

Chargeurs Buy

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France | Support services

MCap: EUR266.0m

Target Price: EUR15.00 (20.00)

Current Price: EUR11.04

Up/downside: 35.9%

Market data: 26 July 2023

Change in TP: -25.0%

Change in Sales: -2.9% 23E/-2.9% 24E

Change in Adj EBIT: -32.5% 23E/-26.7% 24E

Change in Adj. EPS: -52.0% 23E/-35.9% 24E

Bloomberg: CRI FP

Free float

Avg. daily volume (EURm)

YTD abs performance

52-week high/low (EUR)

Reuters: CRIP.PA

73.0%

0.9

-21.6%

17.10/10.36

Low volume in films threatens profitability

Why this report?

We cut our estimates for Advanced Materials (protective films, accounting for about half of group's sales and EBIT) after meeting with the management before the summer break. The impact of persisting low volume on the business profitability is likely to be more important than previously anticipated (negative operating leverage). In this context, H1 results -to be released in early September- could be disappointing. TP reduced from EUR20 to EUR15.

Key findings

- The recovery of volume in Advanced Materials in place since Q4-22 seems to be more erratic and smoother than expected. In this environment, our earnings forecasts were at risk and we take action.
- Museum Studio and Fashion technologies remain well oriented. Positive outlook provided by the management.
- The possibility of a milestone acquisition (ongoing talks) seems to be the only true catalyst for the shares in the near future with the potential to increase Chargeurs's exposure to luxury and improve investors visibility on group's vision/strategy.

Deconstructing the forecasts

- We cut in EBIT,adj. by 32%/27%/20% in 2023E/24E/25E.

FY to 31/12 (EUR)	12/23E	12/24E	12/25E
Sales (m)	725.5	772.7	828.2
EBITDA adj (m)	55.9	65.4	77.5
EBIT adj (m)	34.4	42.5	52.9
Net profit adj (m)	10.6	18.7	29.1
Net financial debt (m)	184.5	181.3	179.7
FCF (m)	36.3	31.7	34.9
EPS adj. and ful. dil.	0.44	0.77	1.19
Consensus EPS	1.01	1.53	1.99
Net dividend	0.80	1.00	1.20

FY to 31/12	12/23E	12/24E	12/25E
P/E adj and ful. dil.	25.3	14.4	9.2
EV/EBITDA	8.3	7.1	6.0
EV/EBIT	13.5	10.9	8.7
FCF yield	13.7%	11.9%	13.1%
Dividend yield	7.2%	9.1%	10.9%
ND(F+IFRS16)/EBITDA	3.8	3.2	2.7
Gearing	67.8%	66.8%	65.1%
ROIC	7.5%	9.5%	11.8%
EV/IC	1.0	1.0	1.0

Investment case

- Chargeurs is an industrial conglomerate with world-leading positions in niche markets that are worth EUR0.5-1.0bn (e.g. protective films, interlinings, services to museums).
- Chargeurs' leadership in its respective markets is based on top-notch production facilities and a premium offering (high share of innovative/sustainable products and value-added services).
- CEO and reference shareholder Mickael Fribourg has the ambition to increase the group's footprint in the luxury/B2C segment. Talks are ongoing for a potential acquisition that could improve investors visibility on the group's vision/strategy and act as a catalyst for a re-rating of shares.

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, 6.8% long term EBIT margin).
- Sum-Of-The-Parts: 9x EV/EBIT multiple on traditional activities ("Technology") on 2024 estimates and 15x EV/EBIT multiple on luxury activities.

Risks to our rating

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

Advanced materials: Volume drop significantly impacts profitability

We turn much more conservative in our estimates for Advanced Materials (protective film business account for about half of group's sales and EBIT). We expect that the profitability of the business will be more affected than previously anticipated in the current low volume environment.

The management continues to believe that a low point was seen in Q4-22 for volumes and that the most likely scenario going forward is positive quarter-on-quarter growth. It however points at a timid an erratic recovery of volume since the beginning of the year. we believe it could result of in a low utilisation rate of facilities and, accordingly, a limited ability to absorb the fixed costs. The operating leverage could play negatively and offset the continuous efforts made by the company to lower the breakeven.

