CHARGEURS CLOSING PRICE* **EUR8.8**
VALUATION (UPSIDE) EUR8 (-10%) ▪ EUR12 (+36%)

VALUATION RANGE		EPS 24e	EPS 25e
↗ 14%	↗ 9%	↘ -7%	↘ -13%

Earnings momentum turning

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Mourad Lahmidi
BNP Paribas SA
(+33) 1 42 99 50 63
mourad.lahmidi@bnpparibas.com

Chargeurs has likely passed the cyclical bottom in protective film while its Museum division benefits from excellent visibility. However, for the stock to re-rate, the group needs to reduce leverage. This should come from a recovery at CAM and/or asset disposals.

Cyclical bottom in protective films, strong visibility in Museums

Chargeurs' protective films activity seem to have reached a bottom as evidenced by the recent uptick in order intake. On the other hand, the Museum activity benefits from excellent visibility. We expect group earnings to recover next year thanks to operating leverage and efficiency gains.

Leverage has likely peaked

Chargeurs should reach net debt to EBITDA of 4.7x in 2023e (up from 1.6x in 2021) due earnings decline and M&A. With that said, 1) the group has no financial covenants based on net debt to EBITDA and is financing to covenants on net debt to equity (<1.2x vs. 0.8x at end 2023); 2) it should be able to meet refinancing needs thanks to FCF and undrawn credit lines.

Asset sale optionality

Management has pointed to asset sales as viable strategic options. We see protective films and fashion technologies as good candidates for a disposal and value those two businesses at an EV of EUR245m and EUR134m, respectively.

Estimates and valuation range reviewed

We have cut our estimates in 2024 and 2025 to factor in a slow recovery at CAM. We have upgraded our valuation range (ROCE/WACC at EUR8 and DCF at EUR12) to reflect higher margins.

*Closing Price (7 December 2023)	EUR8.8
Market cap (EURm)	215
Free float (EURm)	124
EV (EURm)	522
3m avg volume (EURm)	NC
Refinitiv / Bloomberg	CRIP.PA / CRI FP
Country / Sub Sector	France / Other Support Services

Performance[1]	1w	1m	3m	12m
Absolute(%)	3	14	(9)	(28)
Rel. Sector(%)	NC	NC	NC	NC
Rel. MSCI SMID(%)	NC	NC	NC	NC

Financials	12/22	12/23e	12/24e	12/25e
EPS, Adjusted (EUR)	1.09	0.42	0.94	1.23
EPS, Company (EUR)	0.92	0.54	0.68	0.98
EPS - Refinitiv (EUR)	0.96	0.35	0.79	1.22
Net dividend (EUR)	0.76	0.76	0.97	1.38
Sales (EURm)	746	677	724	767
EBITA, Adj. (EURm)	45.4	27.6	38.8	48.7
Net profit, Adj.(EURm)	24.8	9.6	21.4	28.0
ROCE (%)	8.9	-	7.8	8.7
Net Debt/EBITDA, Adj. (x)	3.8	6.3	4.7	4.1

Valuation metrics[2]	12/22	12/23e	12/24e	12/25e
P/E (x)	15.4	20.8	9.4	7.2
Net yield (%)	4.5	8.6	10.9	15.7
FCF yield (%)	(1.1)	(7.2)	18.3	9.5
EV/Sales (x)	0.9	0.8	0.7	0.7
EV/EBITDA (x)	9.5	10.3	8.1	7.0
EV/EBITA (x)	14.3	18.9	12.9	10.3
EV/CE (x)	1.4	1.1	1.1	1.1

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

Price at 07 Dec. 23: EUR8.8

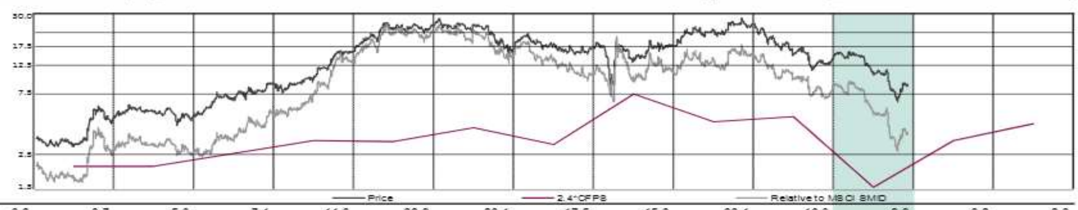
Valuation range (EUR): 8.0 (-10%) | 12.0 (+36%)

CHARGEURS

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

Other Support Services | Business Services - France

Company Highlights			EURm
Enterprise value			522
Market capitalisation			215
Free float			124
3m average volume			
Performance (*)	**1m**	**3m**	**12m**
Absolute	14%	(9%)	(28%)
Rel. Sector	NC	NC	NC
Rel. MSCI SMID	NC	NC	NC
12m Hi/Lo (EUR) : 15.8 -44% / 6.4 +38%			
CAGR	**2008/2023**		**2023/2025**
EPS restated	NC		70%
CFPS	NC		76%



