

Clasquin

France | Support services

Hold (Hold)

Target price
EUR 31.00

Current price
EUR 25.30

Baptiste de Leudeville
bdeleudeville@keplercheuvreux.com
+41 22 994 1573

Rising freight rates put margins under pressure

- Increasing freight rates dent profitability
- REBIT in H1 down 12%, half-year profit down 10%
- Despite confirmation of the business recovery
- Conference to be held today - more details to come

Profitability dented by rising freight rates

Clasquin announced a deterioration of its profitability for the first part of the year. REBIT came in at EUR1.4m compared to EUR1.6m a year ago (-11.6%) and net profit was down 10%, from EUR0.7m to EUR0.6m. The REBIT margin (reported to gross profit) is down 120bp, from 7.2% to 6%. Interim results are below our expectations since we expected EUR1.7m and EUR0.8m respectively. Rising rates and volatility in freight (especially sea freight) were the main reasons for this decline. Payroll and external expenses also grew faster than revenues, further affecting margins.

Despite confirmation of the business recovery

Margins decreased despite solid figures for business activities at every level in H1. Gross profit of EUR23.2m (+2.6, +4% LFL) confirmed the business recovery observed since H2 2013. The rise in GP was, however, modest compared to the number of operations registered (+10%) due to rising freight rates. By division, sea freight saw gross profit rising by "only" 2.3% in H1 despite a good performance (number of shipments were up 15% and volume 9%) and better conditions for rates in T2. In air freight, gross profit rose 1.7% while the number of operations grew by 5% and volumes by 10%. Pressure stemming from rising freight rates is not the only reason. Increasing payroll costs (+2.9%) combined with higher external expenses (+5.3%) also had a negative effect (since revenues were only up 1.3% in the same period).

Conference to be held today - more details to come

The group will hold a conference today. We expect more details on the ongoing actions implemented to combat margin pressure from freight rates (type of measures, timing). Management will also discuss the acquisitions of two freight forwarders (Garnett Logistics Group in USA and GAF in Germany). For now, we maintain our Hold rating and TP of EUR31.

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Reuters ALCLA.PA
Bloomberg ALCLA FP
Index DJ Stoxx 600

Market data

Market cap (EURm)	58
Free float	37%
No. of shares outstanding (m)	2
Avg. daily trading volume('000)	1
YTD abs performance	6.3%
52-week high (EUR)	28.90
52-week low (EUR)	20.60



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	1.27	1.60	1.85
Net dividend	0.81	0.85	0.94

FY to 31/12 (EUR)	2014E	2015E	2016E
P/E (x) adj and ful. dil.	21.8	17.8	14.8
EV/EBITDA (x)	9.4	8.0	6.8
EV/EBIT (x)	12.8	10.6	8.7
FCF yield	4.2%	4.3%	5.6%
Dividend yield	3.2%	3.4%	3.7%
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)	3.0	2.8	2.6