

Clasquin Buy

France | Support services

Beta Profile: 

MCap: EUR159.0m

Target Price: EUR79.00 (76.00)
Current Price: EUR69.00
Up/downside: 14.5%
Market data: 06 April 2022

Change in TP: 3.9%
Change in Sales: 32.3% 21E/56.9% 22E
Change in Adj. EBIT: 28.4% 21E/up nm 22E
Change in Adj. EPS: 43.4% 21E/up nm 22E

Bloomberg: ALCLA FP Reuters: ALCLA.PA
Free float 45.0%
Avg. daily volume (EURm) 0.2
YTD abs performance -9.2%
52-week high/low (EUR) 76.00/45.00

Navigating through uncertainty

Why this report?

We update our model after strong 2021 results. Our estimates rise significantly due to another postponement of the normalisation of gross profit yields. This leads us to raise our target price from CHF76 to CHF79. In this report, we explain in detail how we built our forecasts, with a particular focus on key metrics (volume growth, gross profit yields, conversion ratio).

Key findings

- We expect current market conditions to remain favourable during H1 2022E, which raises our 2022E estimates via higher gross profit yields. It also gives us a higher starting point for the expected normalisation starting from H2.
- Clasquin is well armed to continue outperforming world trade growth, as it has constantly done in the past.
- Clasquin has no direct exposures to the Russia/Ukraine conflict area, and we make no adjustments to our estimates precisely for that reason.

Deconstructing the forecasts

- We raise our EBIT estimates sharply for 2022 (>2x). We also lift estimates on a more distant horizon, but to a lesser extent (+17% on 2026E EBIT).
- The impact of higher estimates on our TP is mostly offset by changes to our valuation parameters on the back of the war in Ukraine and the potential impact on global demand (WACC lifted to 7.7% compared to 7.1% previously).

FY to 31/12 (EUR)	12/21E	12/22E	12/23E
Sales (m)	752.2	848.0	795.3
EBITDA adj (m)	38.2	39.1	33.7
EBIT adj (m)	27.5	32.5	27.3
Net profit adj (m)	17.4	19.0	15.5
Net financial debt (m)	28.0	19.1	2.9
FCF (m)	13.4	17.8	25.0
EPS adj. and ful. dil.	7.51	8.21	6.69
Consensus EPS	7.54	4.60	4.49
Net dividend	3.40	3.40	3.40

FY to 31/12	12/21E	12/22E	12/23E
P/E adj and ful. dil.	9.2	8.4	10.3
EV/EBITDA	5.4	5.0	5.4
EV/EBIT	7.5	6.1	6.6
FCF yield	8.4%	11.2%	15.7%
Dividend yield	4.9%	4.9%	4.9%
ND(F+HFRS16)/EBITDA	1.0	0.7	0.4
Gearing	54.9%	30.0%	4.0%
ROIC	23.6%	22.8%	19.4%
EV/IC	2.2	2.0	2.0

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.
- In recent history, revenues at Clasquin have usually grown faster than those of competitors.
- In 2021, as well as in the first half of 2022, the disrupted supply conditions appear supportive for Clasquin (and the freight forwarding industry in general). Clasquin is able to reap bigger profits per load as a result of a shortage of options for shippers. We anticipate a normalisation of gross profit yields from H2 2022.

Catalysts

- Surge in freight rates due to high demand and tight supply chain conditions.
- Broadening of offering (logistics, supply chain, digital offer).
- Business ramp-up in fast-growing regions for trade.

Valuation methodology

- DCF (7.7% WACC, 3% terminal growth, 13% conversion ratio).
- Target multiple: 25x P/E on 2026E, corresponding to ten-year average multiple (7.7% discount rate).

Risks to our rating

- Lower freight rates due to overcapacity.

