CHARGEURS PRICE EUR23.6
VALUATION (UPSIDE) EUR24 (+2%) ▪ EUR31 (+31%)

Strong finish to 2021

17 FEBRUARY 2022 at 14:40*

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Q4 21 sales sharply ahead of forecasts

Chargeurs posted Q4 21 sales of EUR191m, up 43%, of which 41% was LFL. This came 20% above our EUR160m (+20%e LFL) estimate. The upside to expectations was driven by stronger trends across the board except at the healthcare solutions division (against high comps). Revenues stood 19% above 2019 level on a LFL basis.

FY 2021 EBIT in line reflecting input cost headwinds

FY 21 EBIT came in at EUR51m, down 36% YOY (against Covid boosted earnings in 2020) and in line with our forecasts despite the Q4 beat. This reflects: 1) negative mix effect related to the lower contribution from CHS 2) sharp increase in input costs during the back half of the year notably at CPF, which also saw a 12% price tailwind during the year.

Steady growth seen in 2022

Management comments for the current year suggest continued growth on the back of an order book historically high at CPF, PCC CFT and CMS and profitability improvement as 1) price effect should continue to ramp up at CPF, 2) operating leverage should play out at PCC CFT on the back of strong volume catch-up.

Forecasts and valuation range unchanged

Our forecasts are consistent with management comments: we expect 7% LFL growth in 2022e and 750bps EBIT margin gain. We leave our valuation range unchanged.

Price (16 February 2022)	EUR23.6
Market cap (EURm)	572
Free float (EURm)	331
EV (EURm)	723
3m avg volume (EURm)	0.8
Refinitiv / Bloomberg	CRIP.PA / CRI FP
Country / Sub Sector	France / Other Support Services

Performance(1)	1w	1m	3m	12m
Absolute(%)	(3)	(2)	(13)	19
Rel. Sector(%)	(1)	5	(0)	11
Rel. MSCI SMID(%)	(2)	2	(6)	11

Financials	12/21	12/22e	12/23e	12/24e
EPS, Adjusted (EUR)	1.74	1.75	2.03	2.57
EPS, Company (EUR)	1.30	1.39	1.67	2.19
EPS - Refinitiv (EUR)	1.27	1.48	1.83	2.25
Net dividend (EUR)	0.76	0.83	1.00	1.32
Sales (EURm)	737	790	823	853
EBITA, Adj. (EURm)	50.7	60.3	69.5	84.0
Net profit, Adj.(EURm)	39.9	40.2	46.5	59.0
ROCE (%)	12.8	12.2	13.7	17.0
Net Debt/EBITDA, Adj. (x)	2.7	2.1	1.7	1.2

Valuation metrics(2)	12/21	12/22e	12/23e	12/24e
P/E (x)	13.3	13.5	11.6	9.2
Net yield (%)	3.3	3.5	4.2	5.6
FCF yield (%)	9.6	5.5	6.8	8.9
EV/Sales (x)	1.0	0.9	0.9	0.8
EV/EBITDA (x)	9.7	8.7	7.6	6.3
EV/EBITA (x)	14.1	12.0	10.1	8.0
EV/CE (x)	1.8	1.9	1.8	1.7

All valuation metrics based on adjusted figures

Source: BNP Paribas Exane (estimates), Refinitiv (consensus) (1) In listing currency, with dividend reinvested (2) Yearly average price for FY ended 12/21

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**** 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.

