

CHARGEURS

PRICE VALUATION (UPSIDE) EUR22.9
EUR22 (-4%) ■ EUR29 (+27%)

VALUATION RANGE EPS 21e EPS 22e
↗ 10% | ↗ 4% | ↗ 7% | ↗ 3%

Strong H1 21 delivery

9 SEPTEMBER 2021 at 13:14*

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Q2 21 trends tracking significantly above forecasts

Q2 21 sales came out at EUR192m down 46% LFL from a high comparison basis (last year was boosted by face masks) but tracked 19% above our estimates with the beat driven by virtually all divisions. CPF benefited from a pick-up in demand from construction and appliance end-markets. CFT PCC rebounded from a depressed base and grew in line with the clothing market. Business momentum remained strong at CHS on the back of several contracts with public authorities and corporates.

Higher than expected profitability

H1 21 adj. EBIT stood at EUR34m significantly above our EUR20m estimate. This was driven by: 1) stronger volume growth at CPF and pass-throughs to offset higher poly-ethylene prices; 2) a jump in CMS operating margin essentially linked to the integration of D&P; 3) sharp improvement in CHS profitability thanks to better product mix (higher share of reusable face masks).

Solid visibility for H2 21

While Chargeurs did not provide a quantified guidance, management expects 2021 to be one of the best years in the group's recent history on the back of: 1) stronger order books at CPF and CFT PCC; 2) good visibility at CHS which is now expected to reach the high end of its target revenue range (EUR50-100m); 3) growing contribution from CMS driven the gradual reopening of economies.

We lift our forecasts and valuation range

We have raised our adj. EPS estimates by 7% in 2021 and 3% in 2022 to take into account the H1 21 beat and better trends expected in H2. We have also lifted our valuation range to reflect our earnings upgrade (ROCE/WACC 2022e at EUR22 and DCF at EUR29).

Price (8 September 2021)	EUR22.9	Performance ⁽¹⁾	1w	1m	3m	12m
Market cap (EURm)	530	Absolute(%)	(3)	5	3	52
Free float (EURm)	307	Rel. Sector(%)	(2)	4	(4)	11
EV (EURm)	706	Rel. MSCI SMID(%)	(2)	5	(2)	9
3m avg volume (EURm)	0.8					
Refinitiv / Bloomberg	CRIP.PA / CRI FP					
Country / Sub Sector	France / Other Support Services					

Financials	12/21e	12/22e	12/23e	12/24e	Valuation metrics	12/21e	12/22e	12/23e	12/24e
EPS, Adjusted (EUR)	1.27	1.65	1.91	2.21	P/E (x)	18.0	13.9	12.0	10.4
EPS, Company (EUR)	0.98	1.38	1.64	1.92	Net yield (%)	1.3	1.8	2.1	2.5
EPS - Refinitiv (EUR)	0.92	1.47	1.67	2.07	FCF yield (%)	6.5	5.4	6.9	8.1
Net dividend (EUR)	0.29	0.41	0.49	0.58	EV/Sales (x)	1.0	1.0	0.9	0.8
Sales (EURm)	676	702	732	758	EV/EBITDA (x)	10.4	8.4	7.4	6.5
EBITDA, Adj. (EURm)	48.8	62.2	70.1	77.2	EV/EBITA (x)	14.5	11.0	9.4	8.1
Net profit, Adj. (EURm)	29.0	37.8	43.7	50.4	EV/CE (x)	1.8	1.7	1.6	1.5
ROCE (%)	9.9	11.8	13.3	14.9					
Net Debt/EBITDA, Adj. (x)	3.0	2.3	1.8	1.3					

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

SPONSORED RESEARCH: Exane is receiving compensation from Chargeurs to cover and produce research on the stock.

* Date and time (London Time) on which the investment recommendation was finalised. It may differ from the date and time of broad dissemination on the website. See Appendix (on p3) for Analyst Certification, Important Disclosures and Non-US Research Analyst disclosures.

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 EUR29/share while a ROCE/WACC 2022e approach points to EUR22/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.

Exclusive use of
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Mourad Lahmidi

