

CHARGEURS

PRICE VALUATION (UPSIDE) EUR26.9 EUR24 (-11%) ■ EUR31 (+15%)

VALUATION RANGE EPS 21e EPS 22e
 ↗ 9% | ↗ 7% | ↗ 4% | ↗ 6%

Strong Q3 21 sales release

10 NOVEMBER 2021 at 09:23*

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Stronger than expected Q3 21 sales trends

Chargeurs posted Q3 21 sales of EUR173m up 2% of which 0.7% LFL. This came 13% above our forecast of EUR153m (-10% organic growth). The upside to expectations was driven by stronger trends at CPF, CFT PCC and Luxury Materials.

Strong CPF, CFT PCC gradually returning to normal

CPF (+28% LFL) continued to see strong trends driven by demand in construction and price hikes. CFT PCC (+20% LFL) saw a strong momentum in the US where sales were above 2019 levels. CMS was down 0.8% LFL as health restrictions continued to affect invoicing and project implementation. CHS posted a 75% decline as mask orders normalized, reflecting a more relaxed health situation in Europe.

Revenue guidance above forecasts

At the end of Q3, the order book at CPF was said to have remained high and order intake at CFT PCC was very dynamic. The group sets a revenue target for 2021 at EUR700m (3.5% above our previous estimate) and expects operating profit "among the best performances of recent years".

We lift our forecasts and valuation range

We have raised our adj. EPS estimates by 4% this year and 6% next year to take into account the Q3 beat. We have also lifted our valuation range to reflect our earnings upgrade (ROCE/WACC 2022e at EUR24 and DCF at EUR31).

Price (9 November 2021)	EUR26.9	Performance ⁽¹⁾	1w	1m	3m	12m
Market cap (EURm)	622	Absolute(%)	3	4	23	56
Free float (EURm)	360	Rel. Sector(%)	3	(2)	18	21
EV (EURm)	795	Rel. MSCI SMID(%)	2	(2)	21	17
3m avq volume (EURm)	1.1					
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)	1.32	1.75	2.02	2.33	P/E (x)	20.4	15.4	13.3	11.5
EPS, Company (EUR)	1.03	1.47	1.75	2.05	Net yield (%)	1.1	1.6	1.9	2.3
EPS - Refinitiv (EUR)	1.10	1.57	1.87	2.18	FCF yield (%)	5.7	5.0	6.2	7.2
Net dividend (EUR)	0.31	0.44	0.52	0.61	EV/Sales (x)	1.1	1.0	1.0	0.9
Sales (EURm)	705	739	770	797	EV/EBITDA (x)	11.5	9.2	8.0	7.1
EBITA, Adj. (EURm)	50.1	65.1	73.3	80.8	EV/EBITA (x)	15.9	11.8	10.1	8.8
Net profit, Adj. (EURm)	30.1	40.0	46.2	53.3	EV/CE (x)	2.0	1.9	1.8	1.8
ROCE (%)	10.1	12.4	13.9	15.6					
Net Debt/EBITDA, Adj. (x)	3.0	2.1	1.6	1.2					

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 EUR31/share while a ROCE/WACC 2022e approach points to EUR24/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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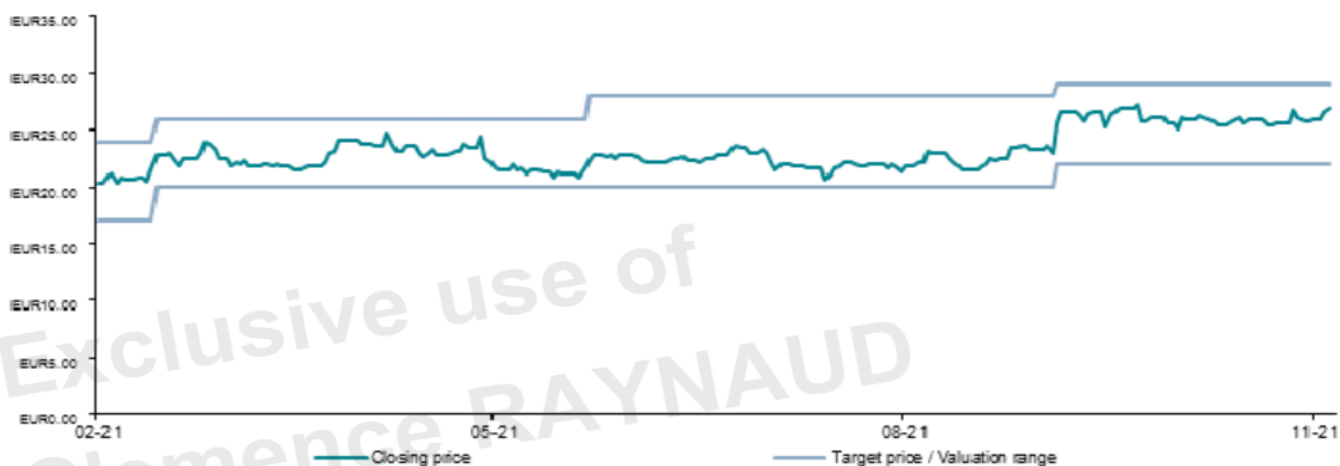
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Price and Ratings Chart

