Clasquin

France | Support services | MCAP EUR 56.7m

19 March 2015

Buy (Buy)

Target Price	**EUR 29.00**
Current Price	EUR 24.60
Up/downside	17.9%
Change in TP	none
Change in EPS	none 2014E

Strong Q4 limits FY margin pressure

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Clasquin's full-year results came in line with our post-H1 revised expectations.

Strong Q4 limits deterioration of margins

In absolute terms, recurring EBIT and net profit decrease slightly by 6% and 3.5% respectively to EUR4.3m and EUR2.1m close to our post-H1 revised expectations (EUR4.1m and EUR2.0m). As interim results presumed, operating profitability (REBIT/GP) deteriorates by 100bp to 8.6% from 9.7% a year earlier while net margin stands at 4.2% against 4.7% in FY 2013. The deterioration of margins is the result of a strong volatility of sea freight rates experienced particularly in the first nine months of the year which could not be completely offset by improved conditions in Q4 where gross profit rose by a strong +18%. Earlier in the year, Clasquin had confirmed the recovery in sales growth started in 2013. including the contribution of newly acquired subsidiaries (Garnett and GAF), the number of operations grew by 15% at 171.3 versus 156.4 in2013 (+13% in Sea freight, +7% in Air freight) thanks to double-digit growth in volume in every division in Q4. Gross profit rose by 6% to EUR50.4m.

2015 looks good

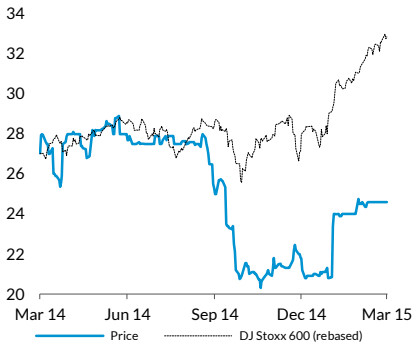
2015 looks promising given world trade is gaining momentum as showed in Q4 2014. As an international freight-forwarder, Clasquin will benefit from the global current trend as it successfully did in 2014 (+7% organic growth in volume) while accelerating revenue growth thanks to the series of acquisitions achieved in 2014/early 2015 (GAF, ECS and Lafont Chavent – about EUR8m additional GP expected in FY 2015E). On the front of margins, positive volume effects combined with more stable sea freight rates, the contribution of the accretive acquisition of LCI and rewards on cost structure efforts should lead to the gradual convergence of EBIT/GP to normative levels (10%) from 2015 (9.7% expected this year). No specific guidance was communicated so far. The group is holding a post-conference this morning. More to come.

Market data

Market cap (EURm)	57
Free float	37%
No. of shares outstanding (m)	2
Avg. daily trading volume('000)	1
YTD abs performance	17.1%
52-week high (EUR)	28.90
52-week low (EUR)	20.30

FY to 31/12 (EUR)	2014E	2015E	2016E
Sales (m)	209.7	252.6	269.8
EBITDA adj (m)	6.2	7.9	9.0
EBIT adj (m)	4.3	5.7	6.6
Net profit adj (m)	2.2	3.1	3.7
Net fin. debt (m)	0.8	2.3	2.3
FCF (m)	1.5	0.9	2.4
EPS adj. and fully dil.	0.97	1.36	1.61
Consensus EPS	0.91	1.43	1.81
Net dividend	0.82	1.10	1.30

FY to 31/12 (EUR)	2014E	2015E	2016E
P/E (x) adj and ful. dil.	25.2	18.0	15.3
EV/EBITDA (x)	9.6	7.8	6.9
EV/EBIT (x)	13.7	10.8	9.4
FCF yield	2.7%	1.6%	4.3%
Dividend yield	3.3%	4.5%	5.3%
Net fin.debt/EBITDA	0.1	0.3	0.3
Gearing	3.5%	9.6%	8.8%
ROIC	12.8%	15.3%	16.0%
EV/IC (x)	2.6	2.4	2.2



KEPLER CHEUVREUX and the issuer have agreed that KEPLER CHEUVREUX will produce and disseminate investment research on the said issuer as a service to the issuer.