Highly challenged supply chains drove record results and share price

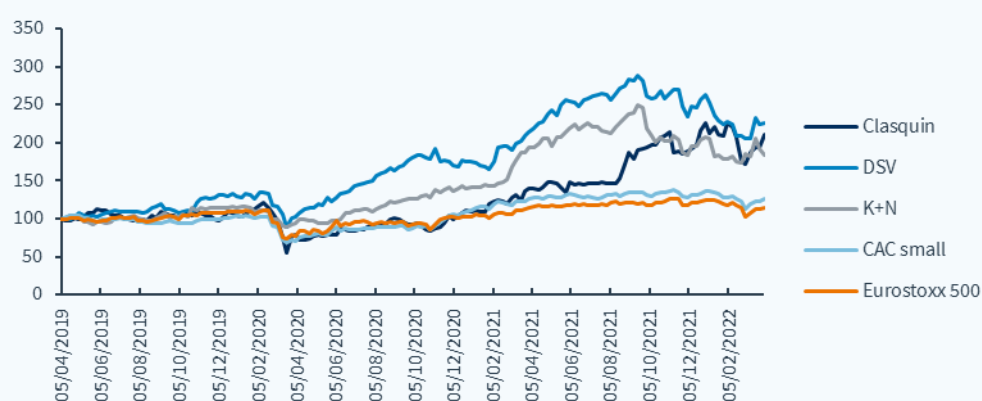
Record 2021 results were simultaneously driven by: 1) volumes (spike in demand for goods in the US and worldwide in the pandemic recovery phase); and 2) gross yields, as Clasquin was able to reap bigger profits per load as a result of a shortage of options for shippers (e.g. disruptions and congestion in ports, lack of empty containers, delays, and flight cancellations due to health measures, limited offer of international flights, etc.). In the wake of 2020, during which Clasquin displayed resilience at the peak of the COVID-19 crisis (stability of gross profit and adj. EBIT), 2021 ended with a 60% increase in gross profit, 190% in adj. EBIT, and 240% in EPS. The conversion ratio (EBIT/GP) jumped by 10pps to 22.6%, a level never seen before.

Table 1: Key metrics

	2019	2020	2021	Change 2021 vs. 2020
Shipments				
Air freight	85,607	67,376	79,663	18%
Sea freight	115,858	119,392	139,126	17%
o/w others	72,410	64,793	80,420	24%
Volume				
Air freight (T)	62,865	58,113	71,257	23%
Sea freight (TEU)	217,530	233,554	272,554	17%
Gross yields				
Air freight	404	465	500	8%
Sea freight	154	149	244	64%
Gross profit	77	76	122	60%
o/w air freight	25	27	36	32%
o/w sea freight	34	35	66	91%
o/w others	16	12	18	42%
EBIT, adj.	9	10	28	190%
Conversion ratio	11.2%	12.5%	22.6%	

Source: Kepler Cheuvreux

Clasquin, like other listed freight forwarders, has capitalised on an unstable and restrictive environment and its impact on global supply chain. Performance exceeded street consensus and stocks have outperformed benchmark indices market accordingly (+111% in the last three years for Clasquin vs. +26% for CAC Small and +14% for Eurostoxx 500).

Chart 1: Relative share price performance (three-year)

Source: Refinitiv Eikon

What does our updated model include?

Calculating estimates for freight-forwarding stocks these days is no easy task. In addition to the ongoing economic recovery from the pandemic, the supply chain crunch and its sky-high freight rates/gross profit yields as well as the discussion about the eventual normalisation of the situation, we now have the war in Ukraine and its likely stagflationary impact.

We update our model to account for the potential headwinds to economic growth due to inflationary pressures, fine-tune our gross profit yield assumptions, and link them to conversion rates.

- **Volume growth:** Clasquin is exposed to global real GDP and trade growth across all of its activities. The concern is that the added pressure caused by the inflationary fallout from the war in Ukraine might eventually result in reduction of demand for discretionary items. This could easily become a major headwind for GDP growth.

Following the footsteps of our strategy team, we now shave 1pp off our GDP/world trade growth expectations for air and sea freight volumes as well as for other divisions. On average, we now assume 3% annual organic growth in GDP (4% previously).

We apply a multiplier of 2x until 2025 arbitrarily (therefore resulting in 6% organic growth in volume) to replicate the consistency with which Clasquin has outperformed the overall market in the past. We see no reason for that to change.

We note that over the last five years, Clasquin has experienced a 6% CAGR of volume in air freight and a 14% CAGR in sea freight. Therefore, we deem our estimates as fair.

Table 2: Volume estimates

	2019	2020	2021	2022E	2023E	2024E	2025E
Air freight (tons)	62,865	58,113	71,257	75,532	80,064	84,868	89,960
Change	-10%	-8%	23%	6%	6%	6%	6%
Sea freight (TEUs)	217,530	233,554	272,554	288,907	306,242	324,616	344,093
Change	9%	7%	17%	6%	6%	6%	6%
GDP/World trade est.				3%	3%	3%	3%
Multiplier				2	2	2	2

Source: Kepler Cheuvreux

- **Gross profit yields:** Freight rates at the start of the year remain at high levels compared to historical standards on the back of continued disruption of supply in logistics.

