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Chargeurs Buy

France | Support services

MCap: EUR359.2m

Target Price: EUR22.00 (20.00)**Current Price:** EUR15.23**Up/downside:** 44.5%**Market data:** 13 March 2023**Change in TP:** 10.0%**Change in Sales:** 7.2% 23E/10.4% 24E**Change in Adj. EBIT:** 16.0% 23E/13.0% 24E**Change in Adj. EPS:** 21.3% 23E/18.8% 24E

Bloomberg: CRI FP

Free float

Avg. daily volume (EURm)

YTD abs performance

52-week high/low (EUR)

Reuters: CRIP.PA

73.0%

0.8

8.2%

21.18/11.40

Positive developments for 2023

Why this report?

We raise our estimates and TP following the FY 2022 results release last week. We point out several reasons to be upbeat on 2023, including early signs of a recovery at Advanced Materials (protective films), the confirmation of an exciting outlook in Museum Studios, and solid momentum at Fashion Technologies. We lift our TP from EUR20 to EUR22.

Key findings

- Advanced materials: The order intake acceleration in January-February is pointing to a nascent recovery, particularly in Europe.
- The contribution of large museum projects won in 2020-21 will positively impact financial performance at Museum Studios in H2.
- Chargeurs confirms that it is working on a sizeable acquisition in the luxury segment. The deal will most likely take place in 2023.
- We value Chargeurs using a standard ten-year DCF (9.2% WACC, 2% g, 7.6% LT EBIT margin). Higher estimates drive a TP increase from EUR20 to EUR22.

Deconstructing the forecasts

- We raise our sales estimates by 7%/10% and adj. EBIT estimates by 16%/13% in 2023/24. Main changes are made in Fashion Technologies and Museum Studios.
- CAGR 2022-25E: 7% in sales, 16% in adj. EBIT.

FY to 31/12 (EUR)	12/23E	12/24E	12/25E
Sales (m)	798.7	849.3	905.2
EBITDA adj (m)	77.4	86.2	96.2
EBIT adj (m)	54.6	61.9	70.3
Net profit adj (m)	25.8	33.1	41.5
Net financial debt (m)	175.4	156.9	142.5
FCF (m)	45.0	46.5	47.2
EPS adj. and ful. dil.	1.08	1.39	1.74
Consensus EPS	1.23	1.75	na
Net dividend	0.80	1.00	1.20

FY to 31/12	12/23E	12/24E	12/25E
P/E adj and ful. dil.	14.1	11.0	8.7
EV/EBITDA	7.3	6.3	5.5
EV/EBIT	10.3	8.8	7.5
FCF yield	12.5%	13.0%	13.1%
Dividend yield	5.3%	6.6%	7.9%
ND(F+IFRS16)/EBITDA	2.7	2.2	1.8
Gearing	61.0%	52.0%	44.6%
ROIC	11.8%	13.6%	15.5%
EV/IC	1.2	1.2	1.2

Investment case

- Chargeurs is an industrial conglomerate with world-leading positions in niche markets that are worth EUR0.5-1.0bn (e.g. self-adhesive films for surface protection, interlinings and technical textiles, premium wool trading).
- CEO and reference shareholder Michael Fribourg took over the company in 2015 and reshaped it. The group's portfolio of assets has been strengthened (higher share of services, innovative/sustainable products, more productive industrial facility) making Chargeurs a more diversified, performing and premium business.

Catalysts

- M&A in the luxury segment (Personal Goods, Museum Studio).
- Ramp-up of Museum Studio.
- Increasing profitability via industrial optimisation and premiumisation.

Valuation methodology

- Discounted Cash Flow (9.2% WACC, 2% g).

Risks to our rating

- Decrease in global GDP.
- M&A execution.
- Cost inflation

Advanced Materials: start-of-the-year momentum is encouraging

Chargeurs reports a net acceleration of the order intake in January and February after a period of sharp decline in volume in Q3 and Q4 2022 (massive destocking by customers following an 18-month period characterised by surging demand and a high level of stocking in the face of supply chain disruptions). According to the company, the order intake level in February matched the level seen in May 2022, which seems to point to a nascent recovery, particularly in Europe. We consider this positive news given that expectations for a trend reversal were initially expected later that year. Assuming a few months of delay in billing, the accelerating order intake could materialise at the end of the first half in reported sales figures.

Although the nature of the business offers limited visibility (backlog typically covers two to three months of activity), management's confidence improved based on several positive macro developments (easing of sanitary restrictions in China, decline of energy prices, inflation control policies, regional public investment programme).