DISCLOSURE APPENDIX

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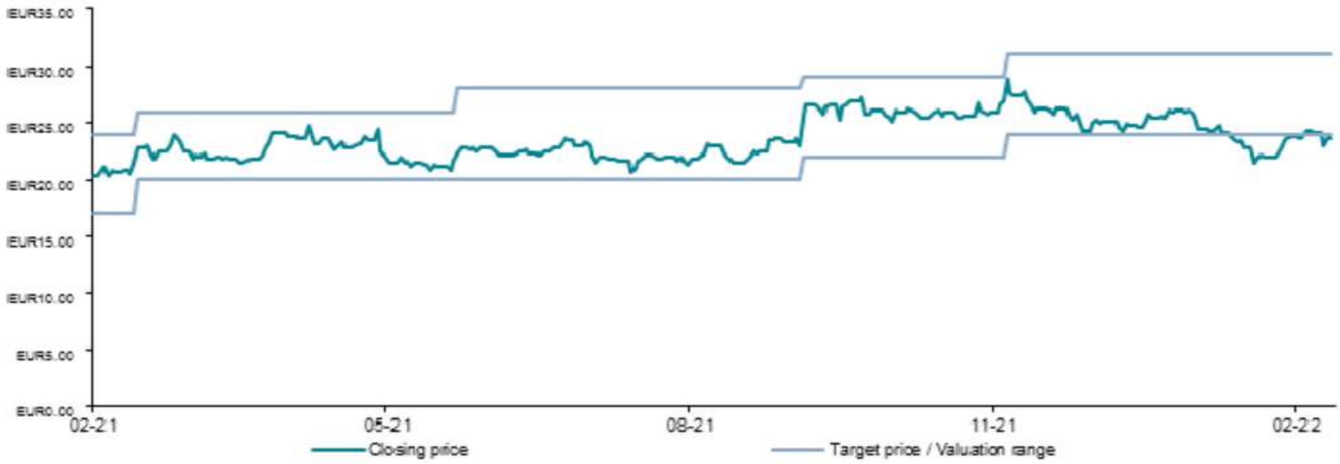
Price and Ratings Chart

Chargeurs

Historical closing price & target price **(as of 16/02/2022)**



Source: BNP Paribas Exane

Historical rating & target price changes

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Price at 16 Feb. 22: EUR23.6

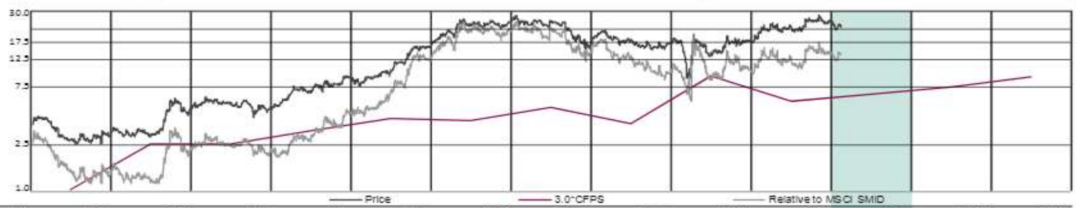
Valuation range (EUR): 24.0 (+2%) | 31.0 (+31%)

Refinitiv / Bloomberg: CRIP.PA / CRI FP   Analyst: Mourad Lahmidi (+33) 1 42 99 50 63

CHARGEURS

Other Support Services | Business Services - France

Company Highlights			EURm
Enterprise value			723
Market capitalisation			572
Free float			331
3m average volume			0.8
Performance (*)	**1m**	**3m**	**12m**
Absolute	(2%)	(13%)	19%
Rel. Sector	5%	(0%)	11%
Rel. MSCI SMID	2%	(6%)	11%
12m Hi/Lo (EUR) : 28.9 -19% / 20.6 +15%			
CAGR	**2008/2022**		**2022/2024**
EPS restated	NC		21%
CFPS	NC		17%