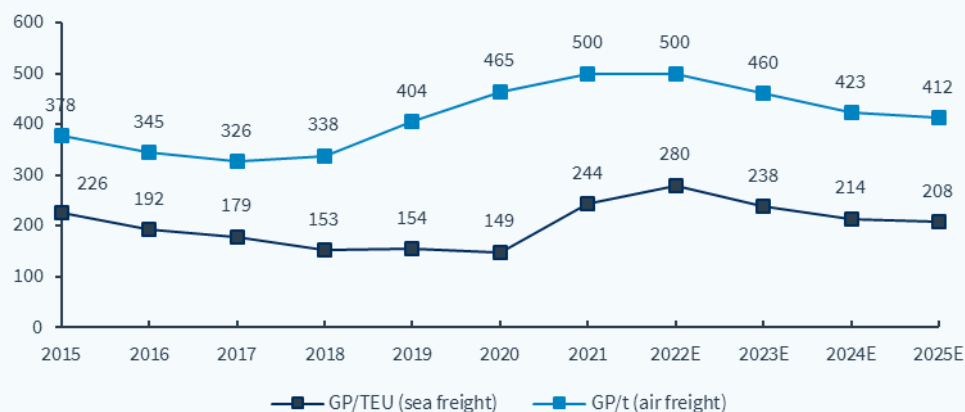
Air freight rates, as indicated by the Baltic Air Freight Index (Chart 3), have been consolidating sharply since the peak of December 2021 (-36% between December 2021 and March 2022) but have continued to show strong gains versus last year (up by 50-70% YOY in January-March).

Ocean freight rates, as indicated by the China Containerized Freight Index (Chart 4) have corrected from the February peak (-10%) and have returned to the levels seen in early December 2021. However, rates remain significantly above last year at the same period (+70%).

Latest numbers seem to indicate that the supportive impact of a war in Ukraine on air freight rates (air space closures take capacity out of the market due to longer flight times) is more than offset by the relaxing of sea freights, which removes pressure from the cargo market. Indeed, the increases in air freight rates seen in the quarters prior to the war were driven by a bull-whip effect of missed sea freight on the relatively smaller air cargo market.

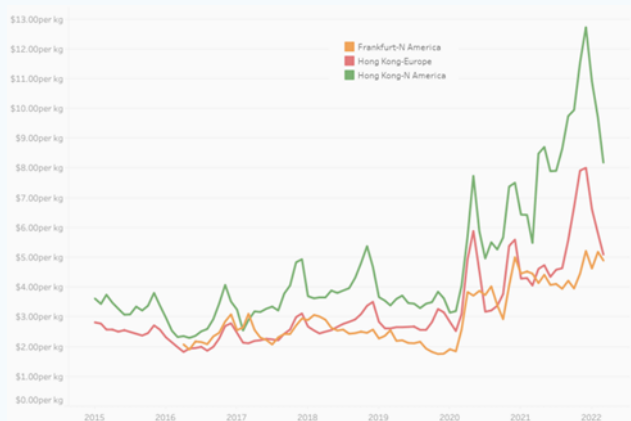
The current development of freight rates suggests a more demanding basis for comparison in the second half of the year. For 2022, we assume a stability of gross yields in air freight at EUR500/ton and a 15% YOY increase in gross yields for sea freight (EUR280/TEU vs. EUR244/TEU in 2021). From that point onward, we have pencilled in a normalisation towards levels that are 15% above the pre-pandemic averages (2015-19) for air and sea freight respectively (normalisation achieved in 2025).

Chart 2: Development of gross profit yields in air and sea freight



Source: Kepler Cheuvreux

Chart 3: Baltic Exchange Air Freight Index (BAI)



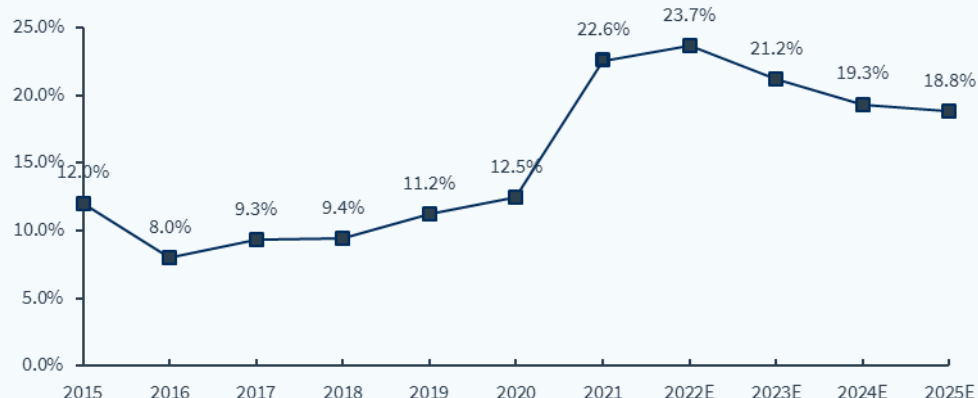
Source: TAC Data

Chart 4: China Containerized Freight Index – CCFI Index



Source: Shanghai Shipping Exchange

- Conversion rate:** Recent quarters have shown that higher gross profit yields mean higher gross profit to EBIT conversion rates. Subscribing to this relationship, we align our conversion rate expectations with the modelled normalisation of gross profit yields described above. It results in a peak at 23.7% in 2022 followed by a decline to 18% in 2025. Beyond 2025 (not shown in the chart overleaf), we align our conversion rate estimates with the long-term guidance provided by the company (i.e. 13%).