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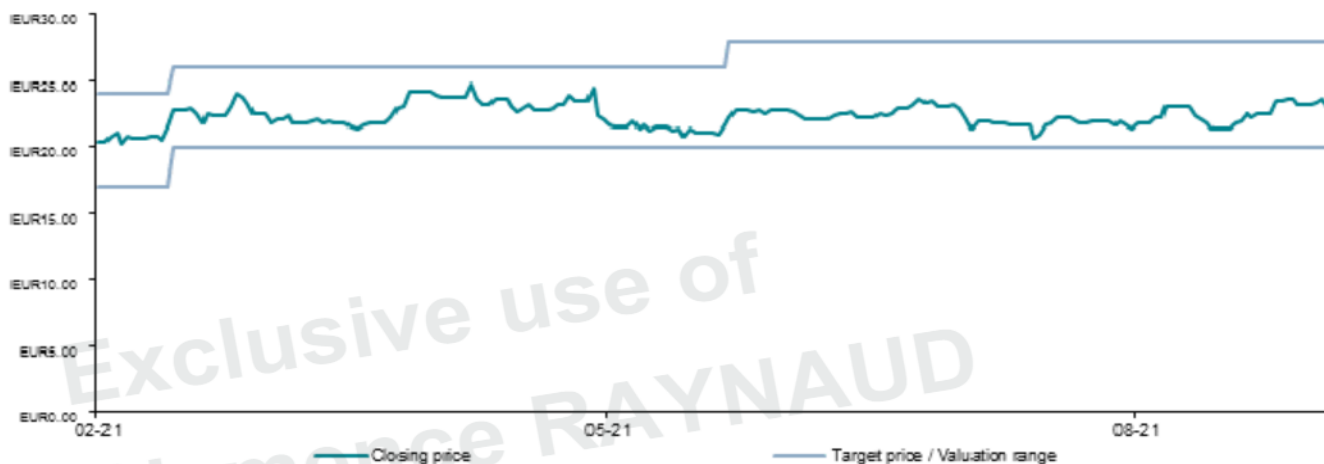
Companies	Disclosures
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Price and Ratings Chart

Chargeurs

Historical closing price & target price (as of 08/09/2021)



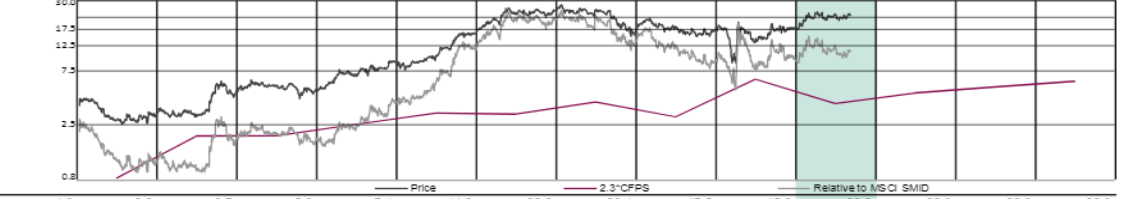
Source: Exane BNP Paribas

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>.

Company Highlights

	EURm			
Enterprise value	708			
Market capitalisation	530			
Free float	307			
3m average volume	0.8			
Performance (*)	1m	3m	12m	
Absolute	5%	3%	52%	
Rel. Sector	4%	(4%)	11%	
Rel. MSCI SMD	5%	(2%)	9%	
12m Hi/Lo (EUR)	24.8 -8% / 15.8 +45%			
CAGR	2008/2021		2021/2024	
EPS restated	NC		20%	
CFPS	NC		16%	



Price (yearly avg from Dec. 11 to Dec. 20)	4.6	3.2	3.7	5.3	7.1	11.3	22.8	23.1	17.5	15.8	22.9	22.9	22.9	22.9
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PER SHARE DATA (EUR)	Dec. 11	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19*	Dec. 20	Dec. 21e	Dec. 22e	Dec. 23e	Dec. 24e
No of shares year end, basic, (m)	13,123	13,525	14,341	15,021	22,966	22,966	23,331	23,552	23,849	23,108	23,108	23,108	23,108	23,108
Avg no of shares, diluted, excl. treasury stocks (m)	22,497	21,801	22,378	22,407	19,616	22,956	23,172	23,365	22,882	22,851	22,851	22,851	22,851	22,851
EPS reported, Gaap	0.82	(1.12)	0.26	0.69	0.78	0.94	1.05	1.15	0.66	1.79	0.98	1.38	1.64	1.92
EPS company definition	0.82	(1.12)	0.26	0.69	0.78	0.94	1.05	1.15	0.66	1.79	0.98	1.38	1.64	1.92
EPS restated, fully diluted	0.36	(0.43)	0.26	0.52	1.43	1.12	1.31	1.38	0.97	2.72	1.27	1.65	1.91	2.21
% change	(32.6%)	NS	NS	98.3%	174.6%	(21.9%)	16.9%	5.8%	(29.5%)	179.4%	(53.4%)	30.0%	15.9%	15.3%
Book value (BVPS) (a)	13.9	12.3	11.0	11.4	9.5	9.9	9.9	10.1	9.7	10.2	10.7	11.7	12.9	14.4
Net dividend	0.00	0.00	0.00	0.20	0.30	0.55	0.80	0.87	0.40	0.54	0.29	0.41	0.49	0.58

