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Clasquin Buy

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France | Support services

MCap: EUR109.4m

Target Price: EUR 49.00
Current Price: EUR 47.50
Up/downside: 3.2%
Market data: 29 April 2021

Bloomberg: ALCLA FP Reuters: ALCLA.PA
 Free float 39%
 Avg. daily volume (EURm) 0.1
 YTD abs performance 29.4%
 52-week high/low (EUR) 48.50/25.30

Historic performance in Q1

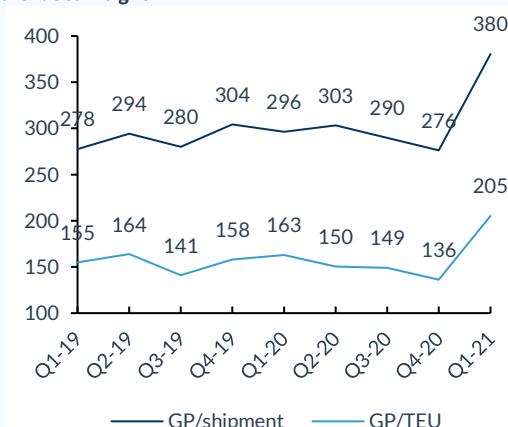
Key points:

- Historic performance in Q1. Gross profit up 37% above KECH estimates (+16%) and analyst consensus.
- Clasquin is fully benefiting from stronger volume as international trade is recovering, as well as unprecedented GP/TEU in a context of container shortage (Sea) and high cargo load factors (Air).
- We anticipate a very bullish price reaction today. Target price likely to be surpassed.
- We reiterate our bullish sentiment.

Skyrocketing GP amid exceptional market conditions (volume recovery, booming GP/volume)

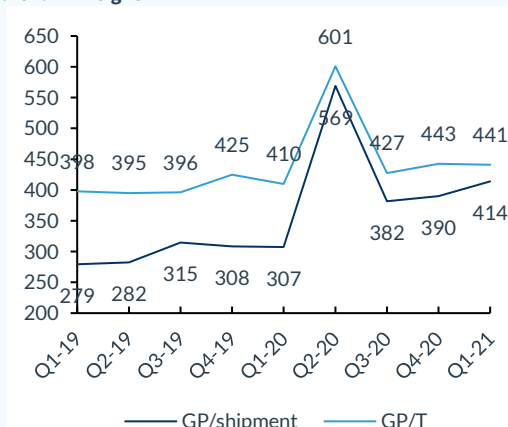
- Gross profit recorded an all-time high for the first quarter at EUR24m (+37% YOY). The performance beats our expectations (+16%).
- GP is up 56% in sea freight and up 34% in air freight. The RORO business returns to positive growth (+8%).
- Volume rose sharply (+25% in Air freight, +24% in Sea freight) as international regains strength.
- In a context of high cargo load factors in air freight, GP/T remained high (EUR441) relatively to historical standards.
- In sea freight, the shortage of containers drives freight rates up sharply. The GP/TEU have bounced to an unprecedented level of EUR380.
- Robust growth across all regions (France up 20%, China up 21%, USA up 23%, Spain up 32%, Germany up 139%).
- The basis for comparison will be less demanding in the second quarter (Covid crisis outbreak in Q2 2020), which suggests further acceleration.

Chart 1: Sea freight



Source: Kepler Cheuvreux

Chart 2: Air freight



Source: Kepler Cheuvreux

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Appendix 1: Research framework

Last model update: 25 February 2021

Investment case

- Clasquin 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 customisation and flexibility.
- 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).
- In a somewhat moderate and uncertain context for trade, we see Clasquin as capable of continued growth that is faster than market benchmarks, while returning to low double-digit profitability.

Catalysts

- Development of niche expertise and verticals (wine and spirits, events, fine arts).
- Broadening of offering (logistics, supply chain, digital offer).
- Business ramp-up in fast-growing regions for trade.

Valuation methodology

- DCF (8.3% WACC, 2.4% terminal growth, 13.5% terminal conversion ratio).