Chart 5: Development of conversion rate (EBIT/GP)

Source: Kepler Cheuvreux

Based on the assumptions discussed above, we derive our GP and EBIT estimates.

- **Gross profit:** We expect 13% YOY growth in GP in 2022 to EUR137m. Then, GP is expected to fluctuate in the EUR120-130m range afterwards (2023-25E).
- **EBIT:** We forecast an 18% YOY increase in EBIT in 2022 to EUR33m. Afterwards, EBIT decreases as a result of declining gross profit yields and conversion rates settle at EUR25m in 2025E.

Table 3: Estimates

EURm	2018	2019	2020	2021	2022E	2023E	2024E	2025E
Gross profit	69	77	76	122	137	129	126	130
o/w air	24	25	27	36	38	37	36	37
o/w sea	31	34	35	66	81	73	70	72
o/w others	15	18	15	20	18	19	20	22
EBIT, adj.	7	9	10	28	33	27	24	25

Source: Kepler Cheuvreux

Valuation: TP raised to EUR79 (EUR76 previously)

We maintain our Buy rating. From a valuation prospective, the impact of higher estimates is partially offset by stricter valuation parameters to reflect updated house DCF guideline (WACC of 7.7% compared to 7.1% previously). We use two equally-weighted valuation approaches: a DCF and a target multiple.

- **DCF:** Our DCF is based on a WACC of 7.7% and TV growth of 3%. From 2026 and beyond, we apply a conversion rate of 13% in line with management's long-term guidance. We set capex and D&A at 2.5% of GP. We obtain a fair value of EUR85 per share; please see details of our DCF below.
- **Target multiples:** We apply a P/E multiple of 24x to 2026 estimates, which we discount at a WACC of 7.7% to April 2023 to obtain a one-year forward valuation. Target multiples correspond to a ten-year historical average. We use 2026 as a reference since we assume that gross yields and conversion ratio will have normalised by then. The method points to a fair value of EUR72 per share. Details below.

Table 4: WACC**WACC summary**

Pretax cost of debt	3.0%
Marginal tax rate	33%
After-tax cost of debt	2.0%
Risk-free rate (Rf)	1.0%
Market Return (Rm)	10.0%
Market premium (Rm-Rf)	9.0%
Beta	1.05
Cost of Equity	10.5%
Debt (% of EV)	33%
Equity (% of EV)	67%
WACC	7.7%

Source: Kepler Cheuvreux

Table 5: DCF

EURm	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2032+
GP	129	126	130	137	145	151	158	164	169	174	179
Growth	-6.2%	-2.4%	3.5%	5.6%	5.1%	4.7%	4.2%	3.8%	3.3%	3.0%	3.0%
EBIT	27	24	25	18	19	20	20	21	22	23	23
% of GP	21.2%	19.3%	18.8%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
EBIT after tax	18	16	16	12	13	13	14	14	15	15	16
D&A	6	6	6	7	7	7	7	7	7	8	8
% of GP	5.0%	5.0%	4.9%	4.8%	4.7%	4.6%	4.5%	4.4%	4.4%	4.3%	4.3%
Capex own assets	-3	-3	-3	-3	-4	-4	-4	-4	-4	-4	-4
% of GP	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%
Capex leased assets	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3
% of GP	-2.5%	-2.5%	-2.4%	-2.3%	-2.2%	-2.1%	-2.0%	-1.9%	-1.9%	-1.8%	-1.8%
Change in WCR	4	1	-2	-3	-3	-3	-3	-3	-2	-2	-2
Free Cash flows	22	18	15	9	9	10	11	12	12	13	13
Discounted FCF	21	16	12	7	7	7	7	7	6	6	
Sum of FCF	94.4	40%									
Terminal Value	139.7	60%									
Value of operations	234.1	100%									
Non-operating assets 2022E											
(+) Cash	28										
(-) Debt (incl. lease liabilities)	56										
(-) Pensions	1										
(-) Minorities	4										
(+) Associates	0										
(+) Other non-operating assets	3										
(-) Other non-operating liabilities	8										
Equity value (EURm)	196										
No. of shares (m)	2.3										
Equity value per share (EUR)	85										

Source: Kepler Cheuvreux

Table 6: Target multiple

Ten-year average P/E multiple (x)	24
Net profit 2026E (EURm)	9.2
Discount factor	3.75
Discount rate	7.7%
Net profit discounted (EURm)	7.0
Implied Equity value (EURm)	167
Per share equity value (EUR)	72

Source: Kepler Cheuvreux

Company description

Clasquin is an air and sea freight forwarder with a focus on Asia/Europe flows.