Such scenario prompt us to trim down estimates for advanced materials by 5% on sales and by 55% on EBITDA. In value, we now expect the division EBIT to come at EUR9m compared to EUR23m previously.

Additional elements comfort our decision.

- The comparison base will be again very demanding in Q2 (exceptionally high volume in H1 last year due to restocking post pandemic) and will start easing from Q3 only (low point in Q4).
- Protective films are consumables. The order backlog provides very limited visibility over the next six to eight weeks (short commercial cycle for such consumables).
- Investment in construction in Europe expected to fall by 2.5% in 2023 according to FIEC (European construction association). Construction if the first addressable market for films (60% of sales in films).

Our estimates explicitly cover the period 2023-27. We factor increasing profitability beyond 2023 as we expect volume to recover and normalize (we model low to mid-single digit growth in sales). The management believes that, under normal conditions, the division could generate an EBIT margin of 10-12%, which has been achieved in the past (2016-18) but not sustainably. We are more conservative (8% EBIT margin in the long term).

While the market environment is not favourable, we still appreciate the fundamentals of the film business (e.g. established global leadership, premium positioning, state-of-the-art production assets, moderate capex requirements, very large and diversified customer base).

Table 1: Advanced materials – new estimates

	Q1-22A	Q2-22A	H1-22A	H2-22A	FY-22A	Q1-23A	Q2-23	H1-23	H2-23	FY-23
Sales	96	95	191	142	333	71	72	143	147	289
EBITDA			21	11	32			6	11	17
% of sales			11.0%	7.8%	9.6%			4.5%	7.5%	6.0%
EBIT			16	7	23			2	7	9
% of sales			8.4%	4.8%	6.9%			1.5%	4.5%	3.0%

Source: Kepler Cheuvreux

Other businesses holding up well

- **Museum Studio:** The momentum in Museum Studio is strong. The company continues to target EUR120m in sales this year (2022: EUR87m). Large contracts will start to contribute from the second half of the year with a significant positive impact on profits. The recent JV formed with Saudi partners reinforces it footprint in the Middle East.
- **Fashion Technologies:** CEO provides a positive outlook on the business. The company sees no slowing down on demand in the fashion/luxury. The premiumization strategy reflects into a more favourable product mix (increasing share of technical technical/sophisticated textiles and services) and supports a solid level of profitability.

M&A: the next catalyst

Chargeurs continues to work on a potential M&A deal in the luxury/B2C segment. Several targets have been identified for months and discussions are still ongoing with no guarantee that it comes to fruition. The size of the to-be-acquired company is expected to be greater than the acquisitions completed in recent years (we contemplate a EUR50m to EUR150m sales company). It is early to say but we understand that the deal would clearly flag the direction that Chargeurs will follow in next years and could contribute to improve the investors' visibility on group's vision/strategy. If it goes through, this will constitute a catalyst for a potential stock rerating. The financing of the deal, according to CEO Mickael Fribourg, is not supposed to add new debt neither it would dilute the current shareholders' ownership which leaves several options on the table (e.g. asset arbitrage).

Cut in estimates

Following the changes made to our estimates for Advanced materials, we have the following estimates for the group.

This represents a cut in EBIT,adj. by 32%/27%/20% in 2023E/24E/25E.

Apart from advanced materials, we made very marginal adjustments in other divisions.

Table 2: Change in estimates

	2022	New estimates			Old estimates			Change in estimates		
		2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Sales	746	726	773	828	747	796	850	-3%	-3%	-3%
EBITDA	68	56	65	78	72	81	91	-23%	-19%	-14%
% of sales	9.1%	7.7%	8.5%	9.4%	9.7%	10.2%	10.7%			
EBIT, adj.	45	34	43	53	51	58	66	-32%	-27%	-20%
% of sales	6.1%	4.7%	5.5%	6.4%	6.8%	7.3%	7.8%			
Net profit	22	11	19	29	22	29	37	-52%	-36%	-22%

Source: Kepler Cheuvreux

TP cut from EUR20 to EUR15

We derive our new target price of EUR16 (EUR20 previously) using a DCF and a Sum-Of-The-Parts.

DCF

The change in estimates is impacting the DCF value by EUR3.