In this environment, Chargeurs reports substantial customer interests in the Oxygen range (films made of recycled, vegetal, or lean polyethylene) as well as the noticeable impact of its cross-selling programme on major accounts. Chargeurs says that it has increased its market share through major international accounts (80-90% exposure).

A resilient gross margin indicates that Chargeurs is able to pass on a large portion of its price increases to customers. We attribute Chargeurs' pricing power to its market leadership (high penetration rate at customers) and the nature of the product, which represents only a small fraction of the end-product price and constitutes an important element to achieve quality standards.

Fashion Technologies (CFT-PCC): lights are green

CFT-PCC delivered very strong performance in 2022, both at the revenue level (+ 33% LFL) and profitability (adj. EBIT margin bounced to 7.7% from 2.9% the year before). There are several reasons to be upbeat on the company's performance, including the strong volume growth in a supportive market environment for the fashion industry post pandemic. Chargeurs reports market share gains and particularly strong sales to the major French luxury brands.

Revenue growth was also driven by prices as a result of: 1) a positive mix (higher share of innovative, high-end interlinings, in line with group's premiumisation strategy); and 2) voluntary price increases to pass rises in the cost of materials onto customers. All regions, particularly Latin America, experienced dynamic growth. The combination of operating leverage, improved product mix, and higher overall sale prices are boosting profitability. The order book is sizeable, and the trend is showing no sign of weakening, according to the company.

We note that the 7.7% operating margin achieved in 2022 is a solid performance for the business from a historical perspective (low to mid-single-digit EBIT margin historically) and from an industry perspective (profitability in the textile industry is typically lower). During the post-result presentation, the CEO indicated that the company intends to sustain this level of profitability going forward through premiumisation (ex: re-launch of the Bertero high-end interlining range using proprietary Nativa label for quality and traceability of wool).

We note that the face mask business will be consolidated within Fashion technologies going forward. Revenue from the sale of face masks were only marginal in 2022 (EUR6m) due to the widespread easing of the health crisis.

Museum Studio: profitability about to take off

Another year of robust sales growth is on the agenda for Museum Studio. After recording solid 35% LFL growth in 2022, management is confident that it can achieve EUR120m in sales this year (40% YOY growth implied). This will be driven by the expected contribution of numerous contracts awarded over the last 18 months for the creation of cultural content. Due to the phasing of contracts (limited contribution in the early phases of projects), the earnings reported in 2022 were barely higher than the year before. This is about to change. Chargeurs confirms that a major contract will start contributing this year (mostly in H2) with a significant positive impact on profitability (greater absorption of fixed costs).

The value of firm museum-related contracts is growing (EUR122m vs. EUR94m at the end of 2021), thus suggesting a positive commercial dynamic. It makes 2023 targets credible. Some of the largest museum projects in which Chargeurs is involved include the Grand Mosque of Abu Dhabi and the renovation of the East Wing of the National Air & Space Museum in Washington.

Luxury Fibers: Nativa rollout as a catalyst for sales growth and profitability

The wool trading business returned to its pre-Covid historical standards or close in 2022 (c. EUR100m in sales, EUR2-3m adj. EBIT range).

The expansion of the Nativa label, which constitutes the key driver for the division, continues with the signing of a partnership with Gucci. Chargeurs will supply the luxury brand with traceable wool produced by farms that follow regenerative agriculture programmes under the Native Regenerative Agriculture Program. We have no specifics on the contribution this contract with Gucci will make to the division's performance.

Nativa is a way for Chargeurs to leverage its deep knowledge of the premium wool value chain. It must be seen as a value-added service to premium brands that comes on top of the traditional wool supply business. The roll out of Nativa is the key catalyst for both growth and profitability (positive mix impact). The volume of products sold using the Nativa protocol now makes up more than 10% of sales, and this number is expected to grow going forward. Chargeurs relies on the deployment of the Nativa label to unlock the potential of a business whose revenue and profit remained stable over the years (excluding the Covid years).

Personal Goods: room for growth (organically and via M&A)

The Personal Goods division regroups the B2C brands acquired over the last two years (Fournival Altessse in high-end air brushes, Cambridge Satchell and Swaine in leather bags and accessories). The division's revenues are rather small at present (EUR5.5m in 2022).

Chargeurs is working on boosting the commercial potential of each brand via rebranding, upscaling, and the reshaping of the distribution strategy (travel retail, luxury hotel shops, new points of sale, collaboration).

