

Clasquin

France | Support services | MCAP EUR 82.6m

31 October 2019

Hold

Target Price	EUR 38.00 (36.00)
Current Price	EUR 35.90
Up/downside	5.8%
Change in TP	5.6%
Change in EPS	4.2% 19E / 3.3% 20E

Strong Q3 delivery

Clasquin reports double digit growth in gross profit in Q3 in every business segments (Sea, Air, RO/RO), which exceeds our expectations. We raise our GP estimates for 2019 and TP accordingly from EUR36 to EUR38.

Double-digit GP growth in Q3

In a tense market for global trade (-5% in air freight volume, +1% in Ocean freight), Clasquin kept on recording very strong performance in the third quarter. GP was up 18% on a LFL basis. Continuous decline in air freight tonnage since Q4 2018 was once again offset by high GP/volume performance (nearly EUR400/ton) resulting in GP increasing by 10%. The growth was spectacular in sea freight (GP up 15% LFL) on the back of robust performance in the US (recent arrival of a new management and win of a very large client) and to and from North Africa. The last quarter of the year will benefit from the contribution of newly-acquired Cargolution Inc. (consolidated since 1 October) for an estimated EUR7m GP on an annual basis. In the light of a stronger-than expected Q3, we raise GP growth estimates by 4pps for 2019 with a subsequent positive impact on EPS estimates (+4%).

Quality growth

In a somewhat moderate and uncertain context for trade, Clasquin grows faster than market benchmarks. In our view, the company capitalises on its differentiating profile in the freight forwarding industry (medium-sized global player), which enables it to offer end-to-end solutions like industry giants do, but with higher degrees of customization and flexibility. We add that growth at Clasquin is balanced (the largest customer does not exceed 3% of gross profit) and diversified (a mix of new clients and growing market shares at existing clients). Finally, some early stage initiatives have not yet reached their full potential and look fairly promising, which include 1/the development of niche expertise and verticals (wine and spirits, fairs and events, fine arts, Roll-on/Roll-Off, etc.), 2/the broadening of offering, which now include overseas logistics (storage, order preparation, distribution, etc.) and supply chain consulting; and 3) the business ramp-up in fast growing regions for trade (US, Africa).

Hold, TP up from EUR36 to EUR38

We derive our target price of EUR38 based on a DCF (8% WACC, 3% LTG, 11.5% long term conversion ratio).

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Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	83
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume (EURm)	0,0
YTD abs performance	19,7%
52-week high/low (EUR)	0.40/0.30

FY to 31/12 (EUR)	12/19E	12/20E	12/21E
Sales (m)	338,8	369,0	360,2
EBITDA adj (m)	10,0	11,1	11,7
EBIT adj (m)	7,2	7,7	8,4
Net profit adj (m)	3,8	4,1	4,5
Net debt (m)	25,6	25,6	23,0
FCF (m)	1,1	3,0	5,7
EPS adj. and fully dil.	1,63	1,79	1,95
Consensus EPS	1,80	2,11	2,38
Net dividend	0,87	0,95	1,04

FY to 31/12 (EUR)	12/19E	12/20E	12/21E
P/E adj and ful. dil.	22,0	20,1	18,4
EV/EBITDA	11,2	10,1	9,5
EV/EBIT	15,6	14,5	13,2
FCF yield	1,4%	3,6%	6,9%
Dividend yield	2,4%	2,7%	2,9%
Net debt/EBITDA	2,6	2,3	2,0
Gearing	95,1%	88,5%	74,0%
ROIC	9,8%	9,5%	10,0%
EV/IC	2,2	2,1	2,1