We obtain EUR17 (EV: EUR610m; EqV: EUR391m).

We use the following parameters/assumptions:

- Beta: 1.30 (unchanged)
- WACC: 9.2% (unchanged)
- Long term revenue growth: 2% (unchanged)
- Long term EBIT margin: 6.8% (7.6% previously)

SOP

We apply 9x EV/EBIT multiple to traditional activities on 2024 estimates (Advanced materials and fashion technologies) and 15x EV/EBIT multiple to luxury activities (Luxury Fibers, Museum Studio, Personal Goods). We obtain an equity value of EUR14.

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

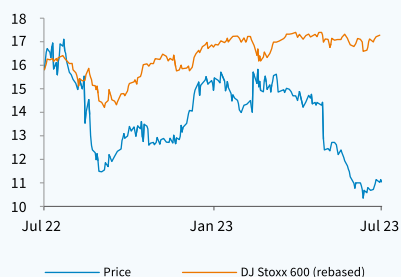
Michaël Fribourg, CEO
Olivier Buquen, CFO
Gustave Gauquelin, COO

Key shareholders

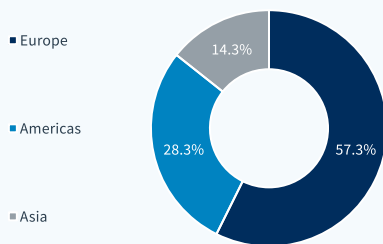
Free float	73.02%
Colombus Holding SAS	26.31%