Estimates

By division,

- **Advanced Materials:** We raise our 2023 sales estimates by 8%, now targeting sales of EUR323m. We initially factored in a 12% drop in sales. We now look at a more limited decrease of 3% for the full year. The basis for comparison will radically differ between the first and the second half. Q1 should remain weak on an absolute and relative basis. The figures will then improve as demand picks up and the basis of comparison becomes less demanding. We see business profitability higher in 2023 based on the combination of rising volumes, high sale prices and lower prices for inputs and energy (exposure to spot prices, no hedging). We factor in an 80bps increase in the adj. EBIT margin (7.7% vs. 6.9% in 2022).
- **Fashion Technologies (CFT-PCC):** We raise our sales estimates for 2023 by 9% and adj. EBIT by 20%. We expect 10% sales growth along with a 50bps increase in operating margin (8.2% vs. 7.7% in 2022). At the end of 2022, the business had a sizeable order book and significant momentum in all regions, with the trend continuing to the present day.
- **Museum Studios:** Our forecasts are in line with company's guidance (EUR120m sales in 2023, significantly higher profitability). We think adj. EBIT could more than double to EUR11m thanks to the contribution of major contracts in H2. The growth trajectory targeted by the company implies a minimum of EUR175m in sales by 2025 (company mentions EUR200m as a realistic ambition) and a normalised operating profitability in the 15-20% range at cruising speed.
- **Luxury Fibers:** We believe Nativa has the potential to unlock some additional sales and profit in next years. It is a realistic forecast that the division will manage to report an EBIT in the range of EUR4-5m by 2025E.
- **Personal Goods:** We expect the Personal Goods division to double revenues by 2024 (from EUR6m to EUR12m). The profitability of the business at cruising speed is potentially very high

considering its positioning in the luxury segment. In the near term though, the room for growing profits could be limited by ramp-up costs. It is likely that the next acquisition will be made in the Personal Goods division, which could change its financial profile drastically.

Table 1: Sales forecasts

	Sales				YOY change %		
	2022A	2023E	2024E	2025E	2023E	2024E	2025E
Technology	559	565	584	606	1%	3%	4%
Advanced Materials	333	323	332	349	-3%	3%	5%
Fashion Technologies	220	242	252	257	10%	4%	2%
Healthcare Solutions	6	0	0	0	-100%	0%	0%
Luxury	187	234	265	300	25%	13%	13%
Luxury Fibers	95	104	108	111	10%	4%	2%
Museum Studio	87	121	145	174	39%	20%	20%
Personal Goods	6	9	12	15	64%	33%	25%
Total	746	799	849	905	7%	6%	7%

Source: Kepler Cheuvreux

Table 2: Adj. EBIT forecasts

	Adj. EBIT				Adj. EBIT margin			
	2022A	2023E	2024E	2025E	2022A	2023E	2024E	2025E
Technology	44	45	48	52	7.9%	7.9%	8.2%	8.5%
Advanced Materials	23	25	27	30	6.9%	7.7%	8.2%	8.7%
Fashion Technologies	17	20	21	21	7.7%	8.2%	8.2%	8.2%
Healthcare Solutions	4	0	0	0	67.2%	NA	NA	NA
Luxury	8	16	20	25	4.0%	6.8%	7.6%	8.3%
Luxury Fibers	2	3	4	4	2.1%	2.9%	3.4%	3.9%
Museum Studio	5	12	15	19	6.0%	10.0%	10.5%	11.0%
Personal Goods	0	1	1	1	5.5%	9.5%	9.5%	9.5%
Non operating	-6	-6	-6	-6				
Total	45	55	62	70	6.1%	6.8%	7.3%	7.8%

Source: Kepler Cheuvreux

Company description

Chargeurs is an industrial conglomerate that has established world-leading positions in niche markets (protective films, interlinings, premium wool trading, services to museums). In 2020, Chargeurs successfully created Healthcare Solutions (CHS) to meet the booming demand for masks during the pandemic.

Management

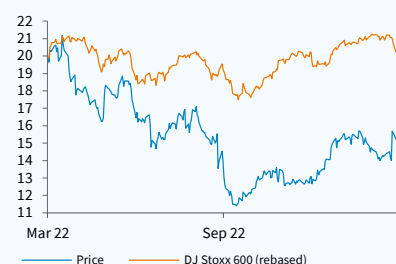
Michaël Fribourg, CEO
Olivier Buquen, CFO
Gustave Gauquelin, COO

Key shareholders

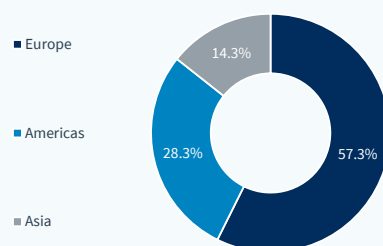
Free float 73.02%
Colombus Holding SAS 26.31%