	Dec. 12	Dec. 13	Dec. 14	Dec. 15	Dec. 16	Dec. 17	Dec. 18	Dec. 19 *	Dec. 20	Dec. 21	Dec. 22	Dec. 23e	Dec. 24e	Dec. 25e
Price (yearly avg from Dec. 12 to Dec. 22)	*3.2*	*3.7*	*5.3*	*7.1*	*11.3*	*22.8*	*23.1*	*17.5*	*15.8*	*23.1*	*16.9*	*8.8*	*8.8*	*8.8*
PER SHARE DATA (EUR)	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
No of shares year end, basic, (m)	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	24.274
Avg no of shares, diluted, excl. treasury stocks (m)	21.801	22.378	22.407	19.616	22.956	23.172	23.365	22.882	22.851	22.938	22.638	22.638	22.638	22.638
EPS reported, Gaap	*(1.12)*	*0.26*	*0.69*	*0.78*	*0.94*	*1.05*	*1.15*	*0.66*	*1.79*	*1.30*	*0.92*	*0.54*	*0.68*	*0.98*
EPS company definition	*(1.12)*	*0.26*	*0.69*	*0.78*	*0.94*	*1.05*	*1.15*	*0.66*	*1.79*	*1.30*	*0.92*	*0.54*	*0.68*	*0.98*
EPS restated, fully diluted	(0.43)	0.26	0.52	1.43	1.12	1.31	1.38	0.97	2.72	1.74	1.09	0.42	0.94	1.23
% change	*NS*	*NS*	*98.3%*	*174.6%*	*(21.9%)*	*16.9%*	*5.8%*	*(29.5%)*	*179.4%*	*(36.1%)*	*(37.1%)*	*(61.2%)*	*122.4%*	*30.7%*
Book value (BVPS) (a)	12.3	11.0	11.4	9.5	9.9	9.9	10.1	9.7	10.2	11.0	11.5	11.3	11.3	11.4
Net dividend	0.00	0.00	0.20	0.30	0.55	0.60	0.67	0.40	1.32	1.24	0.76	0.76	0.97	1.38
STOCKMARKET RATIOS	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
P / E (P/ EPS restated)	NC	14.3x	10.1x	4.9x	10.1x	17.4x	16.7x	18.0x	5.8x	13.3x	15.4x	20.8x	9.4x	7.2x
P / E relative to MSCI SMID	NC	62%	43%	28%	51%	95%	96%	111%	16%	89%	104%	146%	75%	64%
FCF yield	58.5%	31.6%	21.0%	10.7%	8.1%	2.0%	(1.4%)	(2.5%)	16.1%	9.6%	(1.1%)	(7.2%)	18.3%	9.5%
P / BVPS	0.26x	0.34x	0.46x	0.74x	1.14x	2.31x	2.29x	1.80x	1.55x	2.10x	1.46x	0.78x	0.78x	0.78x
Net yield	0.0%	0.0%	3.8%	4.2%	4.9%	2.6%	2.9%	2.3%	8.3%	5.4%	4.5%	8.6%	10.9%	15.7%
Payout	0.0%	0.0%	38.4%	21.0%	49.2%	45.9%	48.4%	41.0%	48.5%	71.2%	69.4%	NS	102.4%	112.1%
EV / Sales	0.23x	0.21x	0.24x	0.32x	0.60x	1.07x	1.19x	0.97x	0.72x	0.98x	0.87x	0.77x	0.69x	0.65x
EV / Restated EBITDA (**)	6.0x	4.2x	3.6x	4.0x	6.3x	10.4x	11.2x	10.1x	5.8x	9.8x	9.5x	10.3x	8.1x	7.0x
EV / Restated EBITA	12.9x	6.7x	5.1x	5.2x	7.9x	12.8x	13.9x	14.7x	7.4x	14.2x	14.3x	18.9x	12.9x	10.3x
EV / NOPAT	16.1x	9.8x	7.0x	6.6x	9.7x	14.8x	16.6x	19.4x	8.2x	16.7x	16.3x	27.0x	14.3x	12.8x
EV / OpFCF	3.1x	3.6x	4.1x	6.2x	9.0x	22.7x	73.3x	42.3x	7.0x	9.0x	22.5x	27.8x	7.1x	9.8x
EV / Capital employed (incl. gross goodwill)	0.6x	0.6x	0.7x	0.9x	1.5x	2.9x	2.2x	1.7x	1.5x	1.9x	1.4x	1.1x	1.1x	1.1x
ENTERPRISE VALUE (EURm)	**121**	**96**	**116**	**161**	**306**	**569**	**682**	**609**	**591**	**720**	**650**	**522**	**499**	**500**
Market cap	42	51	83	139	259	528	539	401	362	543	397	215	215	215
+ Adjusted net debt (including lease liability)	99	59	46	26	48	39	145	209	227	202	263	317	294	294
+ Other liabilities and commitments	11	13	16	15	17	16	17	18	17	15	13	13	13	13
+ Revalued minority interests	2	1	2	2										
- Revalued investments	32	28	30	20	17	14	20	19	15	40	22	22	22	21
P & L HIGHLIGHTS (EURm)	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
Sales	**524**	**467**	**478**	**499**	**506**	**533**	**573**	**626**	**822**	**737**	**746**	**677**	**724**	**767**
Restated EBITDA (b) (**)	**20**	**23**	**32**	**40**	**49**	**55**	**61**	**60**	**102**	**74**	**69**	**51**	**62**	**72**
Depreciation	(11)	(9)	(9)	(10)	(10)	(10)	(12)	(19)	(23)	(23)	(23)	(23)	(23)	(23)
Restated EBITA (b)	**9**	**14**	**23**	**31**	**39**	**44**	**49**	**41**	**79**	**51**	**45**	**28**	**39**	**49**
Reported operating profit (loss)	9	18	21	24	34	39	42	32	56	41	39	21	32	42
Net financial income (charges)	(11)	(7)	(6)	(5)	(5)	(9)	(11)	(12)	(10)	(11)	(19)	(18)	(15)	(15)
Affiliates	(1)	0	(0)	(11)	(2)	(1)	0	(0)	(2)	1	0	0	0	0
Other														
Tax	(9)	(4)	(4)	8	(5)	(4)	(5)	(5)	(4)	(1)	3	7	(2)	(5)
Minorities	1	0	(0)	(0)	0	0	0	0	1	(0)	(0)	0	0	1
Net attributable profit reported	(12)	8	11	15	22	25	27	15	41	31	22	9	15	22
Net attributable profit restated (c)	**(9)**	**6**	**12**	**28**	**26**	**30**	**32**	**22**	**62**	**40**	**25**	**10**	**21**	**28**
CASH FLOW HIGHLIGHTS (EURm)	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
EBITDA (reported) (**)	**19**	**26**	**30**	**34**	**44**	**49**	**55**	**53**	**84**	**70**	**68**	**50**	**61**	**71**
EBITDA adjustment (b)	**1**	**(3)**	**2**	**7**	**5**	**6**	**6**	**7**	**18**	**4**	**0**	**0**	**0**	**0**
Other items	1	6	(2)	(8)	(5)	(9)	(5)	(7)	(5)	(3)	12	(3)	(0)	(0)
Change in WCR	23	5	9	8	1	(7)	(23)	(13)	3	22	(41)	(15)	20	(9)
Operating cash flow	**44**	**34**	**38**	**40**	**45**	**39**	**34**	**40**	**100**	**93**	**40**	**32**	**81**	**62**
Capex	(5)	(7)	(10)	(14)	(11)	(14)	(24)	(25)	(15)	(13)	(11)	(14)	(11)	(12)
Operating free cash flow (OpFCF)	**39**	**27**	**28**	**26**	**34**	**25**	**9**	**14**	**85**	**80**	**29**	**19**	**71**	**51**
Net financial items (d) + tax paid	(14)	(10)	(11)	(11)	(13)	(15)	(17)	(24)	(27)	(28)	(33)	(34)	(31)	(31)
Free cash flow	**26**	**17**	**18**	**15**	**21**	**10**	**(7)**	**(10)**	**58**	**52**	**(4)**	**(15)**	**39**	**20**
Net financial investments & acquisitions	(1)	10	0	1	(20)	(4)	(66)	(9)	(62)	(4)	(12)	(20)	0	0
Other	22	8	(13)	1	(9)	6	(7)	(19)	(26)	13	(29)	0	0	0
Capital increase (decrease)	1	2	3	11	0	0	(10)	(10)	(0)	0	0	0	0	1
Dividends paid	0	0	0	(3)	(12)	(7)	(11)	(9)	(6)	(18)	(18)	(17)	(17)	(22)
Increase (decrease) in net financial debt	**(48)**	**(36)**	**(8)**	**(25)**	**20**	**(6)**	**101**	**57**	**36**	**(44)**	**64**	**53**	**(22)**	**1**
Cash flow, group share	**8**	**19**	**19**	**21**	**31**	**31**	**40**	**29**	**70**	**43**	**47**	**13**	**30**	**41**
BALANCE SHEET HIGHLIGHTS (EURm)	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
Net operating assets	117	104	123	134	154	152	239	286	350	355	390	404	395	388
WCR	80	50	48	41	46	46	65	73	57	19	59	74	54	63
Restated capital employed, incl. gross goodwill	**198**	**154**	**171**	**175**	**199**	**197**	**304**	**359**	**407**	**374**	**449**	**478**	**449**	**450**
Shareholders' funds, group share	167	158	183	219	227	230	237	232	237	267	280	275	274	276
Minorities	7	3	4	3	0	0	0	0	0	(1)	0	0	0	(1)
Provisions/ Other liabilities	23	24	27	24	22	22	27	32	38	49	37	18	13	12
Net financial debt (cash)	46	10	2	(23)	(3)	(9)	92	149	185	141	205	257	235	236
FINANCIAL RATIOS (%)	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
Sales (% change)	(5.1%)	(10.9%)	2.5%	4.3%	1.5%	5.3%	7.6%	9.2%	31.2%	(10.4%)	1.3%	(9.3%)	7.0%	5.9%
Organic sales growth	(6.8%)	(4.3%)	4.6%	1.7%	5.1%	3.2%	2.6%	(1.2%)	27.5%	(10.5%)	(4.3%)	(5.4%)	6.0%	5.0%
Restated EBITA (% change)	(54.8%)	53.2%	59.0%	33.6%	27.1%	14.1%	10.4%	(15.5%)	91.5%	(36.1%)	(10.5%)	(39.2%)	40.4%	25.6%
Restated attributable net profit (% change)	NC	NC	98.6%	140.4%	(8.6%)	18.0%	6.7%	(31.0%)	179.0%	(35.8%)	(38.0%)	(61.2%)	122.4%	30.7%
Personnel costs / Sales	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
Restated EBITDA margin (**)	3.8%	4.9%	6.6%	8.1%	9.6%	10.2%	10.6%	9.6%	12.5%	10.0%	9.2%	7.5%	8.5%	9.4%
Restated EBITA margin	1.8%	3.1%	4.8%	6.1%	7.7%	8.3%	8.5%	6.6%	9.6%	6.9%	6.1%	4.1%	5.4%	6.3%
Tax rate	NC	31.9%	27.7%	NC	18.5%	13.7%	16.0%	24.4%	9.6%	1.6%	NC	NC	10.0%	20.0%
Net margin	(1.9%)	1.2%	2.5%	5.7%	5.1%	5.7%	5.6%	3.6%	7.5%	5.5%	3.3%	1.4%	3.0%	3.5%
Capex / Sales	1.0%	1.5%	2.1%	2.8%	2.2%	2.6%	4.2%	4.0%	1.8%	1.8%	1.4%	2.0%	1.5%	1.5%
OpFCF / Sales	7.4%	5.7%	5.9%	5.2%	6.7%	4.7%	1.6%	2.3%	10.3%	10.8%	3.9%	2.8%	9.8%	6.6%
WCR / Sales	15.3%	10.8%	10.1%	8.1%	9.0%	8.6%	11.4%	11.7%	6.9%	2.6%	7.9%	10.9%	7.4%	8.2%
Capital employed (excl. gdw./intangibles) / Sales	24.4%	18.8%	20.6%	19.4%	21.2%	20.5%	25.4%	29.7%	21.7%	18.4%	23.1%	30.2%	24.7%	23.8%
ROE	(5.6%)	3.7%	6.4%	12.8%	11.3%	13.2%	13.6%	9.6%	26.3%	14.9%	8.9%	3.5%	7.8%	10.1%
Gearing	57%	37%	25%	12%	21%	17%	61%	90%	96%	76%	94%	115%	107%	107%
EBITDA / Financial charges (**)	3.1x	5.9x	8.6x	11.5x	11.3x	7.3x	6.8x	6.1x	6.6x	8.6x	4.9x	2.8x	4.1x	4.8x
Adjusted financial debt (A)+(B) / EBITDA (**)	4.9x	2.6x	1.4x	0.6x	1.0x	0.7x	2.4x	3.5x	2.2x	2.7x	3.8x	6.3x	4.7x	4.1x
ROCE, excl. gdw./intangibles	5.9%	11.2%	16.8%	25.4%	29.6%	35.1%	28.2%	16.8%	40.2%	31.8%	23.1%		19.5%	21.3%
ROCE, incl. gross goodwill	3.8%	6.4%	9.7%	14.0%	15.9%	19.4%	13.5%	8.7%	17.6%	11.5%	8.9%		7.8%	8.7%
WACC	4.9%	5.6%	6.7%	8.3%	8.9%	9.0%	8.1%	7.6%	7.6%	7.7%	8.1%			

Latest Model update: 08 Dec. 23

(a) Intangibles: EUR276.00m, or EUR11 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

Contents

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Chargeurs share price fell 70% from its peak in Q3 21 and is now trading at levels that prevailed in 2015 when Columbus Holding took over as reference shareholder and its CEO Michael Fribourg reshuffled the asset portfolio and started to implement a new strategy (innovation, build up, efficiency gains).