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Key financials

FY to 31/12 (EUR)	12/14	12/15	12/16	12/17	12/18	12/19E	12/20E	12/21E
Income Statement (EURm)								
Sales	201,7	234,2	235,0	290,6	308,3	338,8	369,0	360,2
% Change	1,8%	16,1%	0,3%	23,6%	6,1%	9,9%	8,9%	-2,4%
EBITDA adjusted	4,6	8,2	7,1	7,4	9,3	10,0	11,1	11,7
EBITDA margin adj. (%)	2,3%	3,5%	3,0%	2,5%	3,0%	3,0%	3,0%	3,2%
EBIT adjusted	3,1	6,3	3,8	5,4	5,8	7,2	7,7	8,4
EBIT margin adj. (%)	1,5%	2,7%	1,6%	1,9%	1,9%	2,1%	2,1%	2,3%
Net financial items & associates	-0,4	-0,1	-0,5	-0,7	-0,2	-0,3	-0,3	-0,3
Others	0,0	0,0	0,0	-0,4	0,0	0,0	0,0	0,0
Tax	-0,9	-1,9	-1,5	-1,9	-2,1	-2,6	-2,8	-3,0
Net profit from continuing operations	1,8	4,2	1,8	2,4	3,4	4,3	4,7	5,1
Net profit from discontinuing activities	0,7	-0,3	0,0	0,0	0,0	0,0	0,0	0,0
Net profit before minorities	2,5	4,0	1,8	2,4	3,4	4,3	4,7	5,1
Net profit reported	2,1	3,3	1,3	2,0	2,8	3,8	4,1	4,5
Net profit adjusted	2,1	3,3	1,3	2,0	2,8	3,8	4,1	4,5
Cash Flow Statement (EURm)								
Levered post tax CF before capex	na	na	1,1	1,9	4,5	4,5	6,3	8,5
Capex	-2,9	-2,4	-3,6	-3,6	-3,6	-3,4	-3,3	-2,8
Free cash flow	na	na	-2,5	-1,7	0,9	1,1	3,0	5,7
Acquisitions & divestments	-1,8	-8,5	-0,6	0,1	-1,8	-5,0	0,0	0,0
Dividend paid	-2,2	-2,1	-2,9	-1,9	-2,6	-2,2	-2,8	-2,9
Others	-0,4	1,5	-0,1	-1,5	0,0	-0,2	-0,2	-0,2
Change in net financial debt	na	na	6,1	5,1	3,6	6,3	0,0	-2,6
Balance Sheet (EURm)								
Intangible assets	11,4	17,3	19,1	19,6	22,0	27,4	27,6	27,6
Tangible assets	6,2	3,8	5,2	5,1	5,7	6,1	6,3	6,3
Financial & other non-current assets	1,8	2,9	2,8	2,8	2,6	2,6	2,6	2,6
Total shareholders' equity	23,3	23,8	23,0	22,9	24,5	26,6	28,5	30,6
Pension provisions	1,4	1,1	1,2	0,4	0,4	0,4	0,4	0,4
Liabilities and provisions	na	na	na	na	na	na	na	na
Net debt	2,1	6,3	13,0	16,4	19,3	25,6	25,6	23,0
Net financial debt	0,7	5,2	11,8	16,0	18,9	25,3	25,2	22,7
IFRS 16 debt	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Net working capital	6,2	6,3	9,2	12,7	14,3	16,9	18,5	19,0
Invested capital	23,8	27,3	33,5	37,4	42,0	50,4	52,4	52,9
Per share data (EUR)								
EPS adjusted	0,92	1,45	0,58	0,85	1,23	1,63	1,79	1,95
EPS adj and fully diluted	0,92	1,45	0,58	0,85	1,23	1,63	1,79	1,95
% Change	-3,9%	57,8%	-59,7%	45,4%	44,8%	32,5%	9,4%	9,3%
EPS reported	0,92	1,45	0,58	0,85	1,23	1,63	1,79	1,95
Cash flow per share	na	na	0,48	0,81	1,94	1,98	2,73	3,71
Book value per share	9,22	9,42	8,70	8,57	9,31	9,97	10,56	11,23
Dividend per share	0,80	1,25	0,80	0,80	0,65	0,87	0,95	1,04
Number of shares, YE (m)	2,30	2,30	2,30	2,30	2,30	2,30	2,30	2,30
Ratios								
ROE (%)	10,0%	15,6%	6,5%	9,9%	13,8%	16,9%	17,4%	17,9%
ROIC (%)	8,9%	16,9%	7,0%	9,2%	9,1%	9,8%	9,5%	10,0%
Net debt / EBITDA (x)	0,5	0,8	1,8	2,2	2,1	2,6	2,3	2,0
Gearing (%)	3,0%	21,9%	51,2%	69,7%	77,4%	95,1%	88,5%	74,0%
Valuation								
P/E adjusted	27,8	20,3	50,7	39,0	29,7	22,0	20,1	18,4
P/E adjusted and fully diluted	27,8	20,3	50,7	39,0	29,7	22,0	20,1	18,4
P/BV	2,8	3,1	3,4	3,9	3,9	3,6	3,4	3,2
P/CF	na	na	62,1	40,9	18,8	18,2	13,2	9,7
Dividend yield (%)	3,1%	4,2%	2,7%	2,4%	1,8%	2,4%	2,7%	2,9%
FCF yield (%)	na	na	-3,6%	-2,3%	1,0%	1,4%	3,6%	6,9%
EV/Sales	0,3	0,3	0,4	0,3	0,3	0,3	0,3	0,3
EV/EBITDA adj.	13,8	9,2	11,9	13,0	11,5	11,2	10,1	9,5
EV/EBIT adj.	20,4	12,1	22,0	17,6	18,4	15,6	14,5	13,2