Key data charts

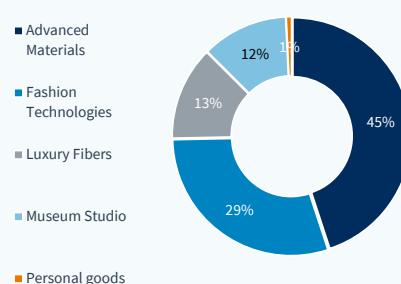
Price performance



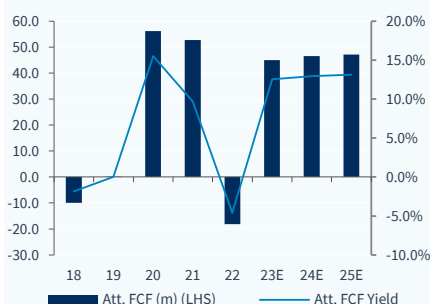
Sales split by region



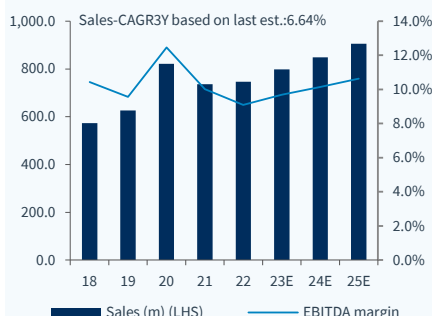
Sales split by division



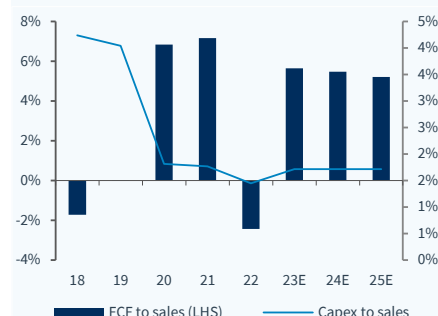
FCF



Sales and EBITDA margin



FCF and Capex to sales



SWOT analysis

Strengths

- Dominating position in niche markets (EUR0.5-1.0bn market size)
- Differentiated offering (premium products, high quality services)
- Management (long term vision, entrepreneurial approach)
- Self-financing ability

Weaknesses

- Sensitive to economic downturns (construction, apparel sector)

Opportunities

- Fast-growing museum services market
- Development of a platform around healthcare/beauty/hygiene/wellness
- M&A opportunities could arise as the crisis eases
- Growing demand for eco-friendly and sophisticated products

Threats

- Risks linked to the integration of newly-acquired companies
- Deep economic recession.
- Volatility of raw material price (polyester, polyamides)
- Intensification of the competitive landscape

