

# Clasquin

France | Support services

**Hold** (Hold)

Target price  
EUR 29.00

Current price  
EUR 25.00

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## Margin under pressure, adjusting 2014 forecasts

- Decreasing margins, despite solid growth in H1
- New developments: lower breakeven and external growth
- Adjusted forecasts, lower profitability in 2014
- Cutting TP from EUR31 to EUR29

### H1 earnings summary: decreasing margins, despite solid growth

Margins decreased, despite solid figures for business activity in H1 at every level. 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 operation registered (+10%) because of increasing freight rates, especially in sea freight. 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. REBIT margin (reported to gross profit) was down 120bps, from 7.2% to 6.2%. On top of increasing rates and volatility in freight, payroll (+2.9%) and external expenses (5.3%) grew quicker than revenues (+1.3%), further affecting margins.

### New developments: lower breakeven and external growth

Management confirmed its intention to lower the breakeven point by closing two offices (estimated EUR0.3m in staff cost savings integrated into our scenario from 2015). Garnett and GAF will be consolidated from October this year, adding an estimated EUR7m in sales and EUR1m in gross profit in full-year 2014E.

### Adjusted forecasts, lower profitability in 2014

Our initial scenario underestimated the high volatility in freight rates and the rise in operating expenses. Therefore, we lower our 2014 EBIT/gross profit forecast from 9.6% to 8.5%. Our FY 2014 EBIT and net profit forecasts now stand at EUR4.2m and EUR1.9m, respectively (vs. EUR4.6m and EUR2.7m). Apart from the additional revenues stemming from newly-acquired subsidiaries, top-line forecasts remain unchanged. The business activity proved to be satisfactory in H1 and will continue to perform on the back of favourable prospects for both sea and air freight markets.

### Cutting TP from EUR31 to EUR29

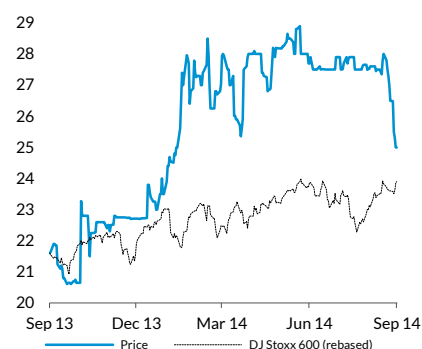
The new target price resulting from our updated DCF valuation points to a TP of EUR31. Combined with an updated peers comparison indicating EUR27 (sample composed of Panalpina and Kuehne & Nagel - a 15% discount is applied to reflect Clasquin's smaller size and lower liquidity), we obtain a new TP of EUR29 (old TP: EUR31). Hold rating unchanged.

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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	5.0%
52-week high (EUR)	28.90
52-week low (EUR)	20.60



FY to 31/12 (EUR)	2014E	2015E	2016E
Sales (m)	210.6	244.3	256.5
EBITDA adj (m)	6.0	7.2	8.7
EBIT adj (m)	4.2	5.3	6.7
Net profit adj (m)	1.9	3.1	3.9
Net fin. debt (m)	-0.7	-1.4	-2.7
FCF (m)	1.5	1.5	3.3
EPS adj. and fully dil.	0.84	1.32	1.71
Consensus EPS	1.12	1.64	1.91
Net dividend	0.59	0.79	0.94

FY to 31/12 (EUR)	2014E	2015E	2016E
P/E (x) adj and ful. dil.	29.7	18.9	14.6
EV/EBITDA (x)	9.9	8.2	6.6
EV/EBIT (x)	14.0	11.1	8.6
FCF yield	2.5%	2.5%	5.8%
Dividend yield	2.4%	3.2%	3.8%
Net debt/EBITDA (x)	0.0	-0.1	-0.2
Gearing	-3.1%	-5.5%	-9.8%
ROIC	12.6%	16.0%	18.9%
EV/IC (x)	2.9	2.6	2.5