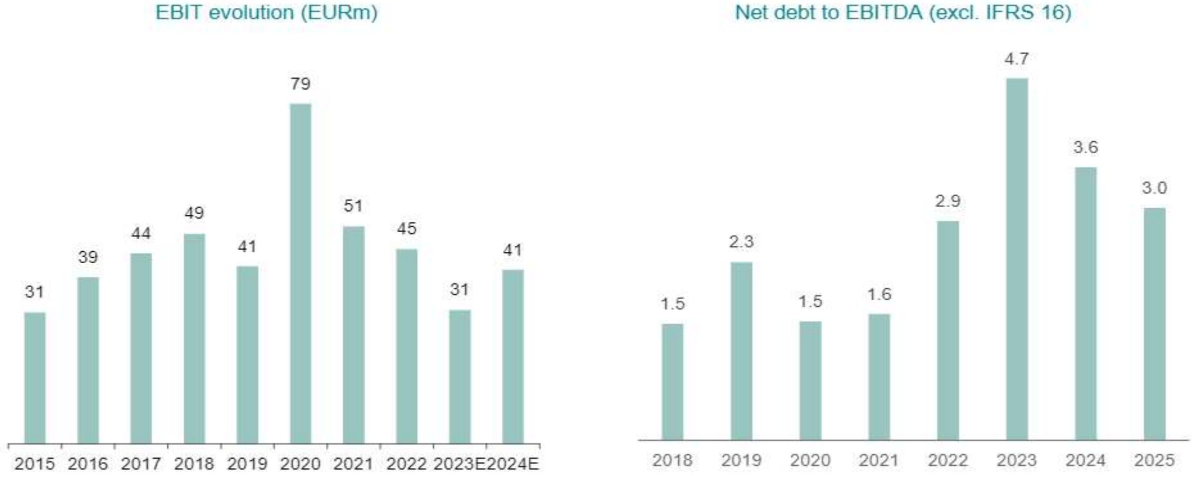
Figure 1: Chargeurs stock price history

Share price history

Source: BNP Paribas Exane estimates

The fall in the share price looks nevertheless consistent with the recent profit evolution as group adj. EBIT in 2023 should track broadly in line with its 2015 level. In addition, the group's financial leverage has gone up reflecting the past two years increase in debt to fund acquisitions and inventory build up to meet demand in a context of supply chain constraints.

Figure 2: 2023 EBIT should track 2015 levels while leverage has gone up



Source: Delonghi, Exane BNP Paribas estimates

On consensus estimates, the stock trades on a 12m forward PE of c. 11x down from its peak pandemic level of 30x when earnings were boosted by the expansion in face masks. Relative to the Eurostoxx 600, Chargeurs 12m PE shows a 9% discount, not far from its historical average of 6%.

Figure 3: Chargeurs shares have materially derated over the past two years

Source: BNP Paribas Exane estimates

In order for the shares to re-rate, Chargeurs needs margin recovery and net debt reduction. This should be driven by an eventual recovery of its protective film business and / or the disposal of some assets.

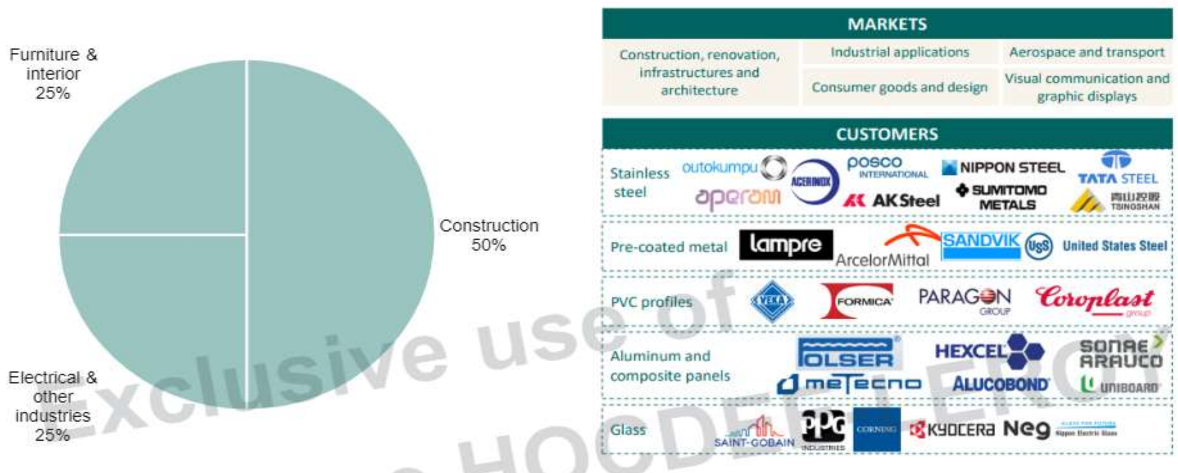
Cyclical downturn in films well underway now

Over the past two years, Chargeurs has seen its Advanced Materials activity (formerly known as Protective Films) decrease by c. 20% due to client destocking and contraction in key end-markets such as construction and home equipment. The division is exposed to end-markets that saw accelerated destocking and slowdown of end demand due to higher interest rates in the past 18 months. Adding to that, recent business conditions compare with an extremely high comparison base in 2021 as customers had, in that year, significantly increased their inventory levels to mitigate supply chain constraints.

Figure 4: Chargeurs Advanced Materials has an outsized exposure to cyclical end markets

Advanced materials sales by end market use

Examples of markets and clients



Source: Chargeurs, BNP Paribas Exane estimates

As a result, the business is on track to deliver its lowest historical EBIT contribution in 2023 due to negative operating leverage as the division is characterized by a fairly high level of fixed costs given its industrial business model and recent capacity investments (new production line in Italy before the covid pandemic).

Figure 5: Chargeurs Advanced Materials to reach a trough in 2023

Advanced Materials revenues (EURm)

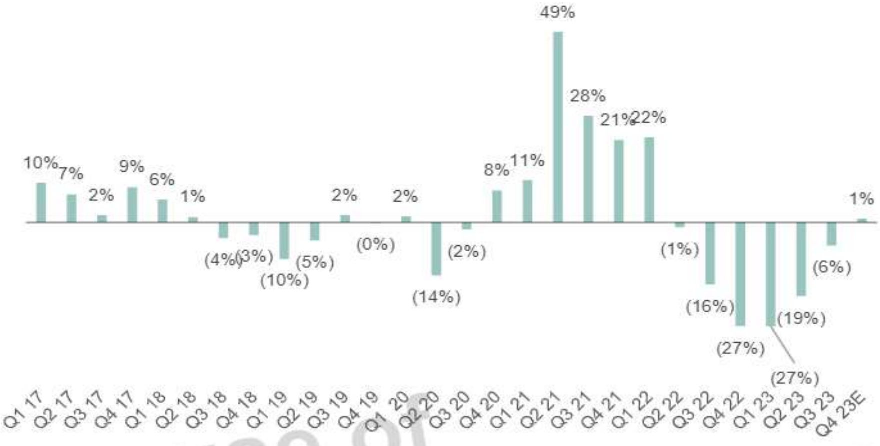
Advanced Materials adj. EBIT (EURm)

Source: BNP Paribas Exane estimates

As part its Q3 23 sales release, management however pointed to tangible signs of improvement. While clients have maintained a conservative inventory management approach, order intake has started to improve YoY since July 2023, translating into positive volume growth in September and October notably in Asia.

Figure 6: Advanced Materials pointing to gradual improvement

Advanced Materials quarterly LFL growth evolution



Source: BNP Paribas Exane estimates

For this reason we expect Q4 23 LFL growth for the division to track at +1% and we have penciled in 5% organic growth in 2024 against a depressed comparison base.

While recent trends have been lacklustre, the medium-term outlook for protective films looks robust driven by both market share gains and market growth:

– **Innovation**: with the partnership of research labs and universities, the group has continued to develop breakthrough innovations including: 1) a low noise protective film which reduces the noise made by highly adhesive protective films when removed from 110 Db to below 85 Db. This allows clients to save costs on the use of personal protective equipment (required by law above 85Db); 2) Easy Peel technology which considerably eases the removal of films surfaces thanks to innovative water-based glue. This drives productivity gains for clients thanks to time saved and reduction in the number of staff needed for this operation. Overall, every year, the activity generates 5% of its sales from products that are less than 3 years old.

– **Sustainability**: over the past years, the group has allocated 30% of its investments to the development of products based on eco responsible solutions. Chargeurs has notably 1) increased the share of alternative raw materials to polyethylene and alternative chemical products to traditional glue; 2) increased share of recycled polyethylene used in process films and recyclable films. Chargeurs runs the largest European site for the reuse and recycling of solvents in its factory located in southern Italy. These efforts have led to the development of a new range of Eco-designed films under the name Oxygen that are based on three complimentary technologies: recycled, vegetal and lean (reduction in the quantity of polyethylene used). This low carbon footprint offer is well suited for customers seeking to reduce scope 3 emissions and has enabled consistent share gains for the group.

– **Infrastructure development in Europe** and particularly in France, where initiatives for the Olympic Games and the Greater Paris redevelopment program, will contribute to supporting growth in 2024-2026.

Excellent visibility in Museum Studio

In what are essentially local markets, Chargeurs Museum Studio has built, through M&A, the most comprehensive offer of museum exhibit services with revenues expected at EUR120m in 2023. The group covers the entire visitor experience value chain from project management to the turnkey delivery of exhibitions. Its sales network is now global and has enabled the business to deploy these solutions around the world, which is yielding significant commercial synergies and LFL acceleration.

Figure 7: CMS has been strengthened through acquisitions

Chargeurs Museum Studios acquisitions

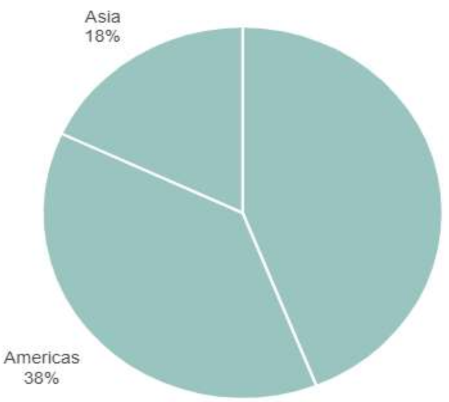
Target	Date	Country	Business	Revenues (EURm)
Leach	2018	UK	Design, manufacturing and installation of graphic display structures manufacturer	11
Design PM	2019	UK	Exhibits design and project management	
MET Studio	2019	UK	Museum visual communication and visitor experience	25
Hypsos	2019	Netherland	Exhibits design contractor	
D&P	2020	US	Turn-key exhibition project management serving US museums	40
Event Communications	2021	UK	Museum planning, design and delivery	10
Skira Editore	2022	Italy	Publisher of classic & modern art / design books / temporary exhibition planning	15

Source: BNP Paribas Exane estimates

Today the business is active across all major regions (46 countries) and benefits from worldwide competition in terms of cultural influence are driving museum projects around the world (95k museum in the world today vs. 22k in 1975) and are feeding a healthy pipeline of projects (c.200 museum projects pending, including 110 in Europe).