Valuation table

Market data as of: 13 March 2023

FY to 31/12 (EUR)	12/16	12/17	12/18	12/19	12/20	12/21	12/22	12/23E	12/24E	12/25E
Per share data (EUR)										
EPS adjusted	1.09	1.09	1.14	0.66	1.71	1.34	0.94	1.09	1.40	1.76
% Change	37.8%	-0.1%	4.7%	-42.5%	161.0%	-21.9%	-29.8%	16.8%	28.3%	25.2%
EPS adjusted and fully diluted	1.09	1.09	1.14	0.66	1.71	1.32	0.93	1.08	1.39	1.74
% Change	37.8%	-0.1%	4.7%	-42.4%	161.0%	-22.7%	-29.8%	16.8%	28.3%	25.2%
EPS reported	1.09	1.09	1.14	0.66	1.71	1.34	0.94	1.09	1.40	1.76
% Change	37.8%	-0.1%	4.7%	-42.5%	161.0%	-21.9%	-29.8%	16.8%	28.3%	25.2%
EPS Consensus								1.23	1.75	
Cash flow per share	1.35	1.33	0.62	1.11	3.11	2.79	-0.31	2.49	2.59	2.66
Book value per share	9.90	9.93	10.16	10.16	10.21	11.34	11.86	12.18	12.78	13.53
DPS	0.55	0.60	0.67	0.40	1.32	1.24	0.76	0.80	1.00	1.20
Number of shares, YE (m)	23.0	23.2	23.3	22.9	22.9	23.6	23.6	23.6	23.6	23.6
Nbr of shares, fully diluted, YE (m)	23.0	23.2	23.3	22.9	22.9	23.6	23.6	23.6	23.6	23.6
Share price										
Latest price / year end	16.0	25.3	16.8	17.3	17.6	26.1	14.1	15.2	15.2	15.2
52 week high	16.1	26.7	28.5	21.7	20.0	28.9	26.1	15.7		
52 week low	7.5	15.9	15.0	14.9	8.7	17.3	11.4	14.0		
Average price (Year)	11.3	22.8	23.1	17.5	15.8	23.1	16.9	15.2	15.2	15.2
Enterprise value (EURm)										
Market capitalisation	259.3	527.6	539.0	401.2	361.7	544.5	397.9	359.2	359.2	359.2
Net financial debt	-3.2	-8.9	92.2	122.4	147.0	124.0	193.3	175.4	156.9	142.5
Pension provisions	16.7	16.4	17.4	18.3	16.8	14.6	12.6	12.6	12.6	12.6
IFRS 16 debt	0.0	0.0	0.0	26.4	38.1	31.9	30.0	30.0	30.0	30.0
Market value of minorities	0.0	0.0	0.0	0.0	0.8	-0.6	0.2	0.2	0.2	0.2
MV of equity affiliates (net of tax)	-14.9	-11.7	-13.1	-12.6	-7.0	-7.9	-8.1	-8.1	-8.1	-8.1
Others	0.0	0.0	0.0	0.0	-20.3	-6.7	-6.7	-6.7	-6.7	-6.7
Enterprise value	257.9	523.4	635.5	555.7	537.1	699.8	619.2	562.6	544.2	529.7
Valuation										
P/E adjusted	10.4	20.9	20.3	26.7	9.3	17.3	18.0	13.9	10.8	8.7
P/E adjusted and fully diluted	10.4	21.0	20.3	26.7	9.3	17.5	18.2	14.1	11.0	8.7
P/E consensus								12.4	8.7	
P/BV	1.1	2.3	2.3	1.7	1.6	2.0	1.4	1.2	1.2	1.1
P/CF	8.3	17.2	37.4	15.8	5.1	8.3	na	6.1	5.9	5.7
Dividend yield (%)	4.9%	2.6%	2.9%	2.3%	8.3%	5.4%	4.5%	5.3%	6.6%	7.9%
FCF yield (%)	7.8%	3.2%	-1.8%	0.0%	15.5%	9.7%	-4.6%	12.5%	13.0%	13.1%
ROE (%)	11.2%	11.0%	11.4%	6.4%	16.8%	12.6%	8.1%	9.1%	11.2%	13.4%
ROIC (%)	17.7%	19.5%	16.4%	9.5%	18.9%	12.6%	12.0%	11.8%	13.6%	15.5%
EV/Sales	0.51	0.98	1.11	0.89	0.65	0.95	0.83	0.70	0.64	0.59
EV/EBITDA adj.	5.3	9.6	10.6	9.3	5.2	9.5	9.1	7.3	6.3	5.5
EV/EBIT adj.	6.6	11.8	13.0	13.4	6.8	13.8	13.6	10.3	8.8	7.5
EV/NOPAT	7.8	13.6	15.5	17.7	7.5	14.0	12.1	10.3	8.8	7.5
EV/IC	1.3	2.7	2.1	1.5	1.3	1.8	1.3	1.2	1.2	1.2
ROIC/WACC	1.9	2.1	1.8	1.0	2.1	1.4	1.3	1.3	1.5	1.7
EV/IC over ROIC/WACC	0.7	1.3	1.2	1.5	0.6	1.3	1.0	1.0	0.8	0.7