Price (yearly avg from Dec. 11 to Dec. 21)	*4.6*	*3.2*	*3.7*	*5.3*	*7.1*	*11.3*	*22.8*	*23.1*	*17.5*	*15.8*	*23.1*	*23.6*	*23.6*	*23.6*
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. 21**	**Dec. 22e**	**Dec. 23e**	**Dec. 24e**
No of shares year end, basic, (m)	13.123	13.525	14.341	16.021	22.966	22.966	23.331	23.552	23.849	23.108	24.274	24.274	24.274	24.274
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	22.938	22.938	22.938	22.938
EPS reported, Gaap	*0.82*	*(1.12)*	*0.26*	*0.69*	*0.78*	*0.94*	*1.05*	*1.15*	*0.66*	*1.79*	*1.30*	*1.39*	*1.67*	*2.19*
EPS company definition	*0.82*	*(1.12)*	*0.26*	*0.69*	*0.78*	*0.94*	*1.05*	*1.15*	*0.66*	*1.79*	*1.30*	*1.39*	*1.67*	*2.19*
EPS restated, fully diluted	0.36	(0.43)	0.26	0.52	1.43	1.12	1.31	1.38	0.97	2.72	1.74	1.75	2.03	2.57
% change	*(32.8%)*	*NS*	*NS*	*98.3%*	*174.6%*	*(21.9%)*	*16.9%*	*5.8%*	*(29.5%)*	*179.4%*	*(36.1%)*	*0.6%*	*15.8%*	*26.8%*
Book value (BVPS) (a)	13.9	12.3	11.0	11.4	9.5	9.9	9.9	10.1	9.7	10.2	11.0	11.9	12.8	13.9
Net dividend	0.00	0.00	0.00	0.20	0.30	0.55	0.60	0.67	0.40	0.54	0.76	0.83	1.00	1.32
STOCKMARKET RATIOS	**Dec. 11**	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22e**	**Dec. 23e**	**Dec. 24e**
P / E (P/ EPS restated)	12.8x	NC	14.3x	10.1x	4.9x	10.1x	17.4x	16.7x	18.0x	5.8x	13.3x	13.5x	11.6x	9.2x
P / E relative to MSCI SMID	26%	NC	60%	39%	28%	51%	94%	96%	111%	16%	70%	84%	80%	70%
FCF yield	(26.3%)	58.5%	31.6%	21.0%	10.7%	8.1%	2.0%	(1.4%)	(2.5%)	16.1%	9.6%	5.5%	6.8%	8.9%
P / BVPS	0.33x	0.26x	0.34x	0.46x	0.74x	1.14x	2.31x	2.29x	1.80x	1.55x	2.10x	1.98x	1.85x	1.69x
Net yield	0.0%	0.0%	0.0%	3.8%	4.2%	4.9%	2.6%	2.9%	2.3%	3.4%	3.3%	3.5%	4.2%	5.6%
Payout	0.0%	0.0%	0.0%	38.4%	21.0%	49.2%	45.9%	48.4%	41.0%	19.8%	43.6%	47.6%	49.4%	51.1%
EV / Sales	0.36x	0.23x	0.21x	0.24x	0.32x	0.60x	1.07x	1.19x	0.97x	0.72x	0.97x	0.92x	0.85x	0.79x
EV / Restated EBITDA (**)	6.6x	6.0x	4.2x	3.6x	4.0x	6.3x	10.4x	11.2x	10.1x	5.8x	9.7x	8.7x	7.6x	6.3x
EV / Restated EBITA	9.6x	12.9x	6.7x	5.1x	5.2x	7.9x	12.8x	13.9x	14.7x	7.4x	14.1x	12.0x	10.1x	8.0x
EV / NOPAT	14.0x	18.4x	9.8x	7.0x	7.5x	9.7x	14.8x	16.6x	19.4x	8.2x	14.3x	15.2x	13.3x	10.3x
EV / OpFCF	NS	3.1x	3.6x	4.1x	6.2x	9.0x	22.7x	73.3x	42.3x	7.0x	9.0x	11.9x	10.0x	8.0x
EV / Capital employed (incl. gross goodwill)	0.8x	0.6x	0.6x	0.7x	0.9x	1.5x	2.9x	2.2x	1.7x	1.5x	1.8x	1.9x	1.8x	1.7x
ENTERPRISE VALUE (EURm)	**200**	**121**	**96**	**116**	**161**	**306**	**569**	**682**	**609**	**591**	**715**	**723**	**703**	**675**
Market cap	60	42	51	83	139	259	528	539	401	362	543	572	572	572
+ Adjusted net debt (including lease liability)	157	99	59	46	26	48	39	145	209	227	198	177	157	130
+ Other liabilities and commitments	11	11	13	16	15	17	16	17	18	17	15	15	15	15
+ Revalued minority interests	2	2	1	2	2									