Chargeurs

Historical closing price & target price (as of 09/11/2021)



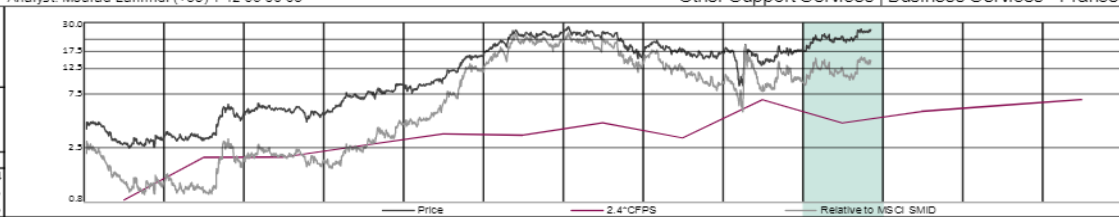
Source: Exane BNP Paribas

Historical rating & target price changes

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Company Highlights

Enterprise value	EURm	795	
Market capitalisation	622		
Free float	360		
3m average volume	1.1		
Performance (*)			
Absolute	1m	3m	12m
Rel. Sector	4%	23%	56%
Rel. MSCI SMD	(2%)	18%	21%
Rel. MSCI SMD	(2%)	21%	17%
12m Hi/Lo (EUR): 27.2 -1% / 16.3 +65%			
CAGR			
2008/2021	2021/2024		
EPS restated	NC	21%	
CFPS	NC	17%	



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 26.9 26.9 26.9 26.9

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	23,355	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	1.03	1.47	1.75	2.05
EPS company definition	0.82	(1.12)	0.26	0.69	0.78	0.94	1.05	1.15	0.66	1.79	1.03	1.47	1.75	2.05
EPS restated, fully diluted	0.36	(0.43)	0.26	0.52	1.43	1.12	1.31	1.38	0.97	2.72	1.32	1.75	2.02	2.33
% change	(32.8%)	NS	NS	98.3%	174.6%	(21.9%)	16.9%	5.8%	(29.5%)	179.4%	(51.7%)	33.0%	15.7%	15.2%
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	11.9	13.2	14.7
Net dividend	0.00	0.00	0.00	0.20	0.30	0.55	0.80	0.87	0.40	0.54	0.31	0.44	0.52	0.61

