c. 16 . 20p c. 21e Restated capital employed, incl. gross goodwill 259 198 154 171 175 199 197 304 359 402 411 412 414 183 167 158 183 219 227 230 237 232 237 241 266 292 320 4 27 3 24 Provisions/ Other liabilities 26 23 24 22 22 27 51 53 32 52 52 53 FINANCIAL RATIOS (%) Dec. 21e 31.2% 27.5% 91.5% Sales (% change) (5.1%) (10.9%) 4.3% 1.5% 4.2% 9.2% Organic sales grow th
Restated EBITA (% change) 7.9% (4.3%) 53.2% 5.1% 27.1% 3.2% 14.1% 2.6% (1.2%) (25.3% (45.2% (54.8%) 6.8% Restated attributable net profit (% change) (34.6%) NO 98.6% 140.4% (8.6%)18.0% 6.7% (31.0%) 179.0% (62.2%) NC 52.3% 14.1% 11.3% Personnel costs / Sale NC NC NC NC NC NC NC NC NC Restated EBITDA margin (**) 4.9% 8.1% 6.1% 3.8% 7.7% 8.3% 8.5% 6.6% 9.6% 7.2% Restated EBITA margin 1.8% 4.8% 8.9% 9.5% 9.9% Tax rate 31.0% NC 31.9% 27.7% NC 18.5% 13.7% 16.0% 24 4% 9.6% 24.0% 24.0% 24.0% 22.0% Net margin 2.1% Capex / Sales 1.2% 1.0% 1.5% 2.8% 2.2% 2.6% 4.2% 4.0% 1.2% 2.2% 1.9% 1.5% 1.5% OpFCF / Sales (0.5%)7.4% 5.7% 5.9% 5.2% 8.1% 6.7% 4.7% 1.6% 2.3% 9.9% 6.9% 12.4% 8.6% 9.6% 10.0% 11.4% Capital employed (excl. gdw ./intangibles) / Sale 33.9% 24.4% 18.8% 20.6% 19.4% 21.2% 20.5% 25.4% 29.7% 28.0% 39.2% 36.2% 35.2% 34.9% ROF (5.6%) 3.7% 6.4% 12.8% 13.2% 13.6% 9.6% 26.3% 9.7% 13.5% 14.0% 14.2% 82% 57% 37% 25% 12% 21% 17% 61% 90% 96% 77% 61% 47%

(b) adjusted for capital gains/losses, exceptional restructuring charges, cap and financial result/tax adjustments (d) including lease principal post IFRS 16 (*) In listing currency, with div. reinvested, (**) EBITDAR post IFRS16, (1) First application of IFRS 16

11.5x

0.6x

11.3x

15.9%

8.5%

1.0x

7.3x

0.7x

35.1% 19.4%

9.0%

6.8x

2.4x

28.2%

8.0%

6.1x

8.7%

7.5%

10.8x

31.1%

7.5%

6.1x

14.0% 8.1%

7.9%

7.7x

8.4x

7.9%

8.8x

1.7x

22.1%

7.9%

EXANE BNP PARIBAS

LONDON

Branch of Exane SA 1 Hanover Street London W1S 1YZ

Tel: (+44) 207 039 9400 Fax: (+44) 207 039 9440

MADRID

Branch of Exane SA Calle Génova, 27 7th Floor Madrid 28004 Spain

Tel: (+34) 91 114 83 00 Fax: (+34) 91 114 83 01

STOCKHOLM

Branch of Exane SA Hovslagargatan 3 111 48 Stockholm Sweden

Tel: (+46) 8 5663 9820 Fax: (+46) 8 5063 9751 PARIS

Exane SA 6 Rue Ménars 75002 Paris France

Tel: (+33) 1 44 95 40 00 Fax: (+33) 1 44 95 40 01

MILAN

Branch of Exane SA Via dei Bossi 4 20121 Milan Italy

Tel: (+39) 02 89 63 17 13 Fax: (+39) 02 89 63 17 01 **FRANKFURT**

Branch of Exane SA Europa-Allee 12, 3rd floor 60327 Frankfurt Germany

Tel: (+49) 69 42 72 97 300 Fax: (+49) 69 42 72 97 301

NEW YORK

Exane Inc. 12 East 49th Street 30th Floor New York, NY 10017 USA

Tel: (+1) 212 634 4990 Fax: (+1) 212 634 5171 GENEVA

Branch of Exane SA Rue du Rhône 80 1204 Geneva Switzerland Tel: (+41) 22 718 65 65