Income statement

FY to 31/12 (EUR)	12/16	12/17	12/18	12/19	12/20	12/21	12/22	12/23E	12/24E	12/25E
Sales	506.4	533.0	573.3	626.1	822.0	736.6	746.4	798.7	849.3	905.2
Gross profit	130.0	141.6	154.3	166.9	219.0	186.3	195.0	210.0	225.1	242.1
EBITDA reported	48.8	54.6	59.8	59.9	102.4	73.8	67.9	77.4	86.2	96.2
EBITDA adjusted	48.8	54.6	59.8	59.9	102.4	73.8	67.9	77.4	86.2	96.2
Depreciation and amortisation	-9.9	-10.2	-11.7	-21.1	-30.3	-27.7	-29.0	-28.8	-30.2	-31.9
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial result and associates	-5.0	-5.9	-5.9	-7.0	-18.2	-4.0	-0.4	-3.0	-3.0	-3.0
EBIT reported	33.9	38.5	42.2	31.8	53.9	42.1	38.5	45.6	52.9	61.3
EBIT adjusted	38.9	44.4	49.0	41.4	79.3	50.7	45.4	54.6	61.9	70.3
Net financial items	-0.5	-7.5	-8.8	-9.8	-4.9	-8.6	-13.9	-16.0	-16.0	-16.0
Associates	-2.0	-0.8	0.1	-0.4	-1.7	0.7	0.0	0.0	0.0	0.0
Others	-1.5	-1.0	-1.8	-1.7	-4.6	-2.0	-5.2	-4.0	-4.0	-4.0
Earnings before tax	29.9	29.2	31.7	19.9	42.7	32.2	19.4	25.6	32.9	41.3
Tax	-4.9	-4.0	-5.1	-4.9	-4.3	-0.5	2.5	0.0	0.0	0.0
Net profit from continuing op.	25.0	25.2	26.6	15.0	38.4	31.7	21.9	25.6	32.9	41.3
Net profit from disc. activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	25.0	25.2	26.6	15.0	38.4	31.7	21.9	25.6	32.9	41.3
Minorities	0.0	0.0	0.0	0.0	0.7	-0.2	0.2	0.2	0.2	0.2
Net profit reported	25.0	25.2	26.6	15.0	39.1	31.5	22.1	25.8	33.1	41.5
Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit adjusted	25.0	25.2	26.6	15.0	39.1	31.5	22.1	25.8	33.1	41.5
Sales % Change	1.5%	5.3%	7.6%	9.2%	31.3%	-10.4%	1.3%	7.0%	6.3%	6.6%
EBITDA reported % Change	21.1%	11.9%	9.5%	0.2%	71.0%	-27.9%	-8.0%	14.0%	11.3%	11.6%
EBITDA adjusted % Change	21.1%	11.9%	9.5%	0.2%	71.0%	-27.9%	-8.0%	14.0%	11.3%	11.6%
EBIT reported % Change	41.3%	13.6%	9.6%	-24.6%	69.5%	-21.9%	-8.6%	18.5%	16.0%	15.8%
EBIT adjusted % Change	27.1%	14.1%	10.4%	-15.5%	91.5%	-36.1%	-10.5%	20.3%	13.4%	13.5%
Earnings before tax % Change	273.8%	-2.3%	8.6%	-37.2%	114.6%	-24.6%	-39.8%	32.1%	28.5%	25.4%
Net profit from cont. op. % Change	61.3%	0.8%	5.6%	-43.6%	156.0%	-17.4%	-30.9%	17.0%	28.5%	25.4%
Net profit reported % Change	61.3%	0.8%	5.6%	-43.6%	160.7%	-19.4%	-29.8%	16.8%	28.3%	25.2%
Net profit adjusted % Change	61.3%	0.8%	5.6%	-43.6%	160.7%	-19.4%	-29.8%	16.8%	28.3%	25.2%
Gross profit margin (%)	25.7%	26.6%	26.9%	26.7%	26.6%	25.3%	26.1%	26.3%	26.5%	26.8%
EBITDA margin (%)	9.6%	10.2%	10.4%	9.6%	12.5%	10.0%	9.1%	9.7%	10.1%	10.6%
EBIT margin (%)	7.7%	8.3%	8.5%	6.6%	9.6%	6.9%	6.1%	6.8%	7.3%	7.8%
Net profit margin (%)	4.9%	4.7%	4.6%	2.4%	4.8%	4.3%	3.0%	3.2%	3.9%	4.6%
Tax rate (%)	-15.4%	-13.3%	-16.1%	-24.0%	-9.3%	-1.6%	12.9%	0.0%	0.0%	0.0%
Payout ratio (%)	50.5%	55.2%	58.9%	61.0%	77.1%	93.8%	81.9%	73.8%	71.9%	68.9%
EPS reported (EUR)	1.09	1.09	1.14	0.66	1.71	1.34	0.94	1.09	1.40	1.76
EPS adjusted (EUR)	1.09	1.09	1.14	0.66	1.71	1.34	0.94	1.09	1.40	1.76
EPS adj and fully diluted (EUR)	1.09	1.09	1.14	0.66	1.71	1.32	0.93	1.08	1.39	1.74
DPS (EUR)	0.55	0.60	0.67	0.40	1.32	1.24	0.76	0.80	1.00	1.20
EPS reported % Change	37.8%	-0.1%	4.7%	-42.5%	161.0%	-21.9%	-29.8%	16.8%	28.3%	25.2%
EPS adjusted % Change	37.8%	-0.1%	4.7%	-42.5%	161.0%	-21.9%	-29.8%	16.8%	28.3%	25.2%
EPS adj and fully diluted % Change	37.8%	-0.1%	4.7%	-42.4%	161.0%	-22.7%	-29.8%	16.8%	28.3%	25.2%
DPS % Change	83.3%	9.1%	11.7%	-40.3%	230.0%	-6.1%	-38.7%	5.3%	25.0%	20.0%
Consensus Sales (EURm)								794.7	841.3	
Consensus EBITDA (EURm)								75.9	90.0	
Consensus EBIT (EURm)								48.8	61.3	
Consensus EPS (EUR)								1.23	1.75	