Key financials

FY to 31/12 (EUR)	2009	2010	2011	2012	2013	2014E	2015E	2016E
Per share data								
EPS adjusted	1.04	1.47	1.33	0.91	0.96	0.97	1.36	1.61
EPS adj and fully diluted	1.04	1.47	1.33	0.91	0.96	0.97	1.36	1.61
EPS reported	1.04	1.47	1.33	0.91	0.96	0.97	1.36	1.61
Cash flow per share	3.22	2.20	2.54	0.80	2.20	1.93	1.92	2.68
Book value per share	7.55	8.71	9.12	9.17	9.15	9.25	9.74	10.48
Dividend per share	0.63	1.20	0.75	0.75	0.80	0.82	1.10	1.30
Number of shares, YE (m)	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Valuation								
P/E adjusted	11.9	11.1	16.3	21.4	21.9	25.2	18.1	15.3
P/E adjusted and fully diluted	11.9	11.1	16.3	21.4	21.9	25.2	18.0	15.3
P/BV	1.6	1.9	2.4	2.1	2.3	2.7	2.5	2.3
P/CF	3.9	7.4	8.5	24.4	9.5	12.7	12.8	9.2
Dividend yield (%)	5.1%	7.3%	3.5%	3.8%	3.8%	3.3%	4.5%	5.3%
FCF yield (%)	22.5%	1.4%	6.2%	-2.2%	4.8%	2.7%	1.6%	4.3%
EV/Sales	0.2	0.2	0.3	0.3	0.3	0.3	0.2	0.2
EV/EBITDA	3.8	4.2	5.9	7.4	7.9	9.6	7.8	6.9
EV/EBIT	5.8	4.2	7.8	12.3	11.1	13.7	10.8	9.4
Income Statement (EURm)								
Sales	114.7	179.1	171.4	184.6	198.1	209.7	252.6	269.8
EBITDA adjusted	6.6	8.2	7.7	6.3	6.3	6.2	7.9	9.0
EBIT adjusted	4.3	8.2	5.9	3.8	4.5	4.3	5.7	6.6
Net financial items & associates	-0.2	-0.7	-0.5	-0.4	-0.4	-0.4	-0.4	-0.4
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	-1.5	-2.0	-1.9	-1.4	-1.6	-1.3	-1.8	-2.1
Net profit from continuing operations	2.8	3.8	3.3	2.3	2.5	2.6	3.5	4.0
Net profit from discontinuing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	2.8	3.8	3.3	2.3	2.5	2.6	3.5	4.0
Net profit reported	2.4	3.4	3.1	2.1	2.2	2.2	3.1	3.7
Net profit adjusted	2.4	3.4	3.1	2.1	2.2	2.2	3.1	3.7
Cash Flow Statement (EURm)								
Cash flow from operating activities	7.4	5.1	5.9	1.8	5.1	4.5	4.4	6.2
Capex	-1.0	-4.5	-2.7	-2.8	-2.8	-2.9	-3.5	-3.7
Free cash flow	6.5	0.5	3.1	-1.0	2.3	1.5	0.9	2.4
Acquisitions & Divestments	0.1	0.7	0.1	-1.6	0.0	0.0	0.0	0.0
Dividend paid	-1.5	-1.8	-2.9	-2.1	-2.0	-2.0	-2.0	-2.0
Others	0.2	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	-0.4
Change in net financial debt	5.3	-0.7	0.2	-4.8	0.3	-0.9	-1.5	0.0
Balance Sheet (EURm)								
Intangible assets	5.7	5.7	6.1	7.7	8.4	8.8	9.2	9.6
Tangible assets	3.5	5.3	5.5	5.8	5.5	6.2	7.1	8.0
Financial & other non-current assets	1.0	1.1	1.3	1.5	1.4	1.4	1.4	1.4
Total shareholders' equity	19.0	21.9	22.3	22.3	22.2	22.8	24.3	26.3
Pension provisions	0.3	0.3	0.4	0.6	0.7	0.7	0.7	0.7
Liabilities and provisions	34.8	47.0	47.4	59.0	65.8	68.5	79.9	84.5
Net debt	-5.3	-5.1	-5.4	0.4	0.6	1.5	3.1	3.1
Working capital requirement	3.9	5.0	4.4	8.0	7.7	8.1	9.8	10.4
Invested Capital	13.1	16.1	15.9	21.4	21.6	23.1	26.0	28.0
Ratios								
ROE (%)	13.3%	16.6%	13.9%	9.4%	9.9%	10.0%	13.4%	14.7%
ROIC (%)	na	37.2%	23.3%	12.9%	13.0%	12.8%	15.3%	16.0%
Net fin. debt / EBITDA (x)	-0.9	-0.7	-0.8	0.0	0.0	0.1	0.3	0.3
Gearing (%)	-29.6%	-24.6%	-26.1%	-0.8%	-0.5%	3.5%	9.6%	8.8%

