

Clasquin

France | Support services | MCAP EUR 90.9m

21 February 2020

Hold

Target Price	EUR 36.00 (38.00)
Current Price	EUR 39.50
Up/downside	-8.9%
Change in TP	-5.3%
Change in EPS	-3.3% 19E / -7.3% 20E

Excellent Q4, coronavirus to impact 2020

Q4 was very strong. Activity in H1 2020 will be significantly impacted by the coronavirus. We cut our 2020 GP estimates accordingly to factor that risk. TP reduced to EUR36.

Brilliant Q4

GP growth in Q4 amounted to +20% thus exceeding our forecast (KECH: +14%). Nearly half of the growth was organic (+11%) with the balance stemming from the consolidation of Cargolution Inc. in early October and, to a lesser extent, positive FX development. Every division are showing good growth: In sea freight, volume and GP/TEU ratio grew at a high-single-digit rate. The activity in air freight benefited from a turnaround in volume after four consecutive quarters in negative territory and from a historically high GP/t ratio. The Roll-on/Roll-off segment continued to perform very well too (+17%). On a full-year basis, GP was up by a solid 11% like-for-like. Clasquin is doing better than the overall market in sea freight (+9% vs 2%) but worse in air freight (-9.5% vs. -4%).

US developing strongly

We note the strong performance in the U.S. The U.S. activities went through a deep restructuring last year, which included the disposal of ECS and the hiring of a talented manager to revive the business. Positive results appeared quickly with the win of a new major client for the group. The U.S. branch generated gross profit of EUR6m last year, growing by 50%. We assume that it could be reach EUR10m as of 2020. Clasquin has high ambitions in North America. The potential there looks highly promising in our view.

Major impact of the coronavirus in H1 2020, at least

Clasquin stated that the Coronavirus will have a significant impact on the activity in H1 and hopes for a rebound in the second half. Assuming a 30% GP exposure to China and a 20% decrease in Chinese-related trades, we believe that the impact could be in the range of EUR5m for the whole year. We lower our 2020 estimates to account for that risk. We now expect negative organic growth in gross profit (-3% yoy) which should be mitigated by organic growth in other geographies and offset by external growth (+4% yoy reported).

Pressure on share price expected

Change in estimates has an impact of EUR2 on our DCF-derived TP (8% WACC, 3% mid-term growth, 2% terminal growth, 11.5% LT EBIT conversion ratio). So far, the share price has not reacted in relation with the coronavirus pandemic but it likely will in the near future.

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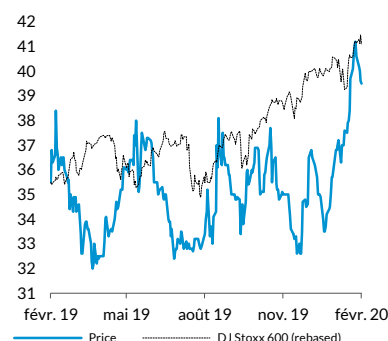
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Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	91
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume (EURm)	0,0
YTD abs performance	12,9%
52-week high/low (EUR)	0.41/0.32

FY to 31/12 (EUR)	12/19E	12/20E	12/21E
Sales (m)	343,2	356,3	377,4
EBITDA adj (m)	10,2	10,5	11,8
EBIT adj (m)	7,0	7,3	8,4
Net profit adj (m)	3,6	3,8	4,5
Net debt (m)	26,0	25,3	24,1
FCF (m)	0,8	3,6	4,2
EPS adj. and fully dil.	1,58	1,65	1,95
Consensus EPS	1,79	2,19	2,76
Net dividend	0,84	0,88	1,04