Cash flow statement

Market data as of: 13 March 2023

FY to 31/12 (EUR)	12/16	12/17	12/18	12/19	12/20	12/21	12/22	12/23E	12/24E	12/25E
Net profit before minorities	25.0	25.2	26.6	15.0	38.4	31.7	21.9	25.6	32.9	41.3
Depreciation and amortisation	9.9	10.2	11.7	21.1	28.7	28.6	28.9	22.8	24.2	25.9
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in working capital	0.8	-6.7	-22.5	-13.3	2.6	21.9	-40.5	10.3	3.9	-4.5
Others	-4.6	2.0	-1.4	2.6	1.4	-16.4	-17.7	0.0	0.0	0.0
Levered post tax CF before capex	31.1	30.7	14.4	25.4	71.1	65.8	-7.4	58.7	61.1	62.7
% Change	-4.0%	-1.3%	-53.1%	76.4%	179.9%	-7.5%	-chg	+chg	4.1%	2.6%
Capex	-10.9	-13.6	-24.3	-25.3	-14.9	-13.0	-10.8	-13.7	-14.6	-15.5
Free cash flow	20.2	17.1	-9.9	0.1	56.2	52.8	-18.2	45.0	46.5	47.2
% Change	10.4%	-15.3%	-chg	+chg	56100.0%	-6.0%	-chg	+chg	3.4%	1.4%
Acquisitions	-19.7	-5.5	-65.0	-9.6	-53.0	-20.4	-5.1	0.0	0.0	0.0
Divestments	-0.7	1.2	-1.0	0.2	-9.0	16.5	-7.2	0.0	0.0	0.0
Dividend paid	-11.5	-6.6	-10.8	-8.6	-5.9	-17.7	-17.9	-17.9	-18.9	-23.6
Share buy back	0.0	0.0	-10.2	-9.8	-0.1	0.0	0.0	0.0	0.0	0.0
Capital increases	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-8.4	-0.5	-4.2	-2.6	-14.7	-7.3	-20.9	-9.2	-9.2	-9.2
Change in net financial debt	20.1	-5.7	101.1	30.3	26.5	-23.9	69.3	-17.9	-18.5	-14.4
Change in cash and cash equiv.	63.8	53.3	-104.8	-16.1	115.1	10.2	-97.5	17.9	18.5	14.4
Attributable FCF	20.2	17.1	-9.9	0.1	56.2	52.8	-18.2	45.0	46.5	47.2
Cash flow per share (EUR)	1.35	1.33	0.62	1.11	3.11	2.79	-0.31	2.49	2.59	2.66
% Change	-18.0%	-2.1%	-53.5%	80.0%	180.3%	-10.3%	-chg	+chg	4.1%	2.6%
FCF per share (EUR)	0.88	0.74	-0.42	0.00	2.46	2.24	-0.77	1.91	1.97	2.00
% Change	-5.7%	-16.1%	-chg	+chg	56179.1%	-9.0%	-chg	+chg	3.4%	1.4%
Capex / Sales (%)	2.2%	2.6%	4.2%	4.0%	1.8%	1.8%	1.4%	1.7%	1.7%	1.7%
Capex / D&A (%)	110.1%	133.3%	207.7%	119.9%	49.2%	46.9%	37.2%	47.6%	48.1%	48.6%
Cash flow / Sales (%)	6.1%	5.8%	2.5%	4.1%	8.6%	8.9%	-1.0%	7.4%	7.2%	6.9%
FCF / Sales (%)	4.0%	3.2%	-1.7%	0.0%	6.8%	7.2%	-2.4%	5.6%	5.5%	5.2%
FCF Yield (%)	7.8%	3.2%	-1.8%	0.0%	15.5%	9.7%	-4.6%	12.5%	13.0%	13.1%
Unlevered FCF Yield (%)	9.8%	4.9%	0.1%	2.2%	12.7%	9.4%	-0.8%	11.0%	11.7%	12.1%