- Revalued investments	29	32	28	30	20	17	14	20	19	15	41	41	41	41
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. 21**	**Dec. 22e**	**Dec. 23e**	**Dec. 24e**
Sales	**552**	**524**	**467**	**478**	**499**	**506**	**533**	**573**	**626**	**822**	**737**	**790**	**823**	**853**
Restated EBITDA (b) (**)	**31**	**20**	**23**	**32**	**40**	**49**	**55**	**61**	**60**	**102**	**74**	**83**	**93**	**107**
Depreciation	(10)	(11)	(9)	(9)	(10)	(10)	(10)	(12)	(19)	(23)	(23)	(23)	(23)	(23)
Restated EBITA (b)	**21**	**9**	**14**	**23**	**31**	**39**	**44**	**49**	**41**	**79**	**51**	**60**	**70**	**84**
Reported operating profit (loss)	24	9	18	21	24	34	39	42	32	56	41	51	60	74
Net financial income (charges)	(10)	(11)	(7)	(6)	(5)	(5)	(9)	(11)	(12)	(10)	(11)	(10)	(9)	(9)
Affiliates	1	(1)	0	(0)	(11)	(2)	(1)	0	(0)	(2)	1	1	1	1
Other														
Tax	(5)	(9)	(4)	(4)	8	(5)	(4)	(5)	(5)	(4)	(1)	(9)	(12)	(15)
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	31	33	39	52
Net attributable profit restated (c)	**8**	**(9)**	**6**	**12**	**28**	**26**	**30**	**32**	**22**	**62**	**40**	**40**	**47**	**59**
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. 21**	**Dec. 22e**	**Dec. 23e**	**Dec. 24e**
EBITDA (reported) (**)	33	19	26	30	34	44	49	55	53	84	70	79	89	103
EBITDA adjustment (b)	**(3)**	**1**	**(3)**	**2**	**7**	**5**	**6**	**6**	**7**	**18**	**4**	**4**	**4**	**4**
Other items	3	1	6	(2)	(8)	(5)	(9)	(5)	(7)	(5)	(3)	(5)	(5)	(5)
Change in WCR	(30)	23	5	9	8	1	(7)	(23)	(13)	3	22	(5)	(5)	(5)
Operating cash flow	**4**	**44**	**34**	**38**	**40**	**45**	**39**	**34**	**40**	**100**	**93**	**74**	**83**	**97**
Capex	(7)	(5)	(7)	(10)	(14)	(11)	(14)	(24)	(25)	(15)	(13)	(13)	(12)	(13)
Operating free cash flow (OpFCF)	**(3)**	**39**	**27**	**28**	**26**	**34**	**25**	**9**	**14**	**85**	**80**	**61**	**71**	**85**
Net financial items (d) + tax paid	(14)	(14)	(10)	(11)	(11)	(13)	(15)	(17)	(24)	(27)	(28)	(29)	(32)	(34)
Free cash flow	**(16)**	**26**	**17**	**18**	**15**	**21**	**10**	**(7)**	**(10)**	**58**	**52**	**32**	**39**	**51**
Net financial investments & acquisitions	2	(1)	10	0	1	(20)	(4)	(66)	(9)	(62)	(4)	0	0	0
Other	(4)	22	8	(13)	1	(9)	6	(7)	(19)	(26)	(1)	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)	(18)	(11)	(19)	(23)
Increase (decrease) in net financial debt	**18**	**(48)**	**(36)**	**(8)**	**(25)**	**20**	**(6)**	**101**	**57**	**36**	**(29)**	**(21)**	**(20)**	**(28)**
Cash flow, group share	**20**	**8**	**19**	**19**	**21**	**31**	**31**	**40**	**29**	**70**	**43**	**50**	**56**	**69**
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. 21**	**Dec. 22e**	**Dec. 23e**	**Dec. 24e**
Net operating assets	129	117	104	123	134	154	152	239	286	350	355	349	343	338