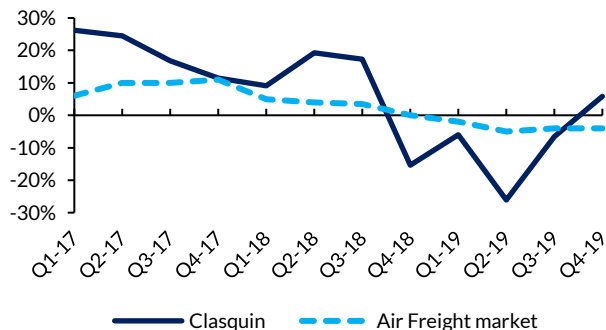
FY to 31/12 (EUR)	12/19E	12/20E	12/21E
P/E adj and ful. dil.	25,1	23,9	20,2
EV/EBITDA	11,9	11,4	10,1
EV/EBIT	17,3	16,6	14,3
FCF yield	0,9%	3,9%	4,7%
Dividend yield	2,1%	2,2%	2,6%
Net debt/EBITDA	2,6	2,4	2,0
Gearing	96,9%	88,7%	77,9%
ROIC	9,5%	8,9%	10,0%
EV/IC	2,4	2,3	2,2



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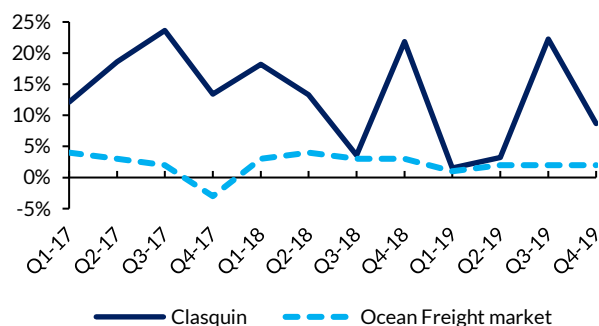
Key metrics