Key data charts

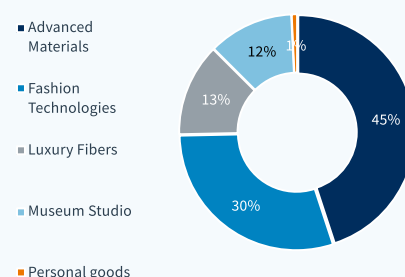
Price performance



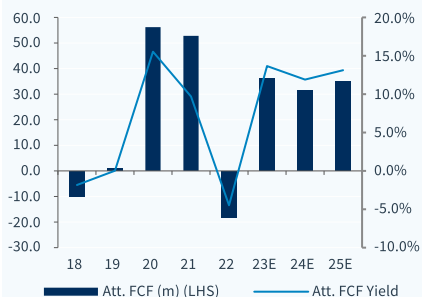
Sales split by region



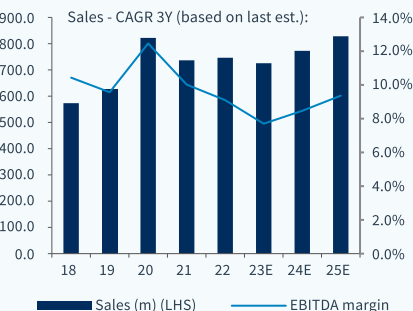
Sales split by division



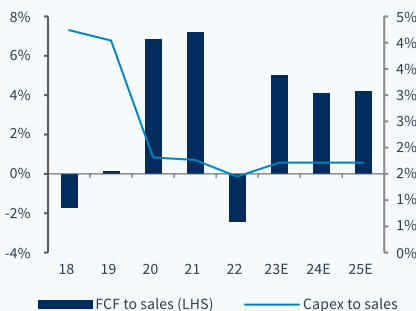
FCF



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: 26 July 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	0.92	0.44	0.78	1.21
% Change	37.8%	-0.1%	4.7%	-42.5%	161.0%	-21.9%	-31.3%	-51.8%	75.8%	55.6%
EPS adjusted and fully diluted	1.09	1.09	1.14	0.66	1.71	1.32	0.91	0.44	0.77	1.19
% Change	37.8%	-0.1%	4.7%	-42.4%	161.0%	-22.7%	-31.4%	-51.8%	75.8%	55.6%
EPS reported	1.09	1.09	1.14	0.66	1.71	1.34	0.92	0.44	0.78	1.21
% Change	37.8%	-0.1%	4.7%	-42.5%	161.0%	-21.9%	-31.3%	-51.8%	75.8%	55.6%
EPS Consensus								1.01	1.53	1.99
Cash flow per share	1.35	1.33	0.62	1.11	3.11	2.79	-0.31	2.02	1.86	2.04
Book value per share	9.90	9.93	10.16	10.16	10.21	11.34	11.61	11.28	11.25	11.45
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	24.1	24.1	24.1	24.1
Nbr of shares, fully diluted, YE (m)	23.0	23.2	23.3	22.9	22.9	23.6	24.1	24.1	24.1	24.1
Share price										
Latest price / year end	16.0	25.3	16.8	17.3	17.6	26.1	14.1	11.0	11.0	11.0
52 week high	16.1	26.7	28.5	21.7	20.0	28.9	26.1	15.8		
52 week low	7.5	15.9	15.0	14.9	8.7	17.3	11.4	10.4		
Average price (Year)	11.3	22.8	23.1	17.5	15.8	23.1	16.9	11.0	11.0	11.0
Enterprise value (EURm)										
Market capitalisation	259.3	527.6	539.0	401.2	361.7	544.5	406.5	266.0	266.0	266.0
Net financial debt	-3.2	-8.9	92.2	122.4	147.0	124.0	193.3	184.5	181.3	179.7
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	-14.7	-18.6	-18.6	-18.6	-18.6
Enterprise value	257.9	523.4	635.5	555.7	537.1	691.8	615.9	466.6	463.4	461.8
Valuation										
P/E adjusted	10.4	20.9	20.3	26.7	9.3	17.3	18.4	25.0	14.2	9.1
P/E adjusted and fully diluted	10.4	21.0	20.3	26.7	9.3	17.5	18.6	25.3	14.4	9.2
P/E consensus								10.9	7.2	5.6
P/BV	1.1	2.3	2.3	1.7	1.6	2.0	1.5	1.0	1.0	1.0
P/CF	8.3	17.2	37.4	15.8	5.1	8.3	na	5.5	5.9	5.4
Dividend yield (%)	4.9%	2.6%	2.9%	2.3%	8.3%	5.4%	4.5%	7.2%	9.1%	10.9%
FCF yield (%)	7.8%	3.2%	-1.8%	0.0%	15.5%	9.7%	-4.5%	13.7%	11.9%	13.1%
ROE (%)	11.2%	11.0%	11.4%	6.4%	16.8%	12.6%	8.1%	3.9%	6.9%	10.6%
ROIC (%)	17.7%	19.5%	16.4%	9.5%	18.9%	12.6%	12.0%	7.5%	9.5%	11.8%
EV/Sales	0.51	0.98	1.11	0.89	0.65	0.94	0.83	0.64	0.60	0.56
EV/EBITDA adj.	5.3	9.6	10.6	9.3	5.2	9.4	9.1	8.3	7.1	6.0
EV/EBIT adj.	6.6	11.8	13.0	13.4	6.8	13.6	13.6	13.5	10.9	8.7
EV/NOPAT	7.8	13.6	15.5	17.7	7.5	13.9	12.0	13.5	10.9	8.7
EV/IC	1.3	2.7	2.1	1.5	1.3	1.8	1.3	1.0	1.0	1.0
ROIC/WACC	1.9	2.1	1.8	1.0	2.1	1.4	1.3	0.8	1.0	1.3
EV/IC over ROIC/WACC	0.7	1.3	1.2	1.5	0.6	1.3	1.0	1.3	1.0	0.8