Risks to our rating

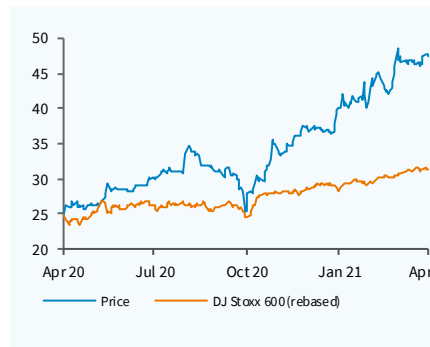
- Long-lasting impact of COVID pandemic on global trade.
- Overcapacity in freight.

Appendix 2: Company description

Clasquin is an air and sea freight forwarder with a focus on Asia/Europe, Asia/US and Europe/Latam flows. Thanks to external growth operation managed in 2008 Clasquin also operates road transport and logistics in France under the name Gueppe-Clasquin.

Management Yves Revol, CEO | Philippe Lons, CFO

Key shareholders Yves Revol: 47.20% | Zenlor: 6.60% | Staff: 7.80% | Others: 1.80%

Appendix 3: share price perf.**Appendix 4: SWOT analysis****Strengths**

- International integrated network (US, Europe, Asia)
- Differentiated profile (family-owned business, medium-size company)
- Diversified and balanced customer base (first customer <3% of GP)
- Strong presence in China

Opportunities

- Development of niche expertise /verticals (e.g. wine, fairs, fine arts, etc.)
- New TMS deployed (2018) to boost productivity in the medium term
- Broadening of offering (overseas logistics, supply chain consulting, etc.)

Weaknesses

- Limited presence in the US
- Lower volume shipped, GP/volume, and conversion rate than competitors