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	20.4x	15.4x	13.3x	11.5x
P/E relative to MSCI SMD	27%	NC	61%	40%	28%	52%	95%	97%	113%	18%	98%	98%	83%	79%
FCF yield	(26.3%)	58.5%	31.8%	21.0%	10.7%	8.1%	2.0%	(1.4%)	(2.5%)	13.7%	5.7%	5.0%	6.2%	7.2%
P/BVPS	0.33x	0.26x	0.34x	0.46x	0.74x	1.14x	2.31x	2.29x	1.80x	1.55x	2.51x	2.27x	2.05x	1.84x
Net yield	0.0%	0.0%	0.0%	3.8%	4.2%	4.9%	2.8%	2.9%	2.3%	3.4%	1.1%	1.8%	1.9%	2.3%
Payout	0.0%	0.0%	0.0%	38.4%	21.0%	49.2%	45.9%	48.4%	41.0%	19.8%	23.4%	25.3%	25.0%	28.4%
EV / Sales	0.38x	0.23x	0.21x	0.24x	0.32x	0.60x	1.07x	1.19x	0.97x	0.72x	1.13x	1.04x	0.98x	0.98x
EV / Restated EBITDA (**)	6.6x	8.0x	4.2x	3.6x	4.0x	6.3x	10.4x	11.2x	10.1x	5.8x	11.5x	9.2x	8.0x	7.1x
EV / Restated EBITA	9.6x	12.9x	6.7x	5.1x	5.2x	7.9x	12.8x	13.9x	14.7x	7.4x	15.9x	11.8x	10.1x	8.8x
EV / NOPAT	14.0x	18.4x	9.8x	7.0x	7.5x	9.7x	14.8x	16.6x	19.4x	8.2x	19.8x	15.6x	13.3x	11.3x
EV / OpFCF	NS	3.1x	3.6x	4.1x	6.2x	9.0x	22.7x	73.3x	42.3x	8.5x	12.5x	12.1x	10.1x	8.8x
EV / Capital employed (incl. gross goodwill)	0.8x	0.6x	0.6x	0.7x	0.6x	1.5x	2.9x	2.2x	1.7x	1.5x	2.0x	1.8x	1.8x	1.8x

ENTERPRISE VALUE (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
Market cap	60	42	51	83	139	259	528	539	401	362	622	622	622	622
+ Adjusted net debt (including lease liability)	157	99	59	46	26	48	39	149	209	227	204	181	152	119
+ 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	48	48	48	48

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	705	739	770	797
Restated EBITDA (b) (**)	31	20	23	32	40	49	55	61	60	102	69	84	92	100
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	50	65	73	81
Reported operating profit (loss)	24	9	18	21	24	34	39	42	32	56	42	57	65	72
Net financial income (charges)	(10)	(11)	(7)	(6)	(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)	(4)	(4)	(6)	(11)	(13)	(13)
Tax	0	1	0	(0)	(0)	0	0	0	0	1	0	0	0	0
Minorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net attributable profit reported	10	(12)	8	11	15	22	25	27	15	41	23	34	40	47
Net attributable profit restated (c)	8	(9)	6	12	28	26	30	32	22	62	30	40	46	53

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
CASH (reported) (**)	33	19	26	30	34	44	49	55	53	84	66	81	89	97
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	77	77	85	92
Capex	(7)	(5)	(7)	(10)	(14)	(11)	(14)	(24)	(25)	(15)	(13)	(13)	(12)	(12)
Operating free cash flow (OpFCF)	(3)	39	27	28	26	34	25	9	14	70	64	64	73	80
Net financial items (d) + tax paid	(14)	(14)	(10)	(11)	(11)	(13)	(15)	(17)	(24)	(20)	(28)	(33)	(35)	(35)
Free cash flow	(16)	26	17	18	15	21	10	(7)	(10)	49	36	31	38	45
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)	(10)	(12)
Increase (decrease) in net financial debt	18	(48)	(36)	(8)	(25)	20	(6)	101	57	36	(23)	(24)	(28)	(33)
Cash flow, group share	20	8	19	19	21	31	31	40	29	62	39	49	55	62

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	343
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	405
Shareholders' funds, group share	183	167	158	183	219	227	230	237	232	237	247	274	304	339
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	162	138	110	77

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%	(14.2%)	4.8%	4.2%	3.5%
Organic sales growth	7.9%	(6.8%)	(4.3%)	4.6%	1.7%	5.1%	3.2%	2.6%	(1.2%)	27.6%	(13.9%)	4.8%	4.2%	2.1%
Restated EBITA (% change)	1.5%	(54.8%)	53.2%	50.0%	33.6%	27.1%	14.1%	10.4%	(15.5%)	91.5%	(36.8%)	30.0%	12.7%	10.2%
Restated attributable net profit (% change)	(34.6%)	NC	NC	98.6%	140.4%	(8.6%)	18.0%	6.7%	(31.0%)	179.0%	(51.7%)	33.0%	15.7%	15.2%
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%	6.6%	8.1%	9.6%	10.2%	10.6%	9.6%	12.5%	9.8%	11.4%	12.0%	12.5%
Restated EBITA margin	3.8%	1.8%	3.1%	4.8%	6.1%	7.7%	8.3%	8.5%	6.8%	9.6%	7.1%	8.3%	9.5%	10.1%
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													

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