

# Clasquin **Buy**

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**MCap: EUR100.9m**

**Target Price:** EUR 49.00  
**Current Price:** EUR 43.80  
**Up/downside:** 11.9%  
**Market data:** 24 March 2021

Bloomberg: ALCLA FP  
Free float 39%  
Avg. daily volume (EURm) 0.0  
YTD abs performance 19.3%  
52-week high/low (EUR) 45.30/23.20

## Record earnings in 2020, above estimates

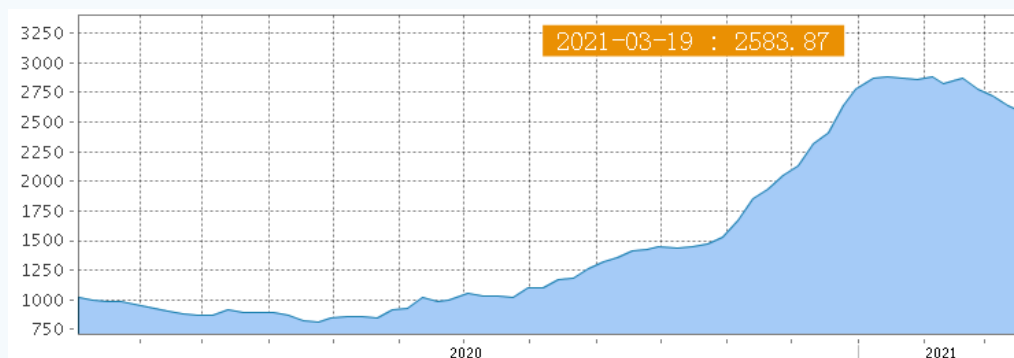
### Key points:

- Clasquin reported record results for 2020, a year marked by the unprecedented disruption of global supply chains and erratic changes in volume.
- Reported earnings significantly exceeded our estimates.
- Clasquin took advantage of the high rates in both air and sea freight by quickly adapting its offering to cope with the unprecedented market conditions while, at the same time, making drastic cost reductions.
- Strong bullish reaction expected today. We reiterate our Buy rating.

### Key takeaways

- Clasquin reported: 1) 20% growth in EBITDA at EUR16.7m (KECH: EUR13.3m); 2) 10% growth in current operating income at EUR9.5m (KECH: EUR6.8m); and 3) 32% growth in net profit group share at EUR5.1m (KECH: EUR1.2m).
- The conversion ratio raised to 12.5% vs. 11.2%
- Earlier this year, Clasquin had reported a gross profit at a level equivalent to that of 2019.
- Reported earnings significantly exceeded our estimates as we underestimated the magnitude of the cost savings and the degree of operating leverage.
- Clasquin took advantage of soaring prices in Air freight as a result of a drastic reduction in load capacities from Q2. Clasquin quickly adapted its offering by designing alternative solutions (ex: multi-client charters) to offset the decline in standard airline offering. In 2020, GP/shipment came 35% higher than last year and GP/volume 15% higher. Higher unit margins offset the sharp decline in shipments (-21%) and volume (-8%) in 2020.
- In sea freight, volumes rebounded quickly after Q2. The business even saw a sharp upswing in Q4 thanks to the recovery in volumes on the Asia-Europe route.
- At the cost level, Clasquin managed to reduce its cost base by EUR6m at current scope via reduced working hours, partial unemployment measures, a reduction in manager and senior executive sales, lower travel expenses and various state subsidies.
- The very high sea freight since Q4 2020 (chart below) and a gradual volume recovery suggests a strong start to 2021.

Chart 1: Shanghai Containerised Freight Index



Source: Shanghai Shipping Exchange

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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**

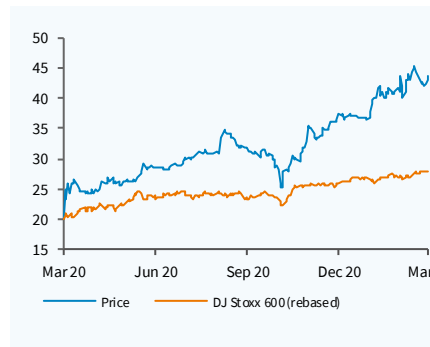
- Long-lasting impact of COVID pandemic on global trade.
- Overcapacity in freight.

**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: 24 March 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
<b>Income Statement (EURm)</b>										
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
<b>Cash Flow Statement (EURm)</b>										
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
<b>Balance Sheet (EURm)</b>										
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
<b>Per share data (EUR)</b>										
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
<b>Ratios</b>										
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%
<b>Valuation</b>										
P/E adjusted	21.9	27.7	20.3	42.9	30.7	29.7	20.4	83.2	22.7	20.5
P/E adjusted and fully diluted	21.9	27.7	20.3	42.9	30.7	29.7	20.5	83.5	22.8	20.6
P/BV	2.3	2.8	3.1	3.4	3.9	3.9	3.6	4.4	3.8	3.4
P/CF	9.5	9.6	8.7	50.8	31.9	18.8	4.9	14.9	11.1	8.5
Dividend yield (%)	3.6%	3.1%	4.2%	2.7%	2.4%	1.8%	0.0%	0.7%	1.4%	1.5%
FCF yield (%)	4.8%	5.5%	8.0%	-3.2%	-1.6%	1.0%	17.1%	4.3%	6.2%	8.8%
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	9.1	7.5	6.6
EV/EBIT adj.	11.1	20.3	12.1	20.9	17.6	18.4	12.5	18.9	12.1	10.4

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Source: Kepler Cheuvreux

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Clasquin (EUR)	25/09/2020 06:58	Equity Research	Buy	36.00	31.90
	25/02/2021 08:05	Equity Research	Buy	49.00	43.70

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