Management

Hugues Morin, CEO
Philippe Lons, CFO
Laurence Ilhe, General Secretary

Key shareholders

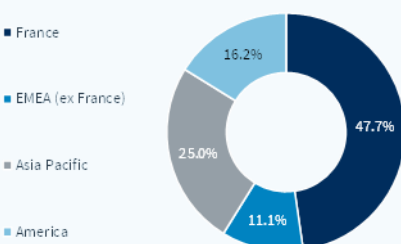
Free float	45.00%
Yves Revol	41.90%
Employees	12.60%
Others	0.50%

Key data charts

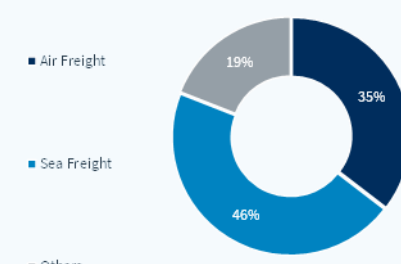
Price performance



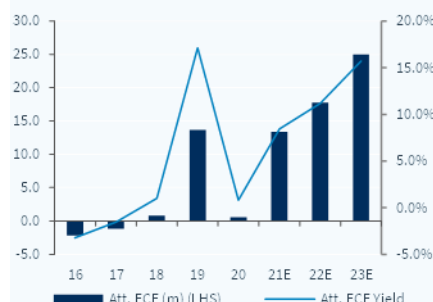
Sales split by region



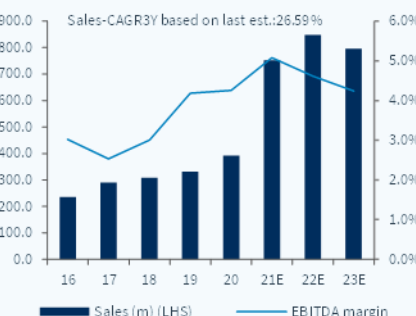
Sales split by division



FCF



Sales and EBITDA margin



FCF and Capex to sales



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.

Weaknesses

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

Opportunities

- Disruption of global supply chain.
- Development of niche expertise /verticals (e.g. wine, fine arts).
- Broadening of offering (overseas logistics, consulting, etc.).

Threats

- Ukraine war/inflation and potential impact on consumption.
- High volatility of sea freight rates.

