



CHARGEURS

PRICE VALUATION (UPSIDE) **EUR15.7**
EUR14 (-11%) ■ **EUR19** (+21%)

VALUATION RANGE	EPS 23e	EPS 24e
↗ 8% unchanged	↗ 2%	↗ 5%

Resilient 2022 results, improving visibility

10 MARCH 2023 at 15:40*

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

french-midcaps@exanebnpparibas.com

Good earnings resilience

Q4 22 sales of EUR173m were down 10% of which 17% LFL decline vs. our estimate of EUR183m (down 5% LFL). The downside to estimates was driven by Advanced Materials that continued to see weaker YoY end market trends including destocking in the channels. This was partially offset by strong activity at CFT PCC (+8.2% LFL) and CMS (+36.2% LFL). FY 22 Gross profit increased 5% at EUR195m thanks to sales recovery at CFT PCC while pricing more than offset cost inflation. Adj. EBIT came in at EUR45m tracking 6% above our estimates.

Visibility improving

Management indicated that order intake at Advanced Materials have started to recover in Q1 while price hikes have continued to carry over. The outlook for CFT PCC remains good on the back of continued growth of order intake and the effect of China reopening. CMS should also benefit from the ramp up of ongoing project as the business is expected to exceed EUR120m of sales i.e. >+30% growth. Overall group's outlook for 2023 points to sustained revenue growth (we anticipate 7% organic sales growth).

Higher M&A activity in 2023

Management pointed to the possibility of a large deal in luxury related activities allowing the group to cross the EUR1bn sales threshold.

Earnings and valuation range increased

We have lifted our 2023 and 2024 EPS estimates by respectively 2% and 5%. We have raised our valuation range from EUR13-EUR19 to EUR14-EUR19.

Price (9 March 2023)	EUR15.7				Performance ⁽¹⁾	1w	1m	3m	12m
Market cap (EURm)	381				Absolute(%)	9	3	22	(17)
Free float (EURm)	221				Rel. Sector(%)	9	5	19	(18)
EV (EURm)	605				Rel. MSCI SMID(%)	10	4	15	(18)
3m avg volume (EURm)	0.6								
Refinitiv / Bloomberg	CRIP.PA / CRI FP								
Country / Sub Sector	France / Other Support Services								
Financials	12/22	12/23e	12/24e	12/25e	Valuation metrics ⁽²⁾	12/22	12/23e	12/24e	12/25e
EPS, Adjusted (EUR)	1.09	1.44	1.75	2.10	P/E (x)	15.4	10.9	9.0	7.5
EPS, Company (EUR)	0.92	1.12	1.43	1.78	Net yield (%)	4.5	4.3	5.5	6.8
EPS - Refinitiv (EUR)	0.92	1.18	1.59	1.85	FCF yield (%)	(1.1)	12.8	8.0	10.0
Net dividend (EUR)	0.76	0.67	0.86	1.07	EV/Sales (x)	0.9	0.8	0.7	0.7
Sales (EURm)	746	789	837	879	EV/EBITDA (x)	9.5	8.3	7.1	6.3
EBITA, Adj. (EURm)	45.4	50.2	59.6	67.7	EV/EBITA (x)	14.4	12.0	9.9	8.5
Net profit, Adj.(EURm)	24.8	32.6	39.6	47.5	EV/CE (x)	1.4	1.4	1.3	1.3
ROCE (%)	-	10.2	11.3	12.3					
Net Debt/EBITDA, Adj. (x)	3.9	3.2	2.6	2.2					

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 12/22

SPONSORED RESEARCH (Not for Distribution in the US): 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 p4) for Analyst Certification, Important Disclosures and Non-US Research Analyst disclosures.

Forthcoming events

Date	Event
26 Apr. 2023	AGM

Investment case, valuation and risks

Chargeurs

Investment case

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

Valuation methodology

A DCF valuation (WACC @ 9.5% and LT growth at 1%) points to EUR19/share while a ROCE/WACC 2023e approach points to EUR14/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 at Exane SA (including its branches in the United Kingdom, the European Economic Area or Switzerland) named below were involved in preparing this research report. They are not associated persons of BNP Paribas Securities Corp. and thus they 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 FINRA Rule 2241 concerning communications with a subject company, public appearances and trading securities held by a research analyst account.

Mourad Lahmidi Exane SA

BNP Paribas SA and Exane SA Affiliates Involved in Preparation of the Research Report

Exane SA is authorised by the Autorité de contrôle prudentiel et de résolution (“ACPR”) and regulated by the Autorité des Marchés Financiers (“AMF”) in France.

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

BNP Paribas Securities Corp. is regulated by FINRA (CRD# 15794) and the 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 and/or sales and trading 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 past twelve months.

Exane-Specific Regulatory Disclosures

Exane SA (including Exane SA branches, based in the United Kingdom, in the European Economic Area and in Switzerland), (collectively, "Exane") has relationships with many companies. The numbered disclosures below identify relationships that Exane has with the company(ies) that are the subject of this research report and that must be disclosed under applicable rules.