Figure 8: Chargeurs Museum Studio is global and covering a wide array of clients

CMS revenues regional breakdown - 2022 (%)



Examples of customers

Source: Chargeurs Museum Studio

Over the past two years, the order book has expanded steadily and provides visibility to reach EUR120m of sales in 2023 (+30% LFL) and EUR150m in 2024 (+25% LFL). This should be driven, by:

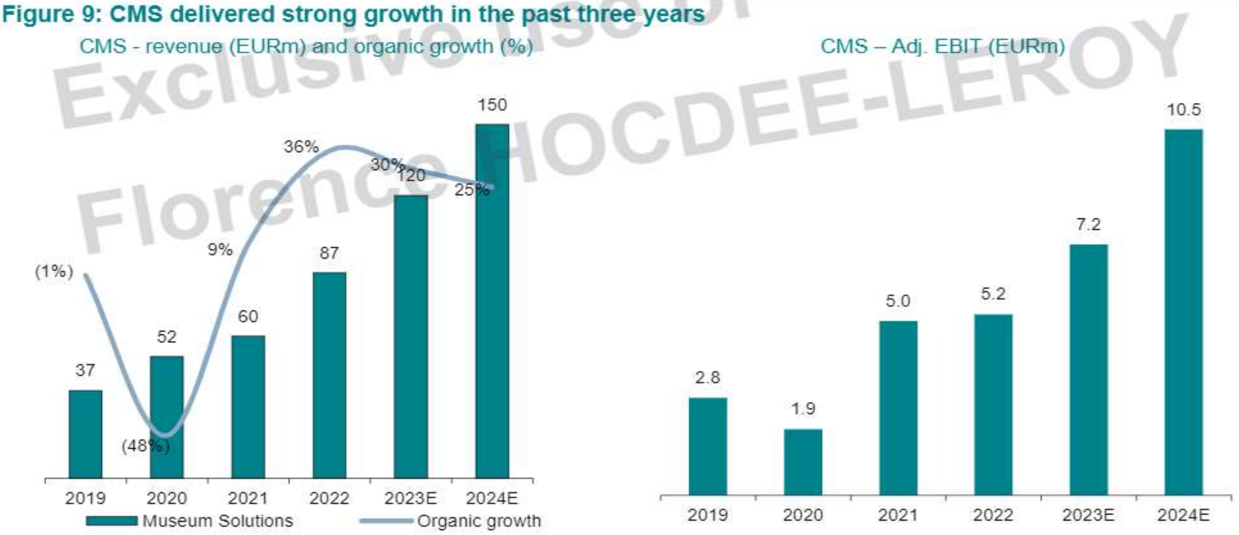
– The US where the group has signed new contracts for project delivery for several institutions including the Cleveland Museum of Natural History or the Washington DC Airport;

– Europe where CMS 1) was chosen by the Hans C. Andersen Museum (Copenhagen) for scenography creation, 2) renewed its 3-year contract to design Monaco Yacht Show; 3) was selected to design and organize the opening exhibition at the Milan Fashion Week;

– Asia where the group has signed its first design contracts for cultural and educational projects in China and Indonesia. In the Middle East, the group created a JV in Saudi Arabia with Saudi based companies Knowliom and Zamil Group and has won several contracts including Diriyah gate and the Saudi Museum of Contemporary Art.

On the profitability side, while we expect the division to generate 6% EBIT margin in 2023, this doesn't reflect its full potential since revenues and profits are recognized as percentage of project completion. Management indicated that CMS should be able to deliver 10% EBIT margin as projects ramp up.

Figure 9: CMS delivered strong growth in the past three years



Source: BNP Paribas Exane estimates

Financial forecasts

Our revenue forecasts for the coming three years (2023-2025) are based on the following assumptions:

– 5% CAGR in Advanced Materials: as discussed earlier, this area of the business has probably reached a bottom while order intake has started to improve; we expect a recovery over the next two years;

- 1% CAGR at Fashion Technologies where we assume that the business will slow down as share gains thanks to recent broadening of the product portfolio targeting new applications come to an end;

- 20% CAGR at Chargeurs Museum Solutions: as discussed earlier, the division benefits from strong visibility on museum projects and good level of commercial synergies;

– 15% CAGR at Chargeurs Personal Goods: built up from bolt-on deals, this business is relatively new and fairly small; it consists of luxury consumer brands like Swaine, Cambridge Satchel and Fournival Altesse;

– 1% CAGR at Chargeurs Luxury Fibers assuming wool price stability;

Figure 10: We expect 7.6% revenue CAGR in 2023E-2025E

BNPP Exane revenue forecasts by division

	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Protective films	227	250	281	283	278	270	341	333	275	289	304
% ch	*10%*	*10%*	*12%*	*1%*	*-2%*	*-3%*	*26%*	*-2%*	*-17%*	*5.2%*	*5.0%*
Organic growth	*3.6%*	*6.5%*	*7.0%*	*0.0%*	*-3.4%*	*-1.7%*	*26.7%*	*-6.3%*	*-14.5%*	*5.0%*	*5.0%*
Fashion Technologies	158	132	131	161	210	132	154	220	201	203	205
% ch	*-6.0%*	*-16%*	*-1%*	*23%*	*31%*	*-37%*	*17%*	*42%*	*-8%*	*1%*	*1%*
% ch LFL	*-3.5%*	*0.1%*	*1.3%*	*6.9%*	*0.7%*	*-35.3%*	*20.0%*	*32.5%*	*0.5%*	*1.0%*	*1.0%*
Luxury Fibers	94	100	95	98	100	64	86	95	72	72	73
% ch	*-10.1%*	*6.2%*	*-4.5%*	*3.4%*	*2.0%*	*-36%*	*34%*	*10%*	*-24%*	*0%*	*2%*
% ch LFL	*-13.1%*	*6.8%*	*-4.2%*	*6.5%*	*3.1%*	*-34.7%*	*31.1%*	*7.9%*	*-14.5%*	*0.0%*	*2.0%*
Museum Solutions	20	25	26	31	37	52	60	87	120	150	173
% ch	*0%*	*21%*	*5%*	*19%*	*21%*	*39%*	*17%*	*45%*	*38%*	*25%*	*15%*
% ch LFL	*22%*	*21%*	*5%*	*(5%*	*(1%)*	*(48%)*	*9%*	*36%*	*30%*	*25%*	*15%*
Healthcare Solutions*						304	95	6			
% ch							*-69%*	*-93%*			
% ch LFL											
Personal Goods								6	9	10	12
% ch								*0%*	*10%*	*15%*	*15%*
% ch LFL								*0%*	*10%*	*10%*	*10%*
Group sales	**499**	**506**	**533**	**573**	**626**	**822**	**737**	**746**	**677**	**724**	**767**
% ch	***4%***	***2%***	***5%***	***8%***	***9%***	***31%***	***-10%***	***1%***	***-9%***	***7%***	***6%***
% ch LFL	***1.7%***	***5.1%***	***3.2%***	***2.6%***	***-1.2%***	***27.5%***	***-10.5%***	***-4.3%***	***-5.4%***	***6.0%***	***5.7%***

Source: BNP Paribas Exane estimates **Healthcare Solutions included in Fashion technologies from 2023E*

Our EBIT forecasts for the next three years are based on the following assumptions:

– Margin recovery at Protective Films from a trough of 4.5% in 2023E to 7% in 2025E driven by 1) volume recovery from depressed levels; 2) operating leverage on fixed costs; Our 2025E adj. EBIT margin compares to peak profitability of 12.2% for the division.

- Steady improvement at Fashion Technologies driven by volume growth and mix improvement; as for CAM, our assumption of 7.5% EBIT margin for 2025 is conservative as it falls short of the division's peak margin reached in 2018;

– The ramp-up of the Museum Solutions division: as discussed earlier we expect significant increase in margins as profits in the division are recognized as percentage of project completion;

Figure 11: We expect 27% EBIT CAGR in 2023E-2025E

BNPP Exane EBIT forecasts by division

EBIT	2015	2016	2017	2018	2019	2020E	2021	2022	2023E	2024E	2025E
Protective Films	22	28	34	33	24	17	26	23	10	17	23
as % of sales	*9.6%*	*11.2%*	*12.2%*	*11.6%*	*8.5%*	*6.3%*	*7.7%*	*6.9%*	*3.8%*	*6.0%*	*7.5%*
% ch	*29.8%*	*28.4%*	*22.5%*	*-3.8%*	*-28.5%*	*-28.0%*	*53.5%*	*-12.6%*	*-54.1%*	*40.2%*	*31.3%*
Fashion Technologies	6	8	8	15	18	5	5	17	14	15	15
as % of sales	*3.5%*	*6.1%*	*6.2%*	*9.2%*	*8.3%*	*3.9%*	*2.9%*	*7.7%*	*7.0%*	*7.3%*	*7.3%*
% ch	*-11.3%*	*45.5%*	*1.3%*	*82.7%*	*18.2%*	*-70.9%*	*-11.8%*	*277.8%*	*-17.1%*	*2.2%*	*1.0%*
Luxury Materials	2.5	2.9	2.6	2.7	2.7	-2.2	1.0	2.0	1.4	1.4	1.5
as % of sales	*3%*	*3%*	*3%*	*3%*	*3%*	*-3%*	*1%*	*2%*	*2%*	*2%*	*2%*
% ch	*-26%*	*16%*	*-10%*	*4%*	*0%*	*-181%*	*-145%*	*100%*	*-28%*	*0%*	*2%*
Museum Solutions	3.6	3.8	4.0	4.0	2.8	1.9	5.0	5.2	7.2	10.5	14.7
as % of sales	*17.7%*	*15.4%*	*15.5%*	*13.0%*	*7.5%*	*3.7%*	*8.3%*	*6.0%*	*6.0%*	*7.0%*	*8.5%*
% ch											
Healthcare Solutions	0	0	0	0	0	64	21.7	4.3			
as % of sales						21%	23%	67%			
% ch											
Personal Goods								0.2	0.5	0.7	0.8
as % of sales								*0.0%*	*5.0%*	*6.5%*	*7.0%*
% ch								*0.0%*	*0.0%*	*0.0%*	*0.0%*
Inter-segment	-2.8	-3.8	-4.6	-5.5	-5.2	-6	-7.6	-5.9	-6.0	-6.0	-6.0
Group EBIT	**31**	**39**	**44**	**49**	**41**	**79**	**51**	**45**	**28**	**39**	**49**
as % of sales	***6.1%***	***7.7%***	***8.3%***	***8.5%***	***6.6%***	***9.6%***	***6.9%***	***6.1%***	***4.1%***	***5.4%***	***6.3%***
% ch	***33.6%***	***27.1%***	***14.1%***	***10.4%***	***-15.5%***	***91.5%***	***-36.1%***	***-10.5%***	***-39.0%***	***39.9%***	***25.6%***