Valuation table

Market data as of: 06 April 2022

FY to 31/12 (EUR)	12/14	12/15	12/16	12/17	12/18	12/19	12/20	12/21E	12/22E	12/23E
Per share data (EUR)										
EPS adjusted	0.93	1.45	0.69	1.08	1.21	1.68	2.22	7.55	8.26	6.73
% Change	-3.3%	57.0%	-52.4%	56.5%	12.3%	38.5%	32.2%	240.0%	9.3%	-18.5%
EPS adjusted and fully diluted	0.93	1.45	0.69	1.08	1.21	1.68	2.21	7.51	8.21	6.69
% Change	-3.4%	57.0%	-52.4%	56.5%	12.3%	38.1%	31.8%	240.0%	9.3%	-18.5%
EPS reported	0.93	1.45	0.69	1.08	1.21	1.68	2.22	7.55	8.26	6.73
% Change	-3.3%	57.0%	-52.4%	56.5%	12.3%	38.5%	32.2%	240.0%	9.3%	-18.5%
EPS Consensus								7.54	4.60	4.49
Cash flow per share	2.85	3.57	0.58	1.04	1.92	7.01	0.91	6.73	9.20	12.25
Book value per share	9.22	9.42	8.78	8.57	9.31	9.53	11.68	20.40	25.91	29.89
DPS	0.80	1.25	0.80	0.80	0.65	0.00	1.30	3.40	3.40	3.40
Number of shares, YE (m)	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Nbr of shares, fully diluted, YE (m)	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Share price										
Latest price / year end	21.0	34.5	28.4	36.0	30.0	35.0	36.7	76.0	69.0	69.0
52 week high	28.9	36.2	35.0	38.2	42.5	38.4	41.2	76.0	75.8	
52 week low	20.3	20.8	23.5	27.3	30.0	29.7	18.5	36.5	55.0	
Average price (Year)	25.6	29.4	29.6	33.2	36.5	34.6	30.7	53.0	69.0	69.0
Enterprise value (EURm)										
Market capitalisation	58.9	67.8	68.2	76.4	84.1	79.7	70.7	159.0	159.0	159.0
Net financial debt	0.7	5.2	11.6	12.7	16.0	29.3	37.5	28.0	19.1	2.9
Pension provisions	0.0	0.0	0.0	0.9	0.8	1.1	1.3	1.3	1.3	1.3
IFRS 16 debt	0.0	0.0	0.0	0.0	0.0	9.7	9.0	9.0	9.0	9.0
Market value of minorities	2.1	2.1	3.0	3.2	3.0	4.9	4.0	4.0	4.0	4.0
MV of equity affiliates (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Others	0.0	0.0	-1.4	1.0	0.9	3.0	1.2	5.1	5.1	5.1
Enterprise value	61.6	75.1	81.4	94.1	104.8	127.5	123.7	206.2	197.4	181.3
Valuation										
P/E adjusted	27.7	20.3	42.9	30.7	30.1	20.6	13.8	9.1	8.4	10.2
P/E adjusted and fully diluted	27.7	20.3	42.9	30.7	30.1	20.6	13.9	9.2	8.4	10.3
P/E consensus								9.1	15.0	15.4
P/BV	2.8	3.1	3.4	3.9	3.9	3.6	2.6	3.4	2.7	2.3
P/CF	9.0	8.2	50.8	31.9	19.0	4.9	33.6	10.3	7.5	5.6
Dividend yield (%)	3.1%	4.2%	2.7%	2.4%	1.8%	0.0%	4.2%	4.9%	4.9%	4.9%
FCF yield (%)	6.2%	8.6%	-3.2%	-1.6%	1.0%	17.1%	0.8%	8.4%	11.2%	15.7%
ROE (%)	10.1%	15.6%	7.6%	12.5%	13.6%	17.9%	21.0%	47.1%	35.7%	24.1%
ROIC (%)		22.8%	9.3%	10.6%	9.8%	9.1%	8.9%	23.6%	22.8%	19.4%
EV/Sales	0.31	0.32	0.35	0.32	0.34	0.38	0.32	0.27	0.23	0.23
EV/EBITDA adj.	13.5	9.1	11.5	12.8	11.3	9.2	7.4	5.4	5.0	5.4
EV/EBIT adj.	19.9	11.9	20.3	17.3	18.1	15.4	12.8	7.5	6.1	6.6
EV/NOPAT	30.1	17.4	35.2	28.8	29.4	26.4	19.1	10.1	9.0	9.9
EV/IC	3.7	3.5	2.9	2.8	2.7	1.9	1.6	2.2	2.0	2.0
ROIC/WACC		3.0	1.2	1.4	1.3	1.2	1.2	3.1	3.0	2.5
EV/IC over ROIC/WACC		1.2	2.4	2.0	2.1	1.6	1.4	0.7	0.7	0.8