Companies	Disclosures
Chargeurs	6; 12

- 1 – Exane beneficially owns 1% or more of a class of common equity securities of the subject company/ies.
- 2 – Exane managed or co-managed an offering of 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.
- 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 is a market maker and/or liquidity provider in the securities of the subject company/ies.
- 6 – Exane, received compensation for products and services other than investment banking services from the subject company/ies in the past 12 months.
- 7 – Exane had an investment banking, client relationship with the subject company/ies in the last 12 months.
- 8 – Exane had a non-investment banking securities services, client relationship with the subject company/ies in the last 12 months.
- 9 – Exane had a non-securities services, client relationship with the subject company/ies in the last 12 months.
- 10 – Exane beneficially owns at least 0.5% long or short position of the subject company/ies.
- 11 – Exane received compensation from a Private Equity firm to carry out a bespoke work related to the subject company/ies in the past 12 months.
- 12 – Exane 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
- 13 – 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.
- 14 – Following the presentation of sections of this report to this subject company, some conclusions were amended.
- 15 – A member for Exane senior management is a member of the Board of the issuer.

BNP Paribas-related disclosures

BNP Paribas SA (including BNP Paribas SA branches and affiliates and BNP Paribas Securities Corp.), (collectively, "BNPP") has relationships with many companies. The numbered disclosures below identify relationships that BNPP has with the company(ies) that are the subject of this research report and that must be disclosed under applicable rules.

Companies	Disclosures
Chargeurs	4; 5; 6

- 1 – BNPP beneficially owns 1% or more of a class of common equity securities of the subject company/ies.
- 2 – BNPP managed or co-managed an offering of securities for the subject company/ies in the past 12 months.
- 3 – BNPP received compensation for investment banking services from the subject company/ies in the past 12 months.
- 4 – BNPP expects to receive or intends to seek compensation for investment banking services from the subject company/ies in the next 3 months.
- 5 – BNPP is a market maker and/or liquidity provider in the securities of the subject company/ies. BNPP is willing to sell to and/or buy from clients, the common equity of the subject company/ies on a principal basis.
- 6 – BNPP, received compensation for products and services other than investment banking services from the subject company/ies in the past 12 months.
- 7 – BNP Paribas Securities Corp. had an investment banking, client relationship with the subject company/ies in the last 12 months.
- 8 – BNP Paribas Securities Corp. had a non-investment banking securities services, client relationship with the subject company/ies in the last 12 months.
- 9 – BNP Paribas Securities Corp. had a non-securities services, client relationship with the subject company/ies in the last 12 months.
- 10 – BNPP beneficially owns at least 0.5% long or short position of the subject company/ies.
- 11 – BNPP received compensation from a Private Equity firm to carry out a bespoke work related to the subject company/ies in the past 12 months.
- 12 – 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.
- 13 – Following the presentation of sections of this report to this subject company, some conclusions were amended.
- 14 – A member for BNPP senior management is a member of the Board of the issuer.

Price and Ratings Chart

Chargeurs

Historical closing price & target price (as of 09/03/2023)



Source: BNP Paribas Exane

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>.



BNP PARIBAS
EXANE

LONDON

Branch of Exane SA
10 Harewood Avenue
London NW1 6AA
UK
Tel: (+44) 207 039 9400
Fax: (+44) 207 039 9440

PARIS

Exane SA
6 Rue Ménars
75002 Paris
France
Tel: (+33) 1 44 95 40 00
Fax: (+33) 1 44 95 40 01

FRANKFURT

Branch of Exane SA
Senckenberganlage 19
60325 Frankfurt
Germany
Tel: (+49) 69 42 72 97 300
Fax: (+49) 69 42 72 97 301

MADRID

Branch of Exane SA
Calle Emilio Vargas, 4
28043 Madrid
Spain
Tel: (+34) 91 114 83 00
Fax: (+34) 91 114 83 01

MILAN

Branch of Exane SA
Diamante Tower
Piazza Lina Bo Bardi 3
20124 Milan
Italy
Tel: (+39) 02 89 63 17 13
Fax: (+39) 02 89 63 17 01

STOCKHOLM

Branch of Exane SA
Hovslagargatan 3
111 48 Stockholm
Sweden
Tel: (+46) 8 5663 9820
Fax: (+46) 8 5063 9751

NEW YORK

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, NY 10017
USA
Tel: (+1) 212 841 2000

SAN FRANCISCO

BNP Paribas Securities Corp.
201 Mission Street
San Francisco, CA 94105
USA
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 BNP Paribas Securities Corp. EXANE SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR") and regulated by the Autorité des Marchés Financiers ("AMF"). Exane SA branches based in the European Economic Area are authorized by the ACPR and regulated 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.

BNP Paribas Securities Corp. is registered and regulated by the Financial Industry Regulatory Authority ("FINRA") and the U.S. Securities and Exchange Commission. 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 Française 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 BNPP's and/or Exane's current opinions on the date of the report only. BNPP and/or Exane are 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 BNPP and/or Exane endeavour to update its research reports from time to time, there may be legal and/or other reasons why BNPP and/or Exane cannot do so and, accordingly, BNPP and/or Exane disclaim any obligation to do so.

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 BNPP and/or Exane accept no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

(i) this research is intended for general circulation; (ii) this research does not take into account the specific investment objectives, financial situation or particular needs of any particular person; and (iii) advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the research, before the person makes a commitment to purchase the investment product.

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 BNP Paribas Securities Corp., which has distributed this report in the United States and, subject to the above, accepts responsibility for its contents.

For Institutional and Accredited Investors in Singapore who receive this report, please contact BNP Paribas, acting through its Singapore Branch (company registration number: S71FC2142G; address: 10 Collyer Quay, 34/F Ocean Financial Centre, Singapore 049315; tel: (65) 6210 1288; fax: (65) 6210 1980) for all matters and queries relating to this report.

BNPP has acquired VERNER INVESTISSEMENTS, the parent company of Exane. VERNER INVESTISSEMENTS is wholly owned and controlled by BNPP, which holds 100% of the share capital and voting rights of VERNER INVESTISSEMENTS.