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Companies mentioned

Stock	ISIN	Currency	Price
Clasquin	FR0004152882	EUR	35,90

Source: Factset closing prices of 30/10/2019

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Rating Breakdown	A	B
Buy	50,80%	57,90%
Hold	32,70%	29,90%
Reduce	14,20%	9,60%
Not Rated/Under Review/Accept Offer	2,30%	2,60%
Total	100%	100%

Source: KEPLER CHEUVREUX

A: % of all research recommendations

B: % of issuers to which material services of investment firms are supplied

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Company Name	Date	Business Line	Rating	Target Price	Closing Price
Clasquin (EUR)	22/03/2019 08:17	Equity Research	Hold	36.00	34.90

Credit research does not issue target prices. Left intentionally blank.

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Hold: The analyst has a stable credit fundamental opinion on the issuer and/or performances of the debt securities over a 6 months period.

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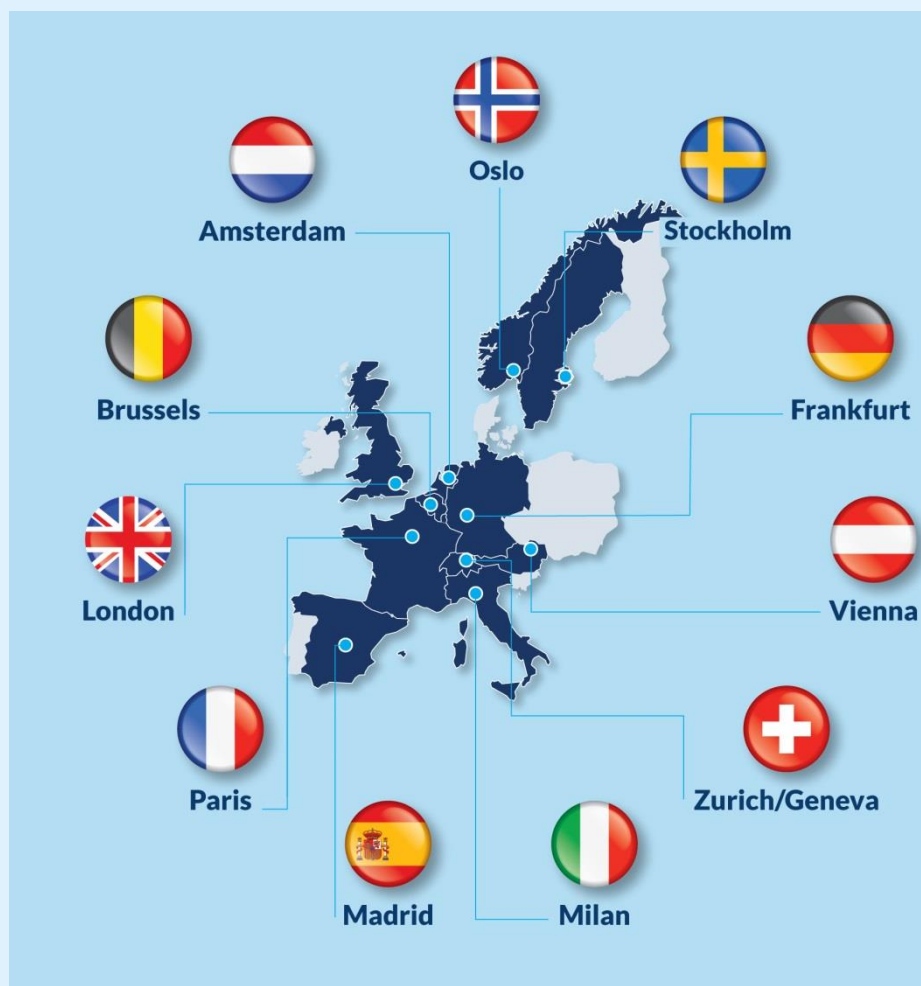
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