Income statement

FY to 31/12 (EUR)	12/14	12/15	12/16	12/17	12/18	12/19	12/20	12/21E	12/22E	12/23E
Sales	201.7	234.2	235.0	290.6	308.3	331.3	392.0	752.2	848.0	795.3
Gross profit	43.6	55.6	57.5	62.9	68.9	76.7	76.2	121.9	137.4	128.9
EBITDA reported	4.6	8.2	7.1	7.4	9.3	13.9	16.7	38.2	39.1	33.7
EBITDA adjusted	4.6	8.2	7.1	7.4	9.3	13.9	16.7	38.2	39.1	33.7
Depreciation and amortisation	-1.7	-1.7	-2.0	-1.9	-2.8	-5.6	-7.0	-5.3	-6.6	-6.4
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial result and associates	0.2	-0.2	-1.1	0.0	-0.6	-0.1	-0.1	-5.4	0.0	0.0
EBIT reported	3.1	6.3	4.0	5.4	5.8	8.3	9.6	27.5	32.5	27.3
EBIT adjusted	3.1	6.3	4.0	5.4	5.8	8.3	9.6	27.5	32.5	27.3
Net financial items	0.7	1.3	0.6	0.7	0.7	1.0	-0.4	-0.5	-0.5	-0.5
Associates	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.0
Others	-1.0	-1.5	-1.1	-1.4	-1.1	-1.7	-1.2	-1.5	-1.5	-1.5
Earnings before tax	2.7	6.2	3.6	4.8	5.5	7.6	8.1	25.5	30.5	25.3
Tax	-0.9	-1.9	-1.5	-1.9	-2.1	-3.2	-2.6	-6.6	-10.0	-8.3
Net profit from continuing op.	1.8	4.2	2.0	2.9	3.4	4.5	5.4	18.9	20.5	17.0
Net profit from disc. activities	0.7	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	2.5	4.0	2.0	2.9	3.4	4.5	5.4	18.9	20.5	17.0
Minorities	-0.4	-0.6	-0.5	-0.4	-0.6	-0.6	-0.3	-1.5	-1.5	-1.5
Net profit reported	2.1	3.3	1.6	2.5	2.8	3.9	5.1	17.4	19.0	15.5
Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit adjusted	2.1	3.3	1.6	2.5	2.8	3.9	5.1	17.4	19.0	15.5
Sales % Change	1.8%	16.1%	0.3%	23.6%	6.1%	7.4%	18.3%	91.9%	12.7%	-6.2%
EBITDA reported % Change	-27.7%	80.1%	-13.8%	3.7%	25.7%	49.7%	20.3%	129.2%	2.4%	-13.9%
EBITDA adjusted % Change	-27.7%	80.1%	-13.8%	3.7%	25.7%	49.7%	20.3%	129.2%	2.4%	-13.9%
EBIT reported % Change	-31.5%	103.1%	-36.2%	35.5%	6.3%	42.9%	16.7%	185.7%	18.1%	-16.1%
EBIT adjusted % Change	-31.5%	103.1%	-36.2%	35.5%	6.3%	42.9%	16.7%	185.7%	18.1%	-16.1%
Earnings before tax % Change	-33.5%	128.0%	-42.4%	35.7%	14.2%	38.4%	5.9%	216.1%	19.6%	-17.1%
Net profit from cont. op. % Change	-28.9%	136.6%	-51.6%	41.4%	17.1%	31.6%	21.7%	248.0%	8.6%	-17.1%
Net profit reported % Change	-3.4%	57.2%	-52.5%	56.5%	12.2%	38.6%	32.2%	240.0%	9.3%	-18.5%
Net profit adjusted % Change	-3.4%	57.2%	-52.5%	56.5%	12.2%	38.6%	32.2%	240.0%	9.3%	-18.5%
Gross profit margin (%)	21.6%	23.7%	24.5%	21.6%	22.3%	23.2%	19.4%	16.2%	16.2%	16.2%
EBITDA margin (%)	2.3%	3.5%	3.0%	2.5%	3.0%	4.2%	4.3%	5.1%	4.6%	4.2%
EBIT margin (%)	1.5%	2.7%	1.7%	1.9%	1.9%	2.5%	2.5%	3.7%	3.8%	3.4%
Net profit margin (%)	1.1%	1.4%	0.7%	0.9%	0.9%	1.2%	1.3%	2.3%	2.2%	2.0%
Tax rate (%)	33.9%	31.4%	42.4%	39.9%	38.4%	41.5%	32.8%	26.0%	32.8%	32.8%
Payout ratio (%)	86.5%	86.1%	115.8%	74.0%	53.6%	0.0%	58.9%	45.3%	41.4%	50.8%
EPS reported (EUR)	0.93	1.45	0.69	1.08	1.21	1.68	2.22	7.55	8.26	6.73
EPS adjusted (EUR)	0.93	1.45	0.69	1.08	1.21	1.68	2.22	7.55	8.26	6.73
EPS adj and fully diluted (EUR)	0.93	1.45	0.69	1.08	1.21	1.68	2.21	7.51	8.21	6.69
DPS (EUR)	0.80	1.25	0.80	0.80	0.65	0.00	1.30	3.40	3.40	3.40
EPS reported % Change	-3.3%	57.0%	-52.4%	56.5%	12.3%	38.5%	32.2%	240.0%	9.3%	-18.5%
EPS adjusted % Change	-3.3%	57.0%	-52.4%	56.5%	12.3%	38.5%	32.2%	240.0%	9.3%	-18.5%
EPS adj and fully diluted % Change	-3.4%	57.0%	-52.4%	56.5%	12.3%	38.1%	31.8%	240.0%	9.3%	-18.5%
DPS % Change		56.3%	-36.0%	0.0%	-18.8%	-chg	+chg	161.5%	0.0%	0.0%
Consensus Sales (EURm)								752.2	633.2	659.7
Consensus EBITDA (EURm)								38.2	22.4	22.8
Consensus EBIT (EURm)								27.5	16.3	16.5
Consensus EPS (EUR)								7.54	4.60	4.49