Chart 1: Air freight - volume growth % yoy



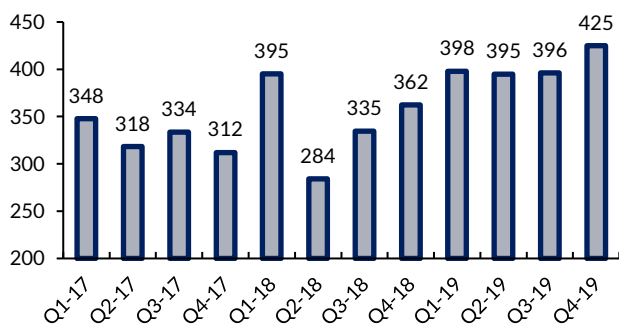
Source: Kepler Cheuvreux

Chart 2: Sea freight - volume growth %



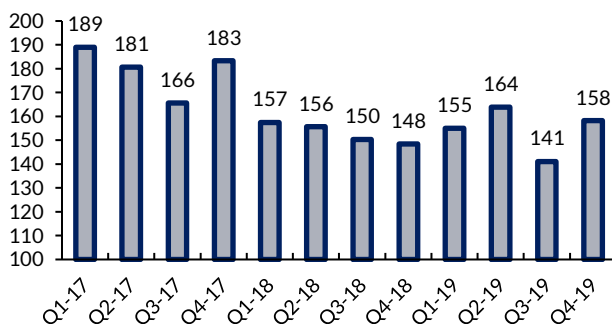
Source: Kepler Cheuvreux

Chart 3: Air freight - GP/ton



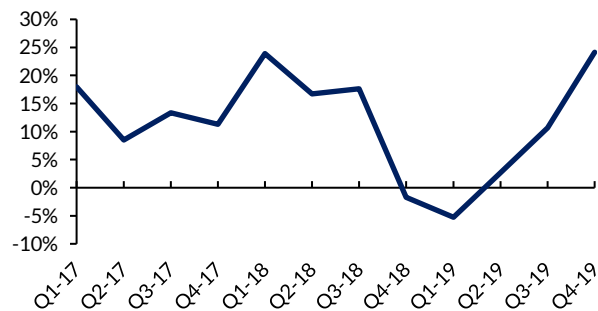
Source: Kepler Cheuvreux

Chart 4: Sea freight - GP/TEU



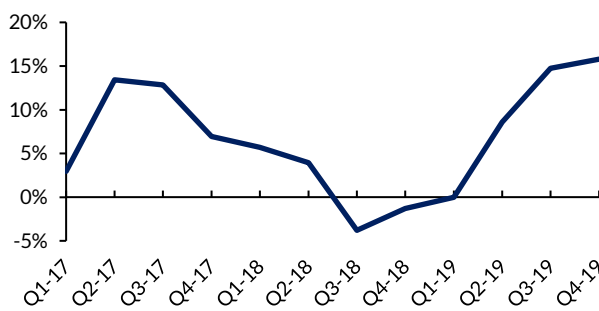
Source: Kepler Cheuvreux

Chart 5: Air freight - GP growth %



Source: Kepler Cheuvreux

Chart 6: Sea freight - GP growth %



Source: Kepler Cheuvreux

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	343,2	356,3	377,4
% Change	1,8%	16,1%	0,3%	23,6%	6,1%	11,3%	3,8%	5,9%
EBITDA adjusted	4,6	8,2	7,1	7,4	9,3	10,2	10,5	11,8
EBITDA margin adj. (%)	2,3%	3,5%	3,0%	2,5%	3,0%	3,0%	3,0%	3,1%
EBIT adjusted	3,1	6,3	3,8	5,4	5,8	7,0	7,3	8,4
EBIT margin adj. (%)	1,5%	2,7%	1,6%	1,9%	1,9%	2,0%	2,0%	2,2%
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	-2,5	-2,6	-3,0
Net profit from continuing operations	1,8	4,2	1,8	2,4	3,4	4,2	4,4	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	4,2	4,4	5,1
Net profit reported	2,1	3,3	1,4	2,0	2,8	3,6	3,8	4,5
Net profit adjusted	2,1	3,3	1,4	2,0	2,8	3,6	3,8	4,5
Cash Flow Statement (EURm)								
Levered post tax CF before capex	na	na	1,1	1,9	4,5	4,2	6,7	7,2
Capex	-2,9	-2,4	-3,6	-3,6	-3,6	-3,5	-3,2	-3,0
Free cash flow	na	na	-2,4	-1,7	0,9	0,8	3,6	4,2
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	-2,7	-2,8
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	6,7	-0,7	-1,2
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	26,4	28,1	30,4
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	26,0	25,3	24,1
Net financial debt	0,7	5,2	11,8	16,0	18,9	25,6	25,0	23,7
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	17,2	17,8	19,9
Invested capital	23,8	27,3	33,5	37,4	42,0	50,7	51,7	53,8
Per share data (EUR)								
EPS adjusted	0,92	1,45	0,59	0,85	1,23	1,58	1,65	1,95
EPS adj and fully diluted	0,92	1,45	0,59	0,85	1,23	1,58	1,65	1,95
% Change	-3,9%	57,8%	-59,3%	43,8%	44,8%	28,0%	4,9%	18,0%
EPS reported	0,92	1,45	0,59	0,85	1,23	1,58	1,65	1,95
Cash flow per share	na	na	0,48	0,81	1,94	1,84	2,93	3,12
Book value per share	9,22	9,42	8,70	8,57	9,31	9,91	10,40	11,14
Dividend per share	0,80	1,25	0,80	0,80	0,65	0,84	0,88	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%	9,8%	13,8%	16,4%	16,3%	18,1%
ROIC (%)	8,9%	16,9%	7,0%	9,2%	9,2%	9,5%	8,9%	10,0%
Net debt / EBITDA (x)	0,5	0,8	1,8	2,2	2,1	2,6	2,4	2,0
Gearing (%)	3,0%	21,9%	51,1%	69,7%	77,4%	96,9%	88,7%	77,9%
Valuation								
P/E adjusted	27,8	20,3	50,1	39,0	29,7	25,1	23,9	20,2
P/E adjusted and fully diluted	27,8	20,3	50,1	39,0	29,7	25,1	23,9	20,2
P/BV	2,8	3,1	3,4	3,9	3,9	4,0	3,8	3,5
P/CF	na	na	61,2	40,9	18,8	21,5	13,5	12,6
Dividend yield (%)	3,1%	4,2%	2,7%	2,4%	1,8%	2,1%	2,2%	2,6%
FCF yield (%)	na	na	-3,6%	-2,3%	1,0%	0,9%	3,9%	4,7%
EV/Sales	0,3	0,3	0,4	0,3	0,3	0,4	0,3	0,3
EV/EBITDA adj.	13,8	9,2	11,9	13,0	11,5	11,9	11,4	10,1
EV/EBIT adj.	20,4	12,1	21,9	17,6	18,4	17,3	16,6	14,3

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Prices in this report are taken as of the previous day's close (to the date of this report) on the home market unless otherwise stated.