Fax: (+41) 22 718 65 00

SAN FRANCISCO

Exane Inc. 201 Mission Street San Francisco, CA 94105

Tel: (+1) 212 634 4975

All Exane research documents are available to all clients simultaneously on the Exane website (http://cube.exane.com). Most published research is also available via third-party aggregators such as Bloomberg, Refinitiv, Factset and Capital IQ. Exane is not responsible for the redistribution of research by third-party aggregators.

Important notice: Please refer to our complete disclosure notice and conflict of interest policy available on http://cube.exane.com/compliance

This research is produced by one or more of EXANE SA (including Exane SA branches, based in the United Kingdom, in the European Economic Area and in Switzerland) and Exane Inc (collectively referred to as "EXANE"). EXANE SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution and regulated by the Autorité des Marchés Financiers ("AMF"). Exane SA branches based in the European Economic Area are authorized and regulated by ACPR and by the local relevant regulator. Exane SA Geneva Branch is authorized and regulated by the Swiss Financial Market Supervisory Authority ("FINMA"). Exane SA, London Branch is deemed authorised and regulated by the Financial Conduct Authority. Details of the Financial Services Contracts Regime, which allows EEA-based firms to operate in the UK for a limited period to carry on activities which are necessary for the performance of pre-existing contracts, are available on the Financial Conduct Authority's website.

Exane Inc is registered and regulated by the Financial Industry Regulatory Authority ("FINRA"). In accordance with the requirements of Financial Conduct Authority COBS 12.2.3R and associated guidance, of article 313-20 of the AMF Règlement Général, and of FINRA Rule 2241, Exane's policy for managing conflicts of interest in relation to investment research is published on Exane's web site (cube.exane.com). Exane also follows the guidelines described in the code of conduct of the Association Francaise des Entreprises d'Investissement ("AFEI") on managing conflicts of interest in the field of investment research. This code of conduct is available on Exane's web site (http://cube.exane.com).

This research is solely for the private information of the recipients. All information contained in this research report has been compiled from sources believed to be reliable. However, no representation or warranty, express or implied, is made with respect to the completeness or accuracy of its contents, and it is not to be relied upon as such. Opinions contained in this research report represent Exane's current opinions on the date of the report only. Exane is not soliciting an action based upon it, and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy.

While Exane endeavours to update its research reports from time to time, there may be legal and/or other reasons why Exane cannot do so and, accordingly, Exane disclaims any obligation to do so.As Exane provides ongoing coverage of this company, this report may not be the most recently published or contain the most upto-date information. Please refer to https://cube.exane.com/sponsored/home to ensure that you are accessing the most recent report relating to this company.

This report is provided solely for the information of professional investors who are expected to make their own investment decisions without undue reliance on this report and Exane accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

This report may not be reproduced, distributed or published by any recipient for any purpose. Any United States person wishing to obtain further information or to effect a transaction in any security discussed in this report should do so only through Exane Inc., which has distributed this report in the United States and, subject to the above, accepts responsibility for its contents.

BNP PARIBAS has acquired an interest in VERNER INVESTISSEMENTS the parent company of EXANE. VERNER INVESTISSEMENTS is controlled by the management of EXANE. BNP PARIBAS's voting rights as a shareholder of VERNER INVESTISSEMENTS will be limited to 40% of overall voting rights of VERNER INVESTISSEMENTS.