

Clasquin

France | Support services

Hold (Hold)

Target price
EUR 31.00

Current price
EUR 27.60

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Positive H1 despite pressure on margins

- Gross profit and volume up 2.6% and 10%, respectively...
- ...despite globally tense market (continuous rise in freight rates)
- Significant acquisition in US (Garnett Logistics Group)
- 2014 outlook in line with our forecast – scenario unchanged

Gross profit and sales in line with our expectations

Clasquin's top-line results for H1 were in line with our expectations. Key indicators show an improvement in the volume of activity. Gross profit came in at EUR23.2m (+2.6% YOY, +4% LFL), slightly above our initial forecasts (EUREUR22.8m expected). The gross margin reached 24.4% vs. 24.2% expected, as we already factored in strong pressure on margins in our scenario. In volume terms, the number of shipments is satisfactory (+10%). Both core activities are progressing well: the global sea freight market saw 2.3% growth in gross profit (+15% in volume) in a volatile environment, while the global air freight market grew by 1.7% (+5% in volume) amid a much more stable freight rate development.

Strengthens US position through deal with Garnett Logistics

Clasquin announced the acquisition of an 80% stake in Garnett Logistics Group in the US (USD26m in sales in 2003 for an USD3.6m gross profit, i.e. 14% gross margin) and the totality of the shares of the German GAF (Göritz Air Freight GmbH). The size of the latter is more modest (EUR2m revenues with a gross profit of EUR0.7m). These acquisitions are to be completed by September.

Good prospects but limited upside

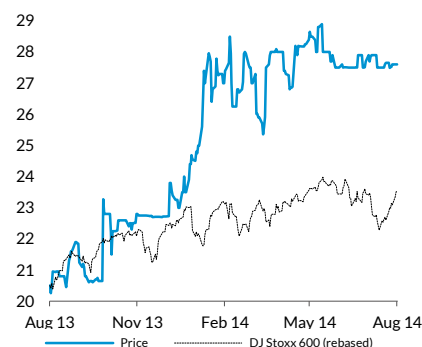
Clasquin confirmed the business rebound initiated in 2013 and we are confident it will manage to maintain the pace through 2014 (GP 2014E: +3.7% LFL) thanks partly to a world trade rebound. However, we do not expect a significant improvement in margins for 2014, given high volatility in freight rates and the full impact of the 2013 recruitment campaign. Our scenario foresees an earnings rebound and margin recovery in 2015, which we believe has already been priced in by the market. Therefore, upside is now more limited and we reiterate our Hold rating (TP: EUR31).

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Reuters ALCLA.PA
Bloomberg ALCLA FP
Index DJ Stoxx 600

Market data

Market cap (EURm)	64
Free float	37%
No. of shares outstanding (m)	2
Avg. daily trading volume('000)	0
YTD abs performance	16.0%
52-week high (EUR)	28.90
52-week low (EUR)	20.25



FY to 31/12 (EUR)	2014E	2015E	2016E
Sales (m)	203.7	213.8	224.5
EBITDA adj (m)	6.4	7.4	8.6
EBIT adj (m)	4.7	5.6	6.7
Net profit adj (m)	2.7	3.3	4.0
Net fin. debt (m)	-0.7	-1.4	-2.7
FCF (m)	2.4	2.5	3.3
EPS adj. and fully dil.	1.16	1.42	1.72
Consensus EPS	1.34	1.67	1.92
Net dividend	0.81	0.85	0.94

FY to 31/12 (EUR)	2014E	2015E	2016E
P/E (x) adj and ful. dil.	23.8	19.5	16.1
EV/EBITDA (x)	10.2	8.7	7.4
EV/EBIT (x)	13.9	11.5	9.5
FCF yield	3.8%	3.9%	5.2%
Dividend yield	2.9%	3.1%	3.4%
Net debt/EBITDA (x)	0.0	-0.1	-0.2
Gearing	-3.0%	-5.4%	-9.7%
ROIC	15.2%	17.5%	19.9%
EV/IC (x)	3.2	3.1	2.9