



Richelieu Family Small Cap



**Clémence
de Rothiacob**



Xavier Afresne

European equity markets recovered in April, but small caps continued to underperform large caps. The **Bloomberg Eurozone DM Large & Mid Cap NR index** gained 1.51%, while the Bloomberg Eurozone DM Small Cap NR index only gained 0.68%. This month, the **Richelieu Family Small Cap** fund underperformed its benchmark, falling by 1%.

Monthly contributors: the first firm order from US giant Walmart for **SES Imagotag's** digital labeling systems is a first step towards Walmart's medium-term commitment to equip all of its US stores; the market welcomed this major transaction, with the stock rising 33% over the month. On the contrary, bad news accumulated at Belgian **Recticel** (-25%), which not only reported a lower than expected Q1 and disappointing EBITDA forecasts for 2023, but also indicated that the buyer of its Engineered Foams division wanted to renegotiate its price, adding uncertainty to the investment case.

Monthly arbitrages: we exited stocks with no short-term momentum, such as **Boiron** and **Recticel**, and lightened some after a good performance since the beginning of the year (**Kion**, **Sopra Steria**), which allowed us to initiate positions in new stocks, such as the Italian group **Intercos**, a leader in the subcontracting of make-up and skincare products for the main players in the cosmetics industry, which is due to be floated at the end of 2021 and has a market capitalization of more than EUR 1.5bn. Lastly, we returned to **Valmet** (Finland), whose share price had fallen since our sale and whose Q1 publication is reassuring, contrary to the previous comments of certain clients, confirming the improvement in the group's mix.

Cash and cash equivalents: they were partially strengthened during the month, representing nearly 9% of the outstanding amount (compared to less than 6% at the end of March).

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Richelieu Gestion • 1-3-5, rue Paul Cézanne - 75008 Paris • Tél. : +33 (0)1 42 89 00 00 • Fax : +33 (0)1 42 89 62 29 • richelieugestion.com
Société anonyme au capital de 5 900 000 € • 317 517 191 RCS Paris • Société de gestion de portefeuille • Agrément AMF GP 97-36

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