Balance sheet

FY to 31/12 (EUR)	12/16	12/17	12/18	12/19	12/20	12/21	12/22	12/23E	12/24E	12/25E
Cash and cash equivalents	161.5	214.8	110.0	93.9	209.0	219.2	121.7	139.6	158.1	172.5
Inventories	105.4	107.3	128.4	126.1	139.1	150.1	163.3	142.8	135.0	143.9
Accounts receivable	123.2	128.0	96.1	102.6	126.4	119.0	130.5	114.1	107.9	115.0
Other current assets	0.5	0.4	0.7	1.4	2.9	6.2	6.6	6.6	6.6	6.6
Current assets	390.6	450.5	335.2	324.0	477.4	494.5	422.1	403.1	407.5	437.9
Tangible assets	61.8	63.2	80.7	113.1	121.2	116.7	113.9	113.7	112.9	111.4
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Other Intangible assets	92.1	88.3	158.1	173.1	228.7	238.1	276.0	276.4	276.7	276.9
Financial assets	14.9	11.7	13.1	12.6	7.0	7.9	8.1	8.1	8.1	8.1
Other non-current assets	31.9	33.4	39.0	41.2	45.9	75.1	65.1	65.1	65.1	65.1
Non-current assets	200.7	196.6	290.9	340.0	402.8	437.8	463.1	463.2	462.7	462.5
Short term debt	25.2	26.6	33.1	22.8	46.5	39.4	71.1	71.1	71.1	71.1
Accounts payable	181.7	187.0	159.1	151.1	189.9	230.3	211.6	185.0	174.9	186.4
Other short term liabilities	3.7	4.1	1.4	6.0	26.7	12.9	12.5	12.5	12.5	12.5
Current liabilities	210.6	217.7	193.6	179.9	263.1	282.6	295.2	268.6	258.5	270.0
Long term debt	133.1	179.3	169.1	193.5	309.5	303.8	243.9	243.9	243.9	243.9
Pension provisions	16.7	16.4	17.4	18.3	16.8	14.6	12.6	12.6	12.6	12.6
IFRS16 Debt	0.0	0.0	0.0	26.4	38.1	31.9	30.0	30.0	30.0	30.0
Other long term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Other long term liabilities	3.6	3.8	8.8	13.5	20.3	32.6	23.6	23.6	23.6	23.6
Non-current liabilities	153.4	199.5	195.3	251.7	384.7	382.9	310.1	310.1	310.1	311.1
Shareholders' equity	227.3	229.9	237.2	232.4	233.2	267.4	279.7	287.4	301.4	319.1
Minority interests	0.0	0.0	0.0	0.0	-0.8	-0.6	0.2	0.2	0.2	0.2
Total equity	227.3	229.9	237.2	232.4	232.4	266.8	279.9	287.6	301.6	319.3
Balance sheet total	591.3	647.1	626.1	664.0	880.2	932.3	885.2	866.3	870.3	900.4
% Change	18.2%	9.4%	-3.2%	6.1%	32.6%	5.9%	-5.1%	-2.1%	0.5%	3.5%
Book value per share (EUR)	9.90	9.93	10.16	10.16	10.21	11.34	11.86	12.18	12.78	13.53
% Change	-11.4%	0.3%	2.3%	0.0%	0.5%	11.1%	4.6%	2.8%	4.9%	5.9%
Net financial debt	-3.2	-8.9	92.2	122.4	147.0	124.0	193.3	175.4	156.9	142.5
IFRS16 Debt	0.0	0.0	0.0	26.4	38.1	31.9	30.0	30.0	30.0	30.0
Pension provisions	16.7	16.4	17.4	18.3	16.8	14.6	12.6	12.6	12.6	12.6
Others	0.0	0.0	0.0	0.0	-20.3	-6.7	-6.7	-6.7	-6.7	-6.7
Net debt	13.5	7.5	109.6	167.1	181.6	163.8	229.2	211.3	192.8	178.4
Net fi. debt (+IFRS16) / EBITDA (x)	-0.1	-0.2	1.5	2.5	1.8	2.1	3.3	2.7	2.2	1.8
Trade working capital	46.9	48.3	65.4	77.6	75.6	38.8	82.2	71.9	67.9	72.4
Net working capital	43.7	44.6	64.7	73.0	51.8	32.1	76.3	66.0	62.0	66.5
NWC/Sales	8.6%	8.4%	11.3%	11.7%	6.3%	4.4%	10.2%	8.3%	7.3%	7.3%
Inventories/sales	20.8%	20.1%	22.4%	20.1%	16.9%	20.4%	21.9%	17.9%	15.9%	15.9%
Invested capital	197.6	196.1	303.5	359.2	401.7	386.9	466.2	456.0	451.6	455.9
Net fin. debt / FCF (x)	-0.2	-0.5	-9.3	1,224.0	2.6	2.3	-10.6	3.9	3.4	3.0
Gearing (%)	-1.4%	-3.9%	38.9%	52.7%	63.3%	46.5%	69.1%	61.0%	52.0%	44.6%
Goodwill / Equity (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%

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Rating Breakdown	A	B
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Total	100%	100%

Source: Kepler Cheuvreux

A: % of all research recommendations

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Company Name	Date	Business Line	Rating	Target Price	Closing Price
Chargeurs (EUR)	28/09/2022 04:49	Equity Research	Buy	22.00	11.40
	16/11/2022 06:41	Equity Research	Buy	20.00	13.29

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Local insight, European scale.



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