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	725.5	772.7	828.2
Gross profit	130.0	141.6	154.3	166.9	219.0	186.3	195.0	190.8	204.8	221.5
EBITDA reported	48.8	54.6	59.8	59.9	102.4	73.8	67.9	55.9	65.4	77.5
EBITDA adjusted	48.8	54.6	59.8	59.9	102.4	73.8	67.9	55.9	65.4	77.5
Depreciation and amortisation	-9.9	-10.2	-11.7	-21.1	-30.3	-27.7	-29.0	-27.4	-28.9	-30.6
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	0.0	0.0	0.0
EBIT reported	33.9	38.5	42.2	31.8	53.9	42.1	38.5	28.4	36.5	46.9
EBIT adjusted	38.9	44.4	49.0	41.4	79.3	50.7	45.4	34.4	42.5	52.9
Net financial items	-0.5	-7.5	-8.8	-9.8	-4.9	-8.6	-13.9	-15.0	-15.0	-15.0
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	-3.0	-3.0	-3.0
Earnings before tax	29.9	29.2	31.7	19.9	42.7	32.2	19.4	10.4	18.5	28.9
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	10.4	18.5	28.9
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	10.4	18.5	28.9
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	10.6	18.7	29.1
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	10.6	18.7	29.1
Sales % Change	1.5%	5.3%	7.6%	9.2%	31.3%	-10.4%	1.3%	-2.8%	6.5%	7.2%
EBITDA reported % Change	21.1%	11.9%	9.5%	0.2%	71.0%	-27.9%	-8.0%	-17.7%	17.1%	18.5%
EBITDA adjusted % Change	21.1%	11.9%	9.5%	0.2%	71.0%	-27.9%	-8.0%	-17.7%	17.1%	18.5%
EBIT reported % Change	41.3%	13.6%	9.6%	-24.6%	69.5%	-21.9%	-8.6%	-26.1%	28.4%	28.5%
EBIT adjusted % Change	27.1%	14.1%	10.4%	-15.5%	91.5%	-36.1%	-10.5%	-24.1%	23.4%	24.5%
Earnings before tax % Change	273.8%	-2.3%	8.6%	-37.2%	114.6%	-24.6%	-39.8%	-46.2%	77.2%	56.2%
Net profit from cont. op. % Change	61.3%	0.8%	5.6%	-43.6%	156.0%	-17.4%	-30.9%	-52.3%	77.2%	56.2%
Net profit reported % Change	61.3%	0.8%	5.6%	-43.6%	160.7%	-19.4%	-29.8%	-51.8%	75.8%	55.6%
Net profit adjusted % Change	61.3%	0.8%	5.6%	-43.6%	160.7%	-19.4%	-29.8%	-51.8%	75.8%	55.6%
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%	7.7%	8.5%	9.4%
EBIT margin (%)	7.7%	8.3%	8.5%	6.6%	9.6%	6.9%	6.1%	4.7%	5.5%	6.4%
Net profit margin (%)	4.9%	4.7%	4.6%	2.4%	4.8%	4.3%	3.0%	1.5%	2.4%	3.5%
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%	83.8%	183.2%	130.3%	100.5%
EPS reported (EUR)	1.09	1.09	1.14	0.66	1.71	1.34	0.92	0.44	0.78	1.21
EPS adjusted (EUR)	1.09	1.09	1.14	0.66	1.71	1.34	0.92	0.44	0.78	1.21
EPS adj and fully diluted (EUR)	1.09	1.09	1.14	0.66	1.71	1.32	0.91	0.44	0.77	1.19
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%	-31.3%	-51.8%	75.8%	55.6%
EPS adjusted % Change	37.8%	-0.1%	4.7%	-42.5%	161.0%	-21.9%	-31.3%	-51.8%	75.8%	55.6%
EPS adj and fully diluted % Change	37.8%	-0.1%	4.7%	-42.4%	161.0%	-22.7%	-31.4%	-51.8%	75.8%	55.6%
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)								771.5	838.3	878.6
Consensus EBITDA (EURm)								72.9	90.2	102.2
Consensus EBIT (EURm)								42.9	57.0	72.8
Consensus EPS (EUR)								1.01	1.53	1.99