Companies mentioned

Stock	ISIN	Currency	Price
Clasquin	FR0004152882	EUR	39,50

Source: Factset closing prices of 20/02/2020

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Rating ratio Kepler Cheuvreux Q4 2019

Rating Breakdown	A	B
Buy	46%	60%
Hold	36%	27%
Reduce	15%	6%
Not Rated/Under Review/Accept Offer	3%	7%
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
	31/10/2019 08:39	Equity Research	Hold	38.00	35.90

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

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Buy: The minimum expected upside is 10% over next 12 months (the minimum required upside could be higher in light of the company's risk profile).

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Reduce: There is an expected downside.

Accept offer: In the context of a total or partial take-over bid, squeeze-out or similar share purchase proposals, the offer price is considered to be fairly valuing the shares.

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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.

Sell: The analyst expects of a widening of the credit spread to some or all debt securities of the issuer and/or a negative fundamental view over a 6 months period.

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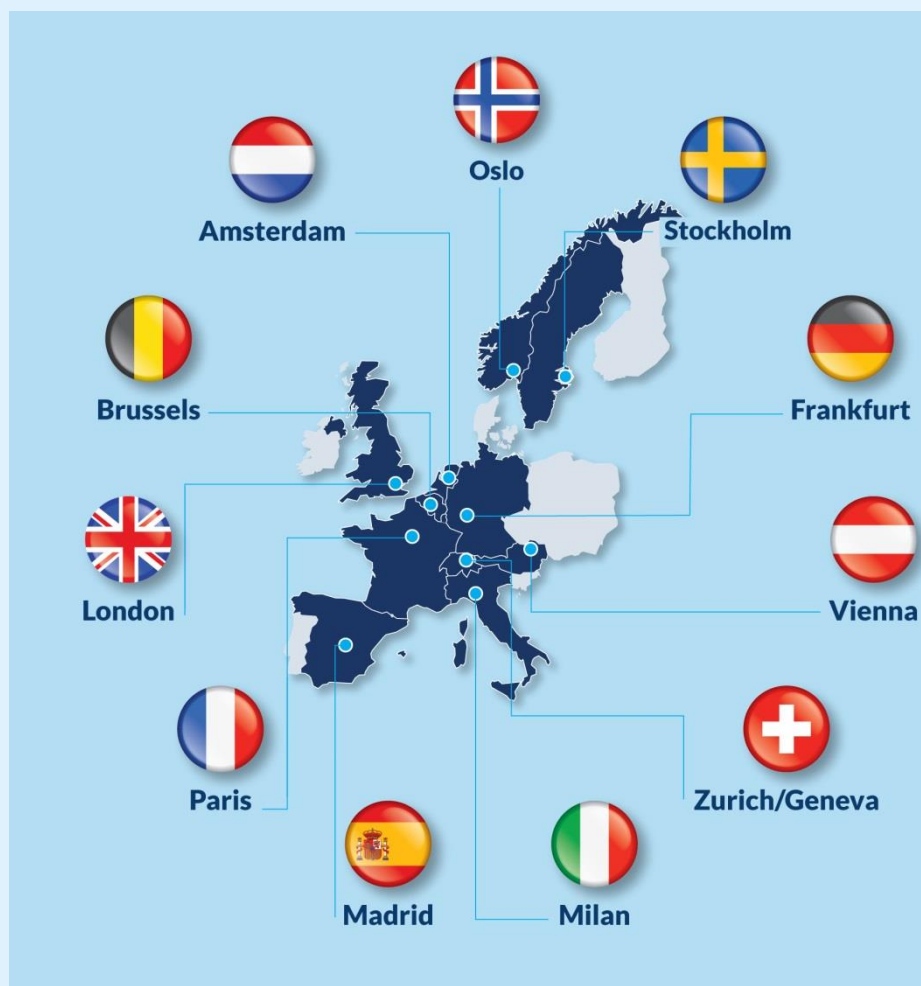
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