Threats

- Slowing worldwide trade (2018-19)
- High volatility of sea freight rates

Appendix 5: Key financials

Last model update: 25 February 2021

Market data date: 29 April 2021

FY to 31/12 (EUR)	12/13	12/14	12/15	12/16	12/17	12/18	12/19	12/20E	12/21E	12/22E
Income Statement (EURm)										
Sales	198.1	201.7	234.2	235.0	290.6	308.3	331.3	329.1	370.2	395.3
% Change	7.3%	1.8%	16.1%	0.3%	23.6%	6.1%	7.4%	-0.7%	12.5%	6.8%
EBITDA adjusted	6.3	4.6	8.2	7.1	7.4	9.3	13.9	13.3	15.6	17.2
EBITDA adj. margin (%)	3.2%	2.3%	3.5%	3.0%	2.5%	3.0%	4.2%	4.1%	4.2%	4.3%
EBIT adjusted	4.5	3.1	6.3	4.0	5.4	5.8	8.3	6.4	9.8	10.9
EBIT adj. margin (%)	2.3%	1.5%	2.7%	1.7%	1.9%	1.9%	2.5%	2.0%	2.6%	2.7%
Net financial items & associates	-0.4	-0.4	-0.1	-0.5	-0.6	-0.2	-0.6	-0.9	-0.9	-0.9
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	-1.6	-0.9	-1.9	-1.5	-1.9	-2.1	-3.2	-3.3	-3.2	-3.6
Net profit from continuing operations	2.5	1.8	4.2	2.0	2.9	3.4	4.5	2.2	5.6	6.3
Net profit from discontinuing activities	0.0	0.7	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	2.5	2.5	4.0	2.0	2.9	3.4	4.5	2.2	5.6	6.3
Net profit reported	2.2	2.1	3.3	1.6	2.5	2.8	3.9	1.2	4.4	4.9
Net profit adjusted	2.2	2.1	3.3	1.6	2.5	2.8	3.9	1.2	4.4	4.9
Cash Flow Statement (EURm)										
Levered post tax CF before capex	5.1	6.1	7.8	1.3	2.4	4.5	16.1	6.8	9.1	11.9
Capex	-2.8	-2.9	-2.4	-3.6	-3.6	-3.6	-2.5	-2.5	-2.8	-3.0
Free cash flow	2.3	3.2	5.4	-2.2	-1.2	0.9	13.6	4.3	6.3	8.9
Acquisitions & divestments	0.0	-1.8	-8.5	-0.6	0.1	-1.8	-7.1	0.0	0.0	0.0
Dividend paid	-2.0	-2.2	-2.1	-2.9	-1.9	-2.6	-1.6	-0.1	-0.8	-1.5
Others	-0.5	-0.4	1.5	-0.1	-1.5	0.0	0.0	-0.5	-0.5	-0.5
Change in net financial debt	0.1	1.1	3.6	5.9	4.6	3.6	-4.9	-3.7	-4.9	-6.9
Balance Sheet (EURm)										
Intangible assets	8.4	11.4	17.3	19.1	19.6	22.0	30.6	29.1	27.5	26.0
Tangible assets	5.5	6.2	3.8	5.2	5.1	5.7	5.5	3.9	2.3	0.8
Financial & other non-current assets	1.5	1.8	2.9	2.8	2.8	2.6	2.2	2.2	2.2	2.2
Total shareholders' equity	22.2	23.3	23.8	23.2	22.9	24.5	26.8	28.9	33.7	38.5
Pension provisions	1.0	1.4	1.1	1.2	3.6	3.3	5.1	5.1	5.1	5.1
Liabilities and provisions	na	73.0	85.4	93.4	100.2	112.4	132.7	148.2	181.1	190.4
Net debt	0.9	2.1	6.3	12.8	16.4	19.3	18.7	15.0	10.1	3.2
Net financial debt	-0.1	0.7	5.2	11.6	12.7	16.0	13.6	9.9	5.0	-1.9
IFRS 16 debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net working capital	na	6.2	6.3	9.2	12.7	14.3	8.4	9.9	13.0	13.8
Invested capital	na	23.8	27.3	33.5	37.4	42.0	44.5	42.9	42.8	40.7
Per share data (EUR)										
EPS adjusted	0.96	0.93	1.45	0.69	1.08	1.23	1.69	0.53	1.93	2.13
EPS adj and fully diluted	0.96	0.93	1.45	0.69	1.08	1.23	1.69	0.52	1.92	2.13
% Change	4.8%	-3.4%	57.0%	-52.5%	56.6%	13.9%	37.0%	-68.9%	266.0%	10.8%
EPS reported	0.96	0.93	1.45	0.69	1.08	1.23	1.69	0.53	1.93	2.13
Cash flow per share	2.20	2.65	3.39	0.58	1.04	1.94	7.01	2.95	3.93	5.16
Book value per share	9.14	9.22	9.42	8.78	8.57	9.31	9.54	10.00	11.57	13.04
Dividend per share	0.75	0.80	1.25	0.80	0.80	0.65	0.00	0.30	0.60	0.65
Number of shares, YE (m)	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Ratios										
ROE (%)	10.4%	10.1%	15.6%	7.6%	12.5%	13.8%	18.0%	5.4%	17.9%	17.3%
ROIC (%)	na	na	16.9%	7.6%	9.2%	9.2%	12.1%	5.9%	14.5%	16.5%
ND(F+IFRS16) / EBITDA (x)	0.0	0.2	0.6	1.6	1.7	1.7	1.0	0.7	0.3	-0.1
Gearing (%)	-0.5%	3.0%	21.9%	50.0%	55.7%	65.2%	50.6%	34.3%	14.8%	-4.9%
Valuation										
P/E adjusted	21.9	27.7	20.3	42.9	30.7	29.7	20.4	90.2	24.7	22.3
P/E adjusted and fully diluted	21.9	27.7	20.3	42.9	30.7	29.7	20.5	90.5	24.7	22.3
P/BV	2.3	2.8	3.1	3.4	3.9	3.9	3.6	4.7	4.1	3.6
P/CF	9.5	9.6	8.7	50.8	31.9	18.8	4.9	16.1	12.1	9.2
Dividend yield (%)	3.6%	3.1%	4.2%	2.7%	2.4%	1.8%	0.0%	0.6%	1.3%	1.4%
FCF yield (%)	4.8%	5.5%	8.0%	-3.2%	-1.6%	1.0%	17.1%	3.9%	5.7%	8.1%
EV/Sales	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.4	0.3	0.3
EV/EBITDA adj.	7.9	13.8	9.2	11.8	13.0	11.5	7.4	9.8	8.1	7.1
EV/EBIT adj.	11.1	20.3	12.1	20.9	17.6	18.4	12.5	20.2	12.9	11.2

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Total	100%	100%

Source: Kepler Cheuvreux

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

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Clasquin (EUR)	25/09/2020 07:58	Equity Research	Buy	36.00	31.90
	25/02/2021 09:05	Equity Research	Buy	49.00	43.70

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