Cash flow statement

Market data as of: 26 July 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	10.4	18.5	28.9
Depreciation and amortisation	9.9	10.2	11.7	21.1	28.7	28.6	28.9	21.4	22.9	24.6
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	16.9	3.5	-4.4
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	48.8	44.9	49.1
% Change	-4.0%	-1.3%	-53.1%	76.4%	179.9%	-7.5%	-chg	+chg	-8.0%	9.4%
Capex	-10.9	-13.6	-24.3	-25.3	-14.9	-13.0	-10.8	-12.4	-13.2	-14.2
Free cash flow	20.2	17.1	-9.9	0.1	56.2	52.8	-18.2	36.3	31.7	34.9
% Change	10.4%	-15.3%	-chg	+chg	56100.0%	-6.0%	-chg	+chg	-12.9%	10.3%
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	-18.3	-19.3	-24.1
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	-8.8	-3.2	-1.6
Change in cash and cash equiv.	63.8	53.3	-104.8	-16.1	115.1	10.2	-97.5	8.8	3.2	1.6
Attributable FCF	20.2	17.1	-9.9	0.1	56.2	52.8	-18.2	36.3	31.7	34.9
Cash flow per share (EUR)	1.35	1.33	0.62	1.11	3.11	2.79	-0.31	2.02	1.86	2.04
% Change	-18.0%	-2.1%	-53.5%	80.0%	180.3%	-10.3%	-chg	+chg	-8.0%	9.4%
FCF per share (EUR)	0.88	0.74	-0.42	0.00	2.46	2.24	-0.76	1.51	1.31	1.45
% Change	-5.7%	-16.1%	-chg	+chg	56179.1%	-9.0%	-chg	+chg	-12.9%	10.3%
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%	45.3%	45.8%	46.4%
Cash flow / Sales (%)	6.1%	5.8%	2.5%	4.1%	8.6%	8.9%	-1.0%	6.7%	5.8%	5.9%
FCF / Sales (%)	4.0%	3.2%	-1.7%	0.0%	6.8%	7.2%	-2.4%	5.0%	4.1%	4.2%
FCF Yield (%)	7.8%	3.2%	-1.8%	0.0%	15.5%	9.7%	-4.5%	13.7%	11.9%	13.1%
Unlevered FCF Yield (%)	9.8%	4.9%	0.1%	2.2%	12.7%	9.5%	-0.8%	11.2%	10.3%	11.0%

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	130.5	133.7	135.3
Inventories	105.4	107.3	128.4	126.1	139.1	150.1	163.3	129.7	122.8	131.6
Accounts receivable	123.2	128.0	96.1	102.6	126.4	119.0	130.5	103.7	98.1	105.2
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	370.5	361.2	378.7
Tangible assets	61.8	63.2	80.7	113.1	121.2	116.7	113.9	113.8	113.0	111.6
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	276.3	276.6	276.8
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	463.3	462.8	462.6
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	168.1	159.1	170.6
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	251.7	242.7	254.2
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	271.8	271.1	275.9
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	272.0	271.3	276.1
Balance sheet total	591.3	647.1	626.1	664.0	880.2	932.3	885.2	833.8	824.1	841.3
% Change	18.2%	9.4%	-3.2%	6.1%	32.6%	5.9%	-5.1%	-5.8%	-1.2%	2.1%
Book value per share (EUR)	9.90	9.93	10.16	10.16	10.21	11.34	11.61	11.28	11.25	11.45
% Change	-11.4%	0.3%	2.3%	0.0%	0.5%	11.1%	2.4%	-2.8%	-0.3%	1.8%
Net financial debt	-3.2	-8.9	92.2	122.4	147.0	124.0	193.3	184.5	181.3	179.7
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	-14.7	-18.6	-18.6	-18.6	-18.6
Net debt	13.5	7.5	109.6	167.1	181.6	155.8	217.3	208.5	205.3	203.7
Net fi. debt (+IFRS16) / EBITDA (x)	-0.1	-0.2	1.5	2.5	1.8	2.1	3.3	3.8	3.2	2.7
Trade working capital	46.9	48.3	65.4	77.6	75.6	38.8	82.2	65.3	61.8	66.3
Net working capital	43.7	44.6	64.7	73.0	51.8	32.1	76.3	59.4	55.9	60.4
NWC/Sales	8.6%	8.4%	11.3%	11.7%	6.3%	4.4%	10.2%	8.2%	7.2%	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	449.5	445.6	449.8
Net fin. debt / FCF (x)	-0.2	-0.5	-9.3	1,224.0	2.6	2.3	-10.6	5.1	5.7	5.1
Gearing (%)	-1.4%	-3.9%	38.9%	52.7%	63.3%	46.5%	69.1%	67.8%	66.8%	65.1%
Goodwill / Equity (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%

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Total	100%	100%

Source: Kepler Cheuvreux

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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
	14/03/2023 05:41	Equity Research	Buy	22.00	15.23
	25/05/2023 04:34	Equity Research	Buy	20.00	12.86

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Local insight, European scale.



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