Source: BNP Paribas Exane estimates

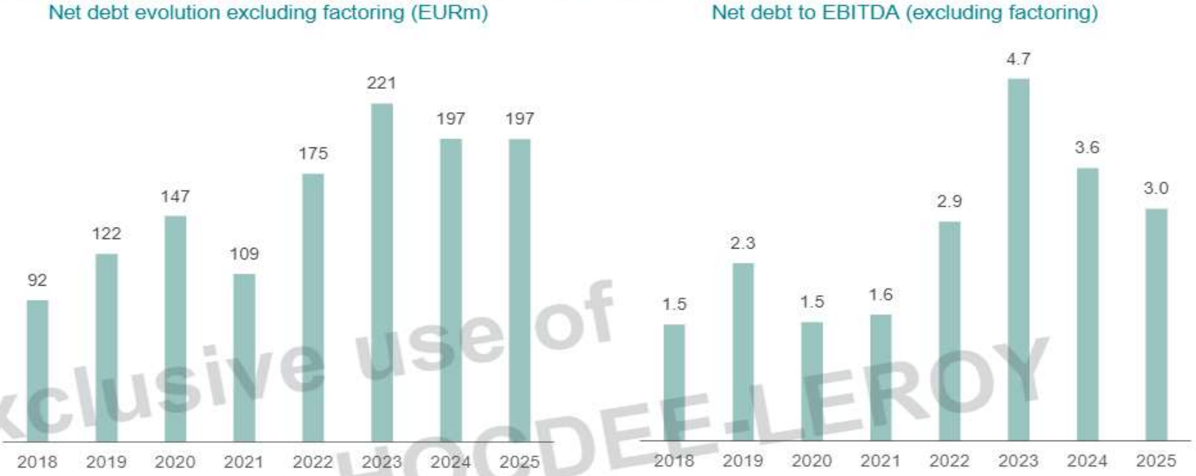
Leverage and asset sale optionality

Over the past two years, Chargeurs has seen its net debt and financial leverage increase significantly due to:

– Earnings decline following the downturn in the protective film activity. This came along with significant cash burn as the division has been running with high levels of inventories;

– The group's build up strategy;

Figure 12: CMS delivered strong growth in the past three years



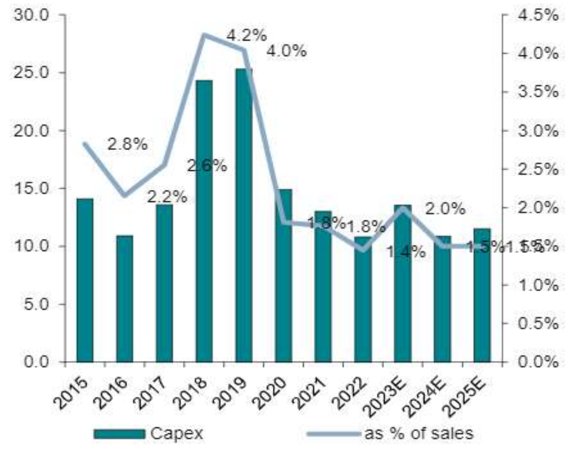
Source: BNP Paribas Exane estimates

With that said, the group has no financial covenants based on net debt to EBITDA and its financing lines are subject to covenants on net debt to equity no greater than 1.2x (vs. 0.8x for the group at end 2023e and 0.7x at end 2024e).

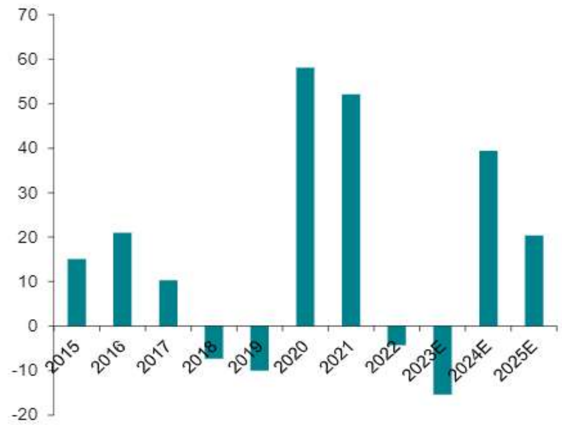
We expect Chargeurs' net debt-to-EBITDA (pre-IFRS 16) to have declined to 3.0x at the end of 2025 from 4.7x at the end of 2023 thanks to an uptick in cash generation as a return to growth in Advanced Materials is expected to translate into cash inflow while capex should remain relatively contained.

Figure 13: We expect a return to positive free cash flow in 2024

Capex in EURm and as % of sales



Free cash flow EURm

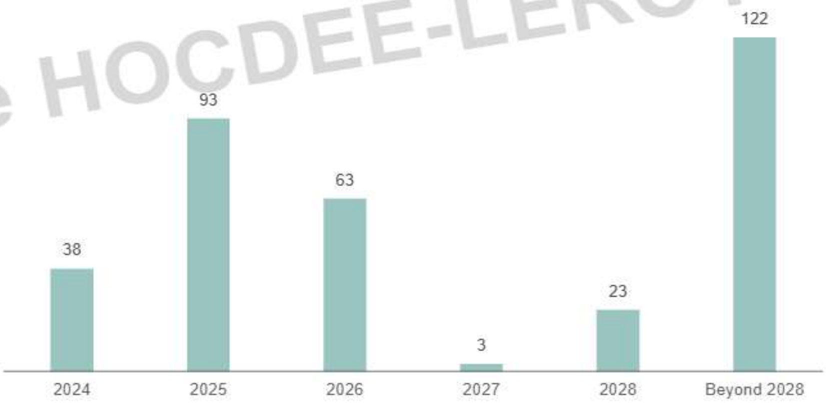


Source: BNP Paribas Exane estimates

Over the next two years, the group will have to reimburse or refinance gross debt for an amount of EUR130m against 1) our forecasts of cumulated free cash flow of c. EUR60m; 2) undrawn credit facility of EUR157m.

Figure 14: Chargeurs gross debt schedule

Gross debt maturity



Source: BNP Paribas Exane estimates

During the past two years, Chargeurs management has started to indicate that it now could consider asset disposal as part of its strategy.

At the same time, the group has been putting more emphasis on building up its Luxury division (now 29% of sales including museum, wool and personal good businesses). In our view, this leaves the protective film and the technical textile activities as good candidates for sale. We have valued these two businesses separately using a ROCE/WACC model based on the company's disclosure of invested capital per activity.

Figure 15: Chargeurs Advanced Materials ROCE/WACC valuation

CAM ROCE/WACC analysis

Average post tax ROCE (2018-2023)	15.3%
WACC	8.5%
ROCE / WACC	1.80
Capital employed 2023	136
Enterprise value (EURm)	245
Implied EV/EBIT (average 2018-2023)	10.8x

Source: BNP Paribas Exane estimates

We show in figure 15 our ROCE/WACC based valuation for Chargeurs Advanced Materials for an EV of EUR245m or 10.8x EV/EBIT (using 2018-2023 average EBIT to factor in the business cyclicality). A disposal of CAM at this price would turn the group to a net cash position.

Figure 16: Chargeurs Fashion Technologies ROCE WACC valuation

Chargeurs Fashion Technologies ROCE WACC analysis

Average post tax ROCE (2018-2023)	10.1%
WACC	8.5%
ROCE / WACC	1.19
Capital employed 2023 (EURm)	113
Enterprise value (EURm)	134
Implied EV/EBIT (average 2018-2023)	11x

Source: BNP Paribas Exane estimates

We show in figure 16 our ROCE/WACC based valuation for Chargeurs Fashion Technologies for an EV of EUR134m or 11x EV/EBIT (using 2018-2023 average EBIT to factor in the business cyclicality). A disposal at this price would cut its net debt by half.

Following several years of investments and build-up, we believe these two assets could be highly attractive for a buyer. We provide below a brief description of the two businesses and their competitive strengths.

Chargeurs Advanced Materials

Across four production plants (in France, Italy and the US), Chargeurs manufactures self-adhesive temporary protective films that protect fragile and high value surfaces (pre-coated metals, glass, woods, marbles, moulded plastics, etc.) against dust smudging and scratching during production processes, handling, transportation and fitting.