STOCKMARKET RATIOS	Dec. 11	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19*	Dec. 20	Dec. 21e	Dec. 22e	Dec. 23e	Dec. 24e
P/E (P/ EPS restated)	12.8x	NC	14.3x	10.1x	4.0x	10.1x	17.4x	16.7x	18.0x	5.8x	18.0x	13.9x	12.0x	10.4x
P/E relative to MSCI SMD	27%	NC	61%	40%	28%	51%	95%	98%	111%	18%	94%	78%	74%	70%
FCF yield	(26.3%)	59.5%	31.8%	21.0%	10.7%	8.1%	2.0%	(1.4%)	(2.5%)	13.7%	6.5%	5.4%	6.0%	8.1%
P/BVPS	0.33x	0.26x	0.34x	0.46x	0.74x	1.14x	2.31x	2.29x	1.80x	1.55x	2.15x	1.95x	1.77x	1.80x
Net yield	0.0%	0.0%	0.0%	3.8%	4.2%	4.9%	2.8%	2.9%	2.3%	3.4%	1.3%	1.8%	2.1%	2.5%
Payout	0.0%	0.0%	0.0%	38.4%	21.0%	49.2%	45.9%	48.4%	41.0%	19.8%	23.1%	25.0%	25.7%	28.1%
EV / Sales	0.38x	0.23x	0.21x	0.24x	0.32x	0.60x	1.07x	1.19x	0.97x	0.72x	1.04x	0.97x	0.90x	0.82x
EV / Restated EBITDA (**)	6.6x	8.0x	4.2x	3.6x	4.0x	6.3x	10.4x	11.2x	10.1x	5.8x	10.4x	8.4x	7.4x	8.5x
EV / Restated EBITA	9.8x	12.9x	6.7x	5.1x	5.2x	7.9x	12.8x	13.9x	14.7x	7.4x	14.5x	11.0x	9.4x	8.1x
EV / NOPAT	14.0x	18.4x	9.8x	7.0x	7.5x	9.7x	14.8x	16.6x	19.4x	8.2x	18.1x	14.5x	12.3x	10.4x
EV / OpFCF	NS	3.1x	3.6x	4.1x	6.2x	9.0x	22.7x	73.3x	42.3x	8.5x	11.3x	11.3x	9.3x	8.1x
EV / Capital employed (incl. gross goodwill)	0.8x	0.6x	0.6x	0.7x	0.6x	1.5x	2.6x	1.7x	1.5x	2.2x	1.8x	1.7x	1.6x	1.5x

ENTERPRISE VALUE (EURm)	200	121	96	116	161	306	569	662	609	591	706	684	657	625
Market cap	60	42	51	83	139	259	528	539	401	362	530	530	530	530
+ Adjusted net debt (including lease liability)	157	99	59	46	26	48	39	145	209	227	206	184	157	125
+ Other liabilities and commitments	11	11	13	16	15	17	16	17	18	17	17	17	17	17
+ Revalued minority interests	2	2	1	2	2	2	2	2	2	2	2	2	2	2
- Revalued investments	29	32	28	30	20	17	14	20	19	15	46	46	46	46

P & L HIGHLIGHTS (EURm)	Dec. 11	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19*	Dec. 20	Dec. 21e	Dec. 22e	Dec. 23e	Dec. 24e
Sales	552	524	467	478	499	506	533	573	626	822	676	702	732	758
Restated EBITDA (b) (**)	31	20	23	32	40	49	55	61	60	102	68	81	89	96
Depreciation	(10)	(11)	(9)	(9)	(10)	(10)	(10)	(12)	(19)	(23)	(19)	(19)	(19)	(19)
Restated EBITA (b)	21	9	14	23	31	39	44	49	41	79	49	62	70	77
Reported operating profit (loss)	24	9	18	21	24	34	39	42	32	56	40	54	62	69
Net financial income (charges)	(10)	(11)	(7)	(2)	(5)	(5)	(9)	(11)	(12)	(10)	(12)	(12)	(12)	(12)
Affiliates	1	(1)	0	(0)	(11)	(2)	(1)	0	(0)	(2)	(1)	(1)	(1)	(1)
Other	(5)	(9)	(4)	(4)	8	(5)	(4)	(5)	(5)	(4)	(6)	(10)	(12)	(12)
Minorities	0	1	0	(0)	(0)	0	0	0	0	1	0	0	0	0
Net attributable profit reported	10	(12)	8	11	15	22	25	27	15	41	22	31	37	44
Net attributable profit restated (c)	8	(9)	6	12	28	26	30	32	22	62	29	38	44	50