WCR	130	80	50	48	41	46	46	65	73	57	34	39	44	49
Restated capital employed, incl. gross goodwill	**259**	**198**	**154**	**171**	**175**	**199**	**197**	**304**	**359**	**407**	**388**	**388**	**387**	**386**
Shareholders' funds, group share	183	167	158	183	219	227	230	237	232	237	267	289	310	338
Minorities	7	7	3	4	3	0	0	0	0	0	(1)	(1)	(1)	(1)
Provisions/ Other liabilities	26	23	24	27	24	22	22	27	32	38	49	48	47	47
Net financial debt (cash)	94	46	10	2	(23)	(3)	(9)	92	149	185	156	135	115	87
FINANCIAL RATIOS (%)	**Dec. 11**	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**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%	(10.4%)	7.2%	4.3%	3.6%
Organic sales growth	7.9%	(6.8%)	(4.3%)	4.6%	1.7%	5.1%	3.2%	2.6%	(1.2%)	27.5%	(10.5%)	7.2%	4.3%	2.2%
Restated EBITA (% change)	1.5%	(54.8%)	53.2%	59.0%	33.6%	27.1%	14.1%	10.4%	(15.5%)	91.5%	(36.1%)	18.9%	15.3%	20.8%
Restated attributable net profit (% change)	(34.6%)	NC	NC	98.6%	140.4%	(8.6%)	18.0%	6.7%	(31.0%)	179.0%	(35.8%)	0.6%	15.8%	26.8%
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%	10.0%	10.6%	11.2%	12.5%
Restated EBITA margin	3.8%	1.8%	3.1%	4.8%	6.1%	7.7%	8.3%	8.5%	6.6%	9.6%	6.9%	7.6%	8.4%	9.8%
Tax rate	31.0%	NC	31.9%	27.7%	NC	18.5%	13.7%	16.0%	24.4%	9.6%	1.6%	21.2%	24.0%	22.0%
Net margin	1.4%	(1.9%)	1.2%	2.5%	5.7%	5.1%	5.7%	5.6%	3.6%	7.5%	5.5%	5.1%	5.6%	6.9%
Capex / Sales	1.2%	1.0%	1.5%	2.1%	2.8%	2.2%	2.6%	4.2%	4.0%	1.8%	1.8%	1.6%	1.5%	1.5%
OpFCF / Sales	(0.5%)	7.4%	5.7%	5.9%	5.2%	6.7%	4.7%	1.6%	2.3%	10.3%	10.8%	7.7%	8.6%	9.9%
WCR / Sales	23.6%	15.3%	10.8%	10.1%	8.1%	9.0%	8.6%	11.4%	11.7%	6.9%	4.5%	4.9%	5.3%	5.7%
Capital employed (excl. gdw./intangibles) / Sales	33.9%	24.4%	18.8%	20.6%	19.4%	21.2%	20.5%	25.4%	29.7%	21.7%	20.4%	19.2%	18.5%	18.0%
ROE	4.4%	(5.6%)	3.7%	6.4%	12.8%	11.3%	13.2%	13.6%	9.6%	26.3%	14.9%	13.9%	15.0%	17.4%
Gearing	82%	57%	37%	25%	12%	21%	17%	61%	90%	96%	74%	61%	51%	38%
EBITDA / Financial charges (**)	4.5x	3.1x	5.9x	8.6x	11.5x	11.3x	7.3x	6.8x	6.1x	6.6x	8.6x	8.3x	10.3x	11.9x
Adjusted financial debt (A)+(B) / EBITDA (**)	5.1x	4.9x	2.6x	1.4x	0.6x	1.0x	0.7x	2.4x	3.5x	2.2x	2.7x	2.1x	1.7x	1.2x
ROCE, excl. gdw./intangibles	7.7%		11.2%	16.8%		29.6%	35.1%	28.2%	16.8%	40.2%	33.2%	31.3%	34.7%	42.6%
ROCE, incl. gross goodwill	5.5%		6.4%	9.7%		15.9%	19.4%	13.5%	8.7%	17.6%	12.8%	12.2%	13.7%	17.0%
WACC	4.5%		5.4%	6.7%		8.5%	9.0%	8.0%	7.5%	7.7%	8.5%	8.9%	8.9%	8.9%

Latest Model update: 17 Feb. 22

(a) Intangibles: EUR238.10m, or EUR10 per share. (b) adjusted for capital gains/losses, exceptional restructuring charges, capitalized R&D; EBITA also adjusted for impairments and am. of intangibles from M&A (c) after EBITA adjustments 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

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