Figure 17: CPF is a specialist in self-adhesive temporary protective films

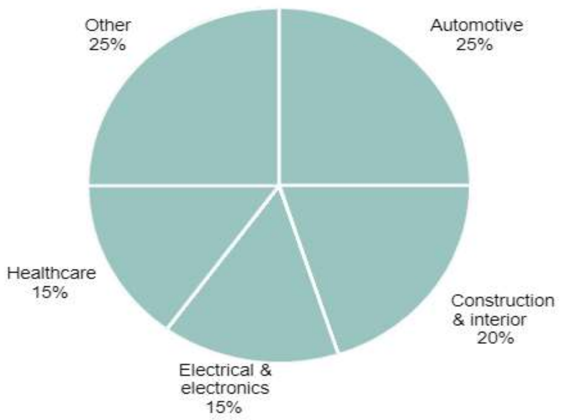
Manufacturing and supply chain of Chargeurs Protective Films

Source: Chargeurs

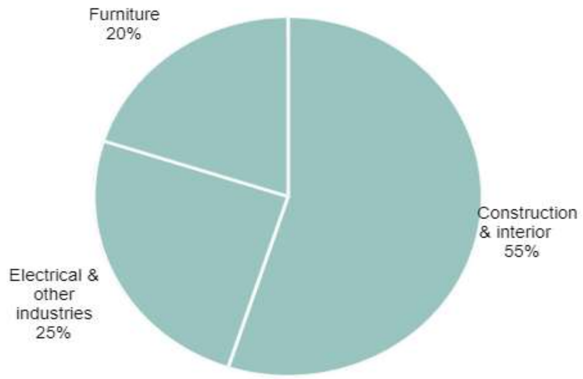
This market is estimated to be worth EUR1bn and the group holds the n°1 position with ~30% share. The main end markets are construction, transportation, electronics, appliances, furniture and other industries.

Figure 18: CPF has an outsized exposure to construction & interior end markets

Protective film market by end use



CPF sales by end use



Source: DataM Intelligence, Exane BNP Paribas estimates, Chargeurs

The market has grown 5% p.a. over the past 10 years driven by:

– Growth in industrial output and the construction sector, which are the two main cyclical drivers of the Protective film business;

- The constantly changing nature and increased complexity of protectable surfaces that feature a growing variety of physical and chemical characteristics;

– A broadening of the market to include new uses, new types of protectable surfaces and new features (low-noise unwinding, compatibility with laser cutting, recyclability, etc.);

Competitive strengths

– **R&D**: the technologies involved vary greatly depending on the protectable surface and require research/innovation as the characteristics of surfaces are constantly evolving: the group receives 900 new client demands every year for the protection of new types of surfaces. Chargeurs is essentially a formula patent owner and its proprietary technology resides in the adhesive applied to the polyethylene, the production of which is mostly outsourced; 30% of the division's products are less than 5 years old;

- **Client proximity**: product availability is key as customers need seamless access to protective films given their vital nature in the value chain. Chargeurs Protective Films has a relatively short backlog of 4 to 8 weeks; the group has reinforced its link to clients through three bolt-on acquisitions in 2017 (Somerra, Walco and Omma) creating a bundled offer including film, machine and services and enabling clients to apply protective films to their products directly on-site. Chargeurs Protective films boasts 3,000 clients and 95% retention rate;

– Low price elasticity: the cost of a protective film is very small relative to the final price of the product that needs protection (on average EUR0.7 to EUR1 per square metre); customers generally focus more on quality, availability and service rather than on price.

- **CSR driven innovation:** growing use of vegetal in films manufacturing, recyclability of the product range.

In the niche protective film market, Chargeurs essentially competes with diversified non-listed industrial groups for which protective films account for a fraction of their total sales. The largest are Germany-based Polifilm and Japanese conglomerate Nitto.

PCC Chargeurs Fashion Technologies (PCC CFT)

Chargeurs PCC Fashion Technologies is the global leader in the production of interlinings for clothing. Interlinings are the technical fabric used in garments that are essential to keep them flexible and help them retain their shape and structure. They are generally hot-fused between the outer fabric and lining in coats, jackets, dresses and shirts.

Figure 19: PCC CFT is a specialist in interlinings for garments

Manufacturing and supply chain of Chargeurs Fashion Technologies

Source: Chargeurs

This market is estimated to be worth EUR800m and the group holds the n°1 position with ~ 25% share. The main end clients are fashion, sportswear, fast-fashion and luxury brands.

Demand is driven by the growth of the fashion industry but the various sub-segments saw differing trends in the past three years:

– Men's suit has been losing steam due to changing consumer behaviour (more casual wear at work) which is likely to accelerate as more people work from home;

- Sportswear, fashion and luxury brands have led demand reflecting the increasingly technical nature of garments, the development of new fabrics and the faster pace of collections roll-out.

Fashion brands typically reference one or several manufacturers so that their apparel makers (mainly Asian) source their interlinings from the referenced supplier. For US brands, the supplier is generally exclusive while European clients typically reference 3 suppliers that compete for sourcing the apparel-maker.

PCC CFT's interlinings are used by 5,000 to 6,000 fashion/luxury brands and manufacturers and the group is fairly well diversified across channels and gender.

Competitive strengths

R&D: the activity requires constant research and development in textile and coatings as fabrics become thinner and more technical. The group has developed a proprietary 40-gauge machine that enables the knitting of the thinnest interlinings on the market. In addition, several innovations have been introduced in the past three years such as anti-moire effect, moisture management, seamless elasticity and environmentally friendly product (made from recycled polyester yarn), through its "Sustainable 360" product range.

Customer service: the ability to guarantee the same level of quality across all geographies is key to being referenced by clients. Client proximity is also important: the group's product line-up is featured to designers and couturiers in four flagship showrooms in New York, Milan, Hong-Kong and Paris.

Chargeurs competes with smaller non-listed players that are mainly Germany-based. Kufner and Wendler have respectively high exposure to men's suit and fast fashion while Freudenberg is more diversified.

Valuation

Valuation range of EUR8 to EUR12

While a sum-of-the-part seems well suited to value Chargeurs, this approach is difficult to use owing to the lack of listed peers in the group's niche markets where competitors are smaller privately owned companies. We update below our valuation range that use two different methods: a ROCE-WACC methodology and a discounted cash flow (DCF) model.

DCF methodology points to EUR12/s

Our DCF valuation (WACC@8.5% and LT growth at 1%) points to EUR12/s and is built on the following assumptions:

After a decline in sales and profits in 2023e, we have assumed a gradual recovery pointing to a 6% CAGR in 2023e-2025e taking into account a return to growth at CAM and sustained growth in Museum studios.

We have pencilled in some operating margin catch-up in 2024 driven by the return of volume growth at CAM, productivity gains at Museum Studios benefiting from the ramp-up of its projects.

We project capex to stabilize at c. 1.5% of sales beyond 2024.

Figure 20: A DCF approach points to EUR12/s

DCF-based valuation

			Explicit forecasts	Terminal year
	2023	**2024**	**2025**	**2026**
	0	0	1	2
Revenue	**677**	**724**	**746**	**753**
Current EBIT pre IFRS 16	**27**	**38**	**48**	**65**
Depreciation excl. IFRS 16	10	10	10	10
Current Adj. EBITDA pre-IFRS 16	**43**	**54**	**64**	**75**
Tax	7	(2)	(9)	(12)
Capex	(14)	(11)	(11)	(10)
Working capital	(15)	20	(8)	(8)
Other	**0**	**0**	0	0
Free Cash Flow to Firm	**21**	**62**	**37**	**45**
Annuity multiple	*1.00*	*1.00*	*1.00*	*13.34*
Discount factor	*1.00*	*1.00*	*0.92*	*0.85*
Discount factor @ 8.5% WACC	1.00	1.00	0.92	11.33

Value date	Dec-23
Discounted Cash Flow	**609**
Net Debt (Cash) at end 2023e	(287)
Other Liabilities	(13)
Associates / Investments	22
Minorities	
Fair Value (EURm)	**285**
Nb of shares	23.5
Fair Value per share	**12.1**

Implied multiples 2024e	
EV/EBITDA	11.2x
EV/EBIT	16.1x

Source: Exane BNP Paribas estimates

ROCE/WACC points to EUR8/s

Our ROCE/WACC methodology uses the same assumptions as our DCF, i.e., WACC at 8.5%. This approach for 2025e points to a valuation of EUR8 per share on average.

Figure 21: ROCE/WACC approach points to EUR8/share

2025e ROCE/WACC

	2025e
Net Fixed Assets	461
WCR	63
as a % of sales	8%
EBIT pre IFRS 16	47.7
Tax rate	(20.0%)
NOPAT	38
Adjusted Capital employed	523
ROCE post tax	7.3%
WACC	8.5%
ROCE/WACC	0.86
EV	**449**
Less: Adjusted debt (net cash)	264
Less: Minorities	
Less: Provision for pensions	13
Less: Other liabilities and commitments	
Plus: Financial assets	21
Plus: Equity-accounted affiliates	
Equity value	200
Equity value per share (EUR)	**8.5**
Equity value per share discounted (EUR)	**7.8**

Source: Exane BNP Paribas estimates

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 @ 8.5% and LT growth at 1%) points to EUR12/share while a ROCE/WACC 2025e approach points to EUR8/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.

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Mourad Lahmidi BNP Paribas SA

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Chargeurs	CRI FP	7- ; 9; 10; 12

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#As of 30 Nov 2023, we have changed the recommendation rating structure for our Indian stock coverage from Buy, Hold and Reduce to Outperform, Neutral and Underperform. Ratings and target prices for dates prior to 30 Nov 2023 used an absolute rating structure whereby the upside or downside to target price relative to the current share price determined the recommendation, and were prepared and distributed without involvement of a FINRA member firm. We now use a relative recommendation structure whereby the applied rating is based on the stock's expected performance as compared to the relevant MSCI sector index, with the index used as specified in the valuation section of each report.