CASH FLOW HIGHLIGHTS (EURm)	Dec. 11	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19*	Dec. 20	Dec. 21e	Dec. 22e	Dec. 23e	Dec. 24e
EBITDA (reported) (**)	33	19	26	30	34	44	49	55	53	84	65	78	86	93
EBITDA adjustment (b)	(3)	1	(3)	2	7	5	6	6	7	18	3	3	3	3
Other items	3	1	6	(2)	(8)	(5)	(9)	(5)	(7)	(20)	(3)	(3)	(3)	(3)
Change in WCR	(30)	23	5	9	8	1	(7)	(23)	(13)	3	10	(5)	(5)	(5)
Operating cash flow	4	44	34	38	40	45	39	34	40	85	75	74	82	89
Capex	(7)	(5)	(7)	(10)	(14)	(11)	(14)	(24)	(25)	(15)	(13)	(13)	(11)	(11)
Operating free cash flow (OpFCF)	(3)	39	27	28	26	34	25	9	14	70	62	61	71	77
Net financial items (d) + tax paid	(14)	(14)	(10)	(11)	(11)	(13)	(15)	(17)	(24)	(20)	(28)	(32)	(34)	(35)
Free cash flow	(16)	26	17	18	15	21	10	(7)	(10)	49	34	29	37	43
Net financial investments & acquisitions	2	(1)	10	0	1	(20)	(4)	(9)	(9)	(82)	0	0	0	0
Other	(4)	22	8	(13)	1	(9)	6	(7)	(19)	(18)	0	0	0	0
Capital increase (decrease)	1	1	2	3	11	0	0	(10)	(10)	(0)	0	0	0	0
Dividends paid	0	0	0	0	(3)	(12)	(7)	(11)	(9)	(6)	(13)	(7)	(9)	(11)
Increase (decrease) in net financial debt	18	(48)	(36)	(8)	(25)	20	(6)	101	57	36	(22)	(22)	(27)	(31)
Cash flow, group share	20	8	19	19	21	31	31	40	29	62	37	47	53	59

BALANCE SHEET HIGHLIGHTS (EURm)	Dec. 11	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19*	Dec. 20	Dec. 21e	Dec. 22e	Dec. 23e	Dec. 24e
Net operating assets	129	117	104	123	134	154	152	239	288	350	349	348	345	342
WCR	130	80	50	48	41	46	46	65	73	57	47	52	57	62
Restated capital employed, incl. gross goodwill	259	198	154	171	175	199	197	304	359	407	396	400	402	404
Shareholders' funds, group share	183	167	158	183	219	227	230	237	232	237	246	271	299	332
Minorities	7	7	3	4	3	0	0	0	0	0	0	0	0	0
Provisions/ Other liabilities	26	23	24	27	24	22	22	27	32	38	39	39	40	40
Net financial debt (cash)	94	46	10	2	(23)	(3)	(9)	92	149	185	163	141	114	83

FINANCIAL RATIOS (%)	Dec. 11	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19*	Dec. 20	Dec. 21e	Dec. 22e	Dec. 23e	Dec. 24e
Sales (% change)	7.8%	(5.1%)	(10.9%)	2.5%	4.3%	1.5%	5.3%	7.6%	9.2%	31.2%	(17.7%)	3.8%	4.2%	3.6%
Organic sales growth	7.9%	(6.8%)	(4.3%)	4.6%	1.7%	5.1%	3.2%	2.6%	(1.2%)	27.6%	(17.1%)	3.8%	4.2%	2.2%
Restated EBITA (% change)	1.5%	(54.8%)	53.2%	50.0%	33.6%	27.1%	14.1%	10.4%	(15.5%)	91.5%	(38.5%)	27.4%	12.7%	10.1%
Restated attributable net profit (% change)	(34.6%)	NC	NC	98.6%	140.4%	(8.6%)	18.0%	6.7%	(31.0%)	179.0%	(53.4%)	30.0%	15.9%	15.3%
Personnel costs / Sales	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
Restated EBITDA margin (**)	5.5%	3.8%	4.9%	6.8%	8.1%	9.8%	10.2%	10.6%	9.6%	12.5%	10.0%	11.6%	12.2%	12.7%
Restated EBITA margin	3.8%	1.8%	3.1%	4.8%	6.1%	7.7%	8.3%	8.5%	6.8%	9.8%	7.2%	8.9%	9.6%	10.2%
Tax rate	31.0%	NC	31.9%	27.7%	NC	18.5%	13.7%	16.0%	24.4%	9.8%	20.0%	24.0%	24.0%	22.0%
Net margin	1.4%	(1.0%)	1.2%	2.5%	5.7%	5.1%	5.7%	5.6%	3.6%	7.5%	4.3%	5.4%	6.0%	6.6%
Capex / Sales	1.2%	1.0%	1.5%	2.1%	2.8%	2.2%	2.6%	4.2%	4.0%	1.8%	1.9%	1.9%	1.8%	1.5%

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