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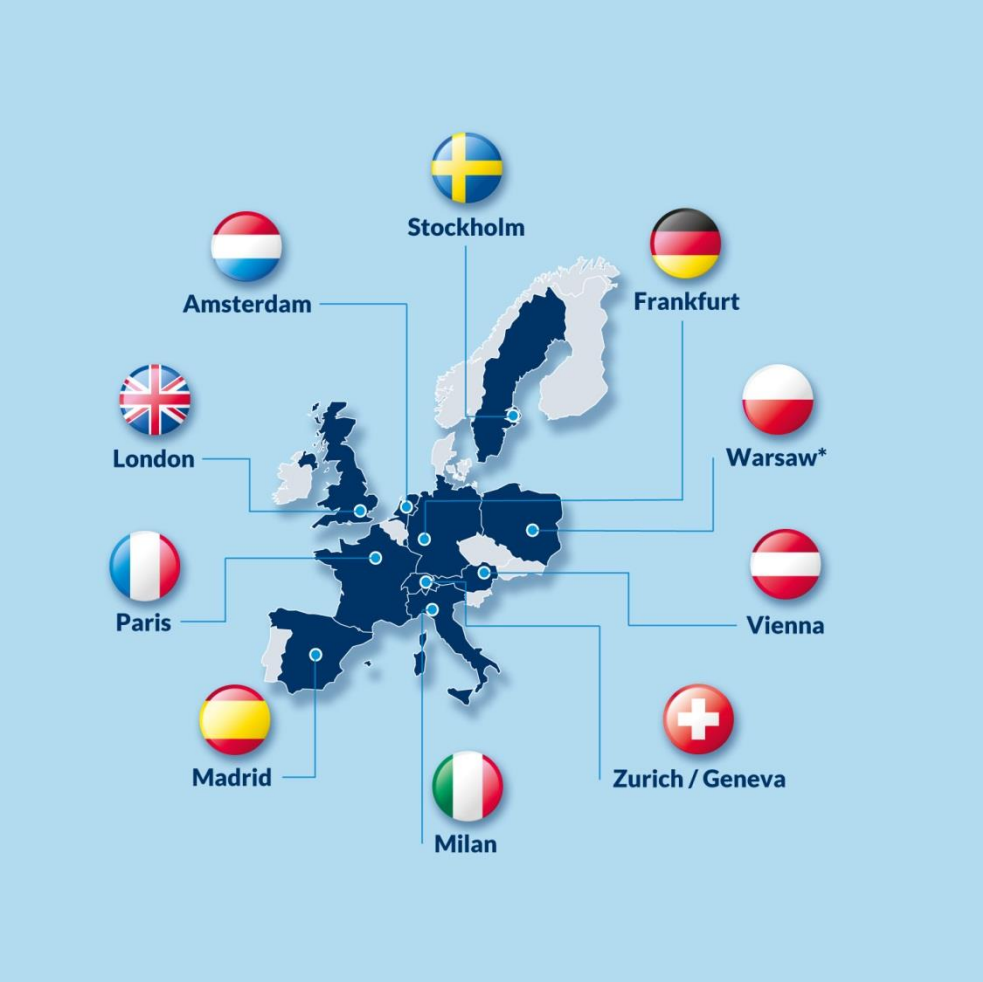

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