Price and Valuation Range Chart#

Chargeurs

Historical closing price & valuation range **(as of 07/12/2023)**

Source: BNP Paribas

Historical rating & valuation range changes

Date & Time of Dissemination (UTC) (1)	Rating	Valuation Range	Closing Price*	• Key Changes	Person(s) Involved
8 Dec. 2023 (1)	N/A	EUR 08.00 | 08.00	EUR8.84		M. Lahmidi
9 Nov. 2023 21:49	N/A	EUR 07.00 | 11.00	EUR7.85	valuation change	M. Lahmidi
7 Sep. 2023 10:46	N/A	EUR 11.00 | 14.00	EUR9.70	valuation change	M. Lahmidi
10 Mar. 2023 15:41	N/A	EUR 14.00 | 19.00	EUR15.58	valuation change	M. Lahmidi
9 Nov. 2022 11:30	N/A	EUR 13.00 | 19.00	EUR12.96	valuation change	M. Lahmidi
19 Jul. 2022 15:42	N/A	EUR 17.00 | 22.00	EUR16.13	valuation change	M. Lahmidi
12 May 2022 09:37	N/A	EUR 21.00 | 25.00	EUR17.89	valuation change	M. Lahmidi
12 Nov. 2021 06:53	N/A	EUR 24.00 | 31.00	EUR27.44	valuation change	B. Spruntulis
9 Sep. 2021 12:15	N/A	EUR 22.00 | 29.00	EUR25.60	valuation change	M. Lahmidi
26 May 2021 17:53	N/A	EUR 20.00 | 28.00	EUR21.62	valuation change	M. Lahmidi
18 Feb. 2021 16:57	N/A	EUR 20.00 | 26.00	EUR21.55	valuation change	M. Lahmidi
4 Feb. 2021 06:30	N/A	EUR 17.00 | 24.00	EUR19.44	Enter sponsored list	M. Lahmidi

(1) Please refer to the Cube for the dissemination time of this report.
Note:
- Closing price is based on market close price on last business close date.
- Closing prices and target prices have been adjusted to take into account stock split or corporate actions where applicable.

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CHARGEURS

Price at 7 Dec. 23: EUR8.8

Other Support Services | Business Services - France

EUR8.0 (-10%) | EUR12.0 (+36%)

Company description

Chargeurs is an industrial conglomerate centered around four historical divisions: Protective Plastic Films, apparel interlinings, wool trading and services to museums . More recently, the group has created a fifth division (Chargeurs Healthcare Solutions) to adress the demand for face masks during the covid crisis. The company generates 94% of its sales internationnally.

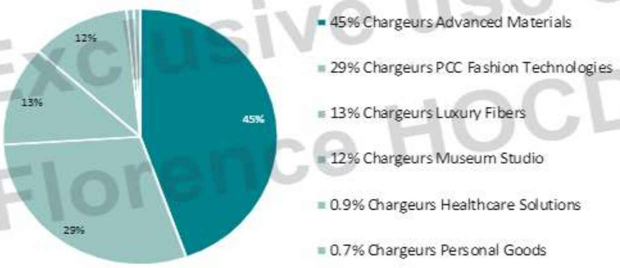
Management

Michael Fribourg, Chairman & CEO
Olivier Buquen, CFO
Sebastien Leroy, Head of Investor Relations

Ownership structure

Colombus Holding	27.1%
Sycomore	10.0%
Treasury shares	5.0%
Other Shareholders	57.9%

2022 sales breakdown



Analyst

Mourad Lahmidi (+33) 1 42 99 50 63
mourad.lahmidi@bnpparibas.com

Sector calendar

14 Dec. 23	**Bunzl**: Pre-Close Trading Statement 2023 (08:00 CET)
	Capita Group: Pre-Close Trading Statement 2023 (08:00 CET)
	Serco Group: Pre-Close Trading Statement 2023 (08:00 CET)
11 Jan. 24	**Fastned** : Q4 Trading Statement 2023 (07:00 CET)
	Robert Walters: Q4 Trading Statement 2023 (08:00 CET)
12 Jan. 24	**Hays**: Q2 Trading Statement 2023/24 (08:00 CET)
16 Jan. 24	**Experian**: Q3 Trading Statement 2023/24 (08:00 CET)
18 Jan. 24	**Fastenal Compan**: Q4 Earnings 2023 (12:00 CET)
24 Jan. 24	**Solutions 30**: Annual Revenues 2023
26 Jan. 24	**SGS N**: Annual Results 2023 (07:00 CET)
07 Feb. 24	**Securitas 'B'**: Annual Results 2023 (08:00 CET)
08 Feb. 24	**ALD**: Annual Results 2024 (07:30 CET)
22 Feb. 24	**Bureau Veritas** : Annual Results 2023 (07:30 CET)
	Hays: Interim Results 2024 (08:00 CET)
27 Feb. 24	**Applus**: Annual Results 2023 (08:00 CET)

Price at 07 Dec. 23: EUR8.8

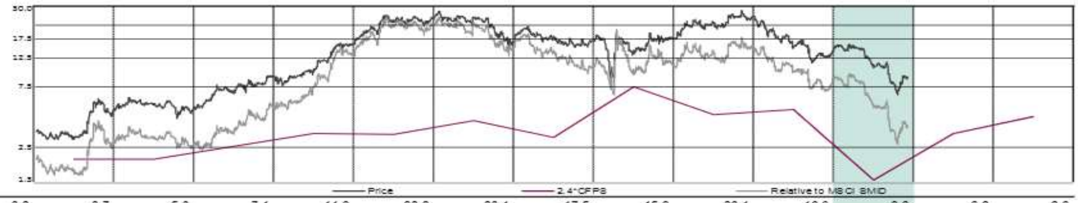
Valuation range (EUR): 8.0 (-10%) | 12.0 (+36%)

CHARGEURS

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

Other Support Services | Business Services - France

Company Highlights			EURm
Enterprise value			522
Market capitalisation			215
Free float			124
3m average volume			
Performance (*)	**1m**	**3m**	**12m**
Absolute	14%	(9%)	(28%)
Rel. Sector	NC	NC	NC
Rel. MSCI SMID	NC	NC	NC
12m Hi/Lo (EUR) : 15.8 -44% / 6.4 +38%			
CAGR	**2008/2023**		**2023/2025**
EPS restated	NC		70%
CFPS	NC		76%



