

Clasquin

France | Support services

Buy (Hold)

Target price
EUR 29.00

Current price
EUR 24.00

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

Promising acquisition

- **Acquisition of Lafont-Chavent International (LCI)**
- **Good matching and securing transaction scheme**
- **Attractive financial outlook**
- **Buying opportunity at current price**

Acquisition of Lafont-Chavent International (LCI)

Clasquin announced it has entered into exclusive negotiations with Lafont Chavent International, a company with sales of EUR18m based in France and specialised in the freight forwarding business between France and north-Africa (Tunisia, Morocco) and Turkey. Clasquin plans to acquire 80% of total shares with the balance being held by Yves Chavent, CEO and his son Cédric Chavent, sales director. Transaction closing is expected by March. With this new acquisition, Clasquin is pursuing its external growth strategy. Last September, Clasquin completed the acquisitions of Garnett logistics group (USA; sales: USD26m; GP: USD3.6m) and GAF (Germany; sales: EUR2m; GP: EUR0.7m).

Good fit - key people staying on board

The integration of LCI will fit nicely to Clasquin current positioning. The operation will enable Clasquin to develop an offer in the near shore outsourcing business. Until now, the group did not operate between France and North-Africa. Most of the business being focused around the Europe/USA/Asia-Pacific axis (offshore outsourcing). In addition, Clasquin gets its hands on a complementary portfolio of clients in the textile business (one-fourth of Clasquin's gross profit). Finally, the structure of the transaction ensures continuity in LCI management (key people will continue to manage while holding minority stake).

Attractive outlook, buying opportunity at current price

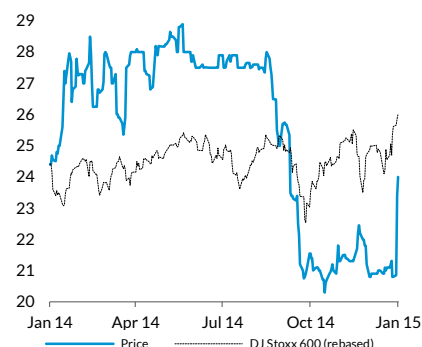
In 2013, LCI generated EUR6.8m in gross profit (about 15% of Clasquin's GP based on FY 2013 results). While only a few details were disclosed with regards to the transaction price or funding, Clasquin mentioned the target was highly profitable which is confirmed by the last public figures available for LCI (net income of EUR1.5m in 2013, c. 9% margin vs. 1.1% for Clasquin). Therefore, the deal could have a significant positive impact on profitability even on a nine-month basis and after accounting for minorities. The stock offers quite an interesting potential towards our fair value of EUR29, a level corresponding to the top of 2014. Upside potential is 22%, which justifies an upgrade.

Front page

Reuters ALCLA.PA
Bloomberg ALCLA FP
Index DJ Stoxx 600

Market data

Market cap (EURm)	55
Free float	37%
No. of shares outstanding (m)	2
Avg. daily trading volume('000)	16
YTD abs performance	14.3%
52-week high (EUR)	28.90
52-week low (EUR)	20.30



FY to 31/12 (EUR)	2014E	2015E	2016E
Sales (m)	209.3	252.2	269.3
EBITDA adj (m)	6.0	8.3	10.0
EBIT adj (m)	4.1	6.0	7.7
Net profit adj (m)	2.0	3.2	4.2
Net fin. debt (m)	-1.3	-2.4	-4.3
FCF (m)	1.7	1.6	3.8
EPS adj. and fully dil.	0.86	1.37	1.83
Consensus EPS	0.82	1.40	1.81
Net dividend	0.60	0.82	1.01

FY to 31/12 (EUR)	2014E	2015E	2016E
P/E (x) adj and ful. dil.	28.1	17.5	13.1
EV/EBITDA (x)	9.4	6.7	5.4
EV/EBIT (x)	13.8	9.3	7.1
FCF yield	3.1%	2.9%	6.9%
Dividend yield	2.5%	3.4%	4.2%
Net debt/EBITDA (x)	-0.1	-0.2	-0.3
Gearing	-5.7%	-9.8%	-15.4%
ROIC	13.2%	18.2%	21.9%
EV/IC (x)	2.8	2.5	2.4