Price (yearly avg from Dec. 12 to Dec. 22)	*3.2*	*3.7*	*5.3*	*7.1*	*11.3*	*22.8*	*23.1*	*17.5*	*15.8*	*23.1*	*16.9*	*8.8*	*8.8*	*8.8*
PER SHARE DATA (EUR)	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
No of shares year end, basic, (m)	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	24.274
Avg no of shares, diluted, excl. treasury stocks (m)	21.801	22.378	22.407	19.616	22.956	23.172	23.365	22.882	22.851	22.938	22.638	22.638	22.638	22.638
EPS reported, Gaap	*(1.12)*	*0.26*	*0.69*	*0.78*	*0.94*	*1.05*	*1.15*	*0.66*	*1.79*	*1.30*	*0.92*	*0.54*	*0.68*	*0.98*
EPS company definition	*(1.12)*	*0.26*	*0.69*	*0.78*	*0.94*	*1.05*	*1.15*	*0.66*	*1.79*	*1.30*	*0.92*	*0.54*	*0.68*	*0.98*
EPS restated, fully diluted	(0.43)	0.26	0.52	1.43	1.12	1.31	1.38	0.97	2.72	1.74	1.09	0.42	0.94	1.23
% change	*NS*	*NS*	*98.3%*	*174.6%*	*(21.9%)*	*16.9%*	*5.8%*	*(29.5%)*	*179.4%*	*(36.1%)*	*(37.1%)*	*(61.2%)*	*122.4%*	*30.7%*
Book value (BVPS) (a)	12.3	11.0	11.4	9.5	9.9	9.9	10.1	9.7	10.2	11.0	11.5	11.3	11.3	11.4
Net dividend	0.00	0.00	0.20	0.30	0.55	0.60	0.67	0.40	1.32	1.24	0.76	0.76	0.97	1.38
STOCKMARKET RATIOS	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
P / E (P/ EPS restated)	NC	14.3x	10.1x	4.9x	10.1x	17.4x	16.7x	18.0x	5.8x	13.3x	15.4x	20.8x	9.4x	7.2x
P / E relative to MSCI SMID	NC	62%	43%	28%	51%	95%	96%	111%	16%	89%	104%	146%	75%	64%
FCF yield	58.5%	31.6%	21.0%	10.7%	8.1%	2.0%	(1.4%)	(2.5%)	16.1%	9.6%	(1.1%)	(7.2%)	18.3%	9.5%
P / BVPS	0.26x	0.34x	0.46x	0.74x	1.14x	2.31x	2.29x	1.80x	1.55x	2.10x	1.46x	0.78x	0.78x	0.78x
Net yield	0.0%	0.0%	3.8%	4.2%	4.9%	2.6%	2.9%	2.3%	8.3%	5.4%	4.5%	8.6%	10.9%	15.7%
Payout	0.0%	0.0%	38.4%	21.0%	49.2%	45.9%	48.4%	41.0%	48.5%	71.2%	69.4%	NS	102.4%	112.1%
EV / Sales	0.23x	0.21x	0.24x	0.32x	0.60x	1.07x	1.19x	0.97x	0.72x	0.98x	0.87x	0.77x	0.69x	0.65x
EV / Restated EBITDA (**)	6.0x	4.2x	3.6x	4.0x	6.3x	10.4x	11.2x	10.1x	5.8x	9.8x	9.5x	10.3x	8.1x	7.0x
EV / Restated EBITA	12.9x	6.7x	5.1x	5.2x	7.9x	12.8x	13.9x	14.7x	7.4x	14.2x	14.3x	18.9x	12.9x	10.3x
EV / NOPAT	16.1x	9.8x	7.0x	6.6x	9.7x	14.8x	16.6x	19.4x	8.2x	16.7x	16.3x	27.0x	14.3x	12.8x
EV / OpFCF	3.1x	3.6x	4.1x	6.2x	9.0x	22.7x	73.3x	42.3x	7.0x	9.0x	22.5x	27.8x	7.1x	9.8x
EV / Capital employed (incl. gross goodwill)	0.6x	0.6x	0.7x	0.9x	1.5x	2.9x	2.2x	1.7x	1.5x	1.9x	1.4x	1.1x	1.1x	1.1x
ENTERPRISE VALUE (EURm)	**121**	**96**	**116**	**161**	**306**	**569**	**682**	**609**	**591**	**720**	**650**	**522**	**499**	**500**
Market cap	42	51	83	139	259	528	539	401	362	543	397	215	215	215
+ Adjusted net debt (including lease liability)	99	59	46	26	48	39	145	209	227	202	263	317	294	294
+ Other liabilities and commitments	11	13	16	15	17	16	17	18	17	15	13	13	13	13
+ Revalued minority interests	2	1	2	2										
- Revalued investments	32	28	30	20	17	14	20	19	15	40	22	22	22	21
P & L HIGHLIGHTS (EURm)	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
Sales	**524**	**467**	**478**	**499**	**506**	**533**	**573**	**626**	**822**	**737**	**746**	**677**	**724**	**767**
Restated EBITDA (b) (**)	**20**	**23**	**32**	**40**	**49**	**55**	**61**	**60**	**102**	**74**	**69**	**51**	**62**	**72**
Depreciation	(11)	(9)	(9)	(10)	(10)	(10)	(12)	(19)	(23)	(23)	(23)	(23)	(23)	(23)
Restated EBITA (b)	**9**	**14**	**23**	**31**	**39**	**44**	**49**	**41**	**79**	**51**	**45**	**28**	**39**	**49**
Reported operating profit (loss)	9	18	21	24	34	39	42	32	56	41	39	21	32	42
Net financial income (charges)	(11)	(7)	(6)	(5)	(5)	(9)	(11)	(12)	(10)	(11)	(19)	(18)	(15)	(15)
Affiliates	(1)	0	(0)	(11)	(2)	(1)	0	(0)	(2)	1	0	0	0	0
Other														
Tax	(9)	(4)	(4)	8	(5)	(4)	(5)	(5)	(4)	(1)	3	7	(2)	(5)
Minorities	1	0	(0)	(0)	0	0	0	0	1	(0)	(0)	0	0	1
Net attributable profit reported	(12)	8	11	15	22	25	27	15	41	31	22	9	15	22
Net attributable profit restated (c)	**(9)**	**6**	**12**	**28**	**26**	**30**	**32**	**22**	**62**	**40**	**25**	**10**	**21**	**28**
CASH FLOW HIGHLIGHTS (EURm)	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
EBITDA (reported) (**)	**19**	**26**	**30**	**34**	**44**	**49**	**55**	**53**	**84**	**70**	**68**	**50**	**61**	**71**
EBITDA adjustment (b)	**1**	**(3)**	**2**	**7**	**5**	**6**	**6**	**7**	**18**	**4**	**0**	**0**	**0**	**0**
Other items	1	6	(2)	(8)	(5)	(9)	(5)	(7)	(5)	(3)	12	(3)	(0)	(0)
Change in WCR	23	5	9	8	1	(7)	(23)	(13)	3	22	(41)	(15)	20	(9)
Operating cash flow	**44**	**34**	**38**	**40**	**45**	**39**	**34**	**40**	**100**	**93**	**40**	**32**	**81**	**62**
Capex	(5)	(7)	(10)	(14)	(11)	(14)	(24)	(25)	(15)	(13)	(11)	(14)	(11)	(12)
Operating free cash flow (OpFCF)	**39**	**27**	**28**	**26**	**34**	**25**	**9**	**14**	**85**	**80**	**29**	**19**	**71**	**51**
Net financial items (d) + tax paid	(14)	(10)	(11)	(11)	(13)	(15)	(17)	(24)	(27)	(28)	(33)	(34)	(31)	(31)
Free cash flow	**26**	**17**	**18**	**15**	**21**	**10**	**(7)**	**(10)**	**58**	**52**	**(4)**	**(15)**	**39**	**20**
Net financial investments & acquisitions	(1)	10	0	1	(20)	(4)	(66)	(9)	(62)	(4)	(12)	(20)	0	0
Other	22	8	(13)	1	(9)	6	(7)	(19)	(26)	13	(29)	0	0	0
Capital increase (decrease)	1	2	3	11	0	0	(10)	(10)	(0)	0	0	0	0	1
Dividends paid	0	0	0	(3)	(12)	(7)	(11)	(9)	(6)	(18)	(18)	(17)	(17)	(22)
Increase (decrease) in net financial debt	**(48)**	**(36)**	**(8)**	**(25)**	**20**	**(6)**	**101**	**57**	**36**	**(44)**	**64**	**53**	**(22)**	**1**
Cash flow, group share	**8**	**19**	**19**	**21**	**31**	**31**	**40**	**29**	**70**	**43**	**47**	**13**	**30**	**41**
BALANCE SHEET HIGHLIGHTS (EURm)	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
Net operating assets	117	104	123	134	154	152	239	286	350	355	390	404	395	388
WCR	80	50	48	41	46	46	65	73	57	19	59	74	54	63
Restated capital employed, incl. gross goodwill	**198**	**154**	**171**	**175**	**199**	**197**	**304**	**359**	**407**	**374**	**449**	**478**	**449**	**450**
Shareholders' funds, group share	167	158	183	219	227	230	237	232	237	267	280	275	274	276
Minorities	7	3	4	3	0	0	0	0	0	(1)	0	0	0	(1)
Provisions/ Other liabilities	23	24	27	24	22	22	27	32	38	49	37	18	13	12
Net financial debt (cash)	46	10	2	(23)	(3)	(9)	92	149	185	141	205	257	235	236
FINANCIAL RATIOS (%)	**Dec. 12**	**Dec. 13**	**Dec. 14**	**Dec. 15**	**Dec. 16**	**Dec. 17**	**Dec. 18**	**Dec. 19 ***	**Dec. 20**	**Dec. 21**	**Dec. 22**	**Dec. 23e**	**Dec. 24e**	**Dec. 25e**
Sales (% change)	(5.1%)	(10.9%)	2.5%	4.3%	1.5%	5.3%	7.6%	9.2%	31.2%	(10.4%)	1.3%	(9.3%)	7.0%	5.9%
Organic sales growth	(6.8%)	(4.3%)	4.6%	1.7%	5.1%	3.2%	2.6%	(1.2%)	27.5%	(10.5%)	(4.3%)	(5.4%)	6.0%	5.0%
Restated EBITA (% change)	(54.8%)	53.2%	59.0%	33.6%	27.1%	14.1%	10.4%	(15.5%)	91.5%	(36.1%)	(10.5%)	(39.2%)	40.4%	25.6%
Restated attributable net profit (% change)	NC	NC	98.6%	140.4%	(8.6%)	18.0%	6.7%	(31.0%)	179.0%	(35.8%)	(38.0%)	(61.2%)	122.4%	30.7%
Personnel costs / Sales	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
Restated EBITDA margin (**)	3.8%	4.9%	6.6%	8.1%	9.6%	10.2%	10.6%	9.6%	12.5%	10.0%	9.2%	7.5%	8.5%	9.4%
Restated EBITA margin	1.8%	3.1%	4.8%	6.1%	7.7%	8.3%	8.5%	6.6%	9.6%	6.9%	6.1%	4.1%	5.4%	6.3%
Tax rate	NC	31.9%	27.7%	NC	18.5%	13.7%	16.0%	24.4%	9.6%	1.6%	NC	NC	10.0%	20.0%
Net margin	(1.9%)	1.2%	2.5%	5.7%	5.1%	5.7%	5.6%	3.6%	7.5%	5.5%	3.3%	1.4%	3.0%	3.5%
Capex / Sales	1.0%	1.5%	2.1%	2.8%	2.2%	2.6%	4.2%	4.0%	1.8%	1.8%	1.4%	2.0%	1.5%	1.5%
OpFCF / Sales	7.4%	5.7%	5.9%	5.2%	6.7%	4.7%	1.6%	2.3%	10.3%	10.8%	3.9%	2.8%	9.8%	6.6%
WCR / Sales	15.3%	10.8%	10.1%	8.1%	9.0%	8.6%	11.4%	11.7%	6.9%	2.6%	7.9%	10.9%	7.4%	8.2%
Capital employed (excl. gdw./intangibles) / Sales	24.4%	18.8%	20.6%	19.4%	21.2%	20.5%	25.4%	29.7%	21.7%	18.4%	23.1%	30.2%	24.7%	23.8%
ROE	(5.6%)	3.7%	6.4%	12.8%	11.3%	13.2%	13.6%	9.6%	26.3%	14.9%	8.9%	3.5%	7.8%	10.1%
Gearing	57%	37%	25%	12%	21%	17%	61%	90%	96%	76%	94%	115%	107%	107%
EBITDA / Financial charges (**)	3.1x	5.9x	8.6x	11.5x	11.3x	7.3x	6.8x	6.1x	6.6x	8.6x	4.9x	2.8x	4.1x	4.8x
Adjusted financial debt (A)+(B) / EBITDA (**)	4.9x	2.6x	1.4x	0.6x	1.0x	0.7x	2.4x	3.5x	2.2x	2.7x	3.8x	6.3x	4.7x	4.1x
ROCE, excl. gdw./intangibles	5.9%	11.2%	16.8%	25.4%	29.6%	35.1%	28.2%	16.8%	40.2%	31.8%	23.1%		19.5%	21.3%
ROCE, incl. gross goodwill	3.8%	6.4%	9.7%	14.0%	15.9%	19.4%	13.5%	8.7%	17.6%	11.5%	8.9%		7.8%	8.7%
WACC	4.9%	5.6%	6.7%	8.3%	8.9%	9.0%	8.1%	7.6%	7.6%	7.7%	8.1%			

Latest Model update: 08 Dec. 23

(a) Intangibles: EUR276.00m, or EUR11 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