Cash flow statement

Market data as of: 06 April 2022

FY to 31/12 (EUR)	12/14	12/15	12/16	12/17	12/18	12/19	12/20	12/21E	12/22E	12/23E
Net profit before minorities	2.5	4.0	2.0	2.9	3.4	4.5	5.4	18.9	20.5	17.0
Depreciation and amortisation	1.6	1.5	2.4	2.5	2.5	5.3	6.3	5.3	6.6	6.4
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in working capital	2.5	0.2	-2.7	-2.7	-1.6	5.5	-11.6	-17.8	-6.9	3.8
Others	0.0	2.6	-0.3	-0.3	0.1	0.8	2.0	9.1	1.0	1.0
Levered post tax CF before capex	6.5	8.2	1.3	2.4	4.4	16.2	2.1	15.5	21.2	28.2
% Change		25.7%	-83.7%	78.4%	84.7%	264.7%	-87.0%	636.0%	36.7%	33.1%
Capex	-2.9	-2.4	-3.6	-3.6	-3.6	-2.5	-1.5	-2.1	-3.4	-3.2
Free cash flow	3.7	5.8	-2.2	-1.2	0.8	13.7	0.6	13.4	17.8	25.0
% Change		59.1%	-chg	+chg	+chg	1544.9%	-95.8%	2227.6%	32.4%	40.7%
Acquisitions	-2.0	-8.7	-0.6	0.0	-1.9	-7.1	0.2	0.2	0.0	0.0
Divestments	0.3	0.2	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0
Dividend paid	-2.2	-2.1	-2.9	-1.9	-2.6	-1.7	-0.6	-3.0	-7.8	-7.8
Share buy back	-1.0	0.0	-4.0	-3.0	-2.0	-1.0	0.0	0.0	0.0	0.0
Capital increases	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.6	0.9	-0.1	-0.4	-0.1	-0.2	-2.5	-1.0	-1.0	-1.0
Change in net financial debt	0.6	3.2	9.9	6.5	5.7	-3.7	2.2	-9.6	-8.9	-16.2
Change in cash and cash equiv.	0.8	7.3	1.5	-1.7	3.0	5.3	-2.7	2.9	-1.1	6.2
Attributable FCF	3.7	5.8	-2.2	-1.2	0.8	13.7	0.6	13.4	17.8	25.0
Cash flow per share (EUR)	2.85	3.57	0.58	1.04	1.92	7.01	0.91	6.73	9.20	12.25
% Change		25.5%	-83.7%	78.4%	84.9%	264.4%	-87.0%	636.0%	36.7%	33.1%
FCF per share (EUR)	1.60	2.54	-0.96	-0.52	0.36	5.93	0.25	5.82	7.71	10.85
% Change		58.8%	-chg	+chg	+chg	1543.5%	-95.8%	2227.6%	32.4%	40.7%
Capex / Sales (%)	1.4%	1.0%	1.5%	1.2%	1.2%	0.8%	0.4%	0.3%	0.4%	0.4%
Capex / D&A (%)	173.4%	136.7%	180.7%	188.4%	126.9%	45.0%	22.0%	39.9%	52.1%	50.4%
Cash flow / Sales (%)	3.2%	3.5%	0.6%	0.8%	1.4%	4.9%	0.5%	2.1%	2.5%	3.5%
FCF / Sales (%)	1.8%	2.5%	-0.9%	-0.4%	0.3%	4.1%	0.1%	1.8%	2.1%	3.1%
FCF Yield (%)	6.2%	8.6%	-3.2%	-1.6%	1.0%	17.1%	0.8%	8.4%	11.2%	15.7%
Unlevered FCF Yield (%)	6.0%	8.0%	-2.6%	-1.1%	0.9%	10.8%	0.9%	6.9%	9.3%	14.2%

Balance sheet

FY to 31/12 (EUR)	12/14	12/15	12/16	12/17	12/18	12/19	12/20	12/21E	12/22E	12/23E
Cash and cash equivalents	13.2	20.5	21.9	20.2	23.2	28.5	25.8	28.7	27.6	33.8
Inventories	-7.0	-6.0	-5.0	-4.0	-3.0	-2.0	-1.0	0.0	0.0	0.0
Accounts receivable	62.5	62.6	65.5	73.6	79.9	79.8	88.3	131.1	147.8	138.6
Other current assets	2.6	3.4	3.4	5.5	6.8	18.2	35.2	52.2	58.9	55.2
Current assets	71.3	80.4	85.8	95.3	106.9	124.5	148.2	212.1	234.3	227.7
Tangible assets	6.2	3.8	5.2	5.1	5.7	14.9	13.5	11.4	9.3	7.2
Goodwill	8.3	14.2	15.0	14.7	16.3	24.5	23.7	23.5	23.5	23.5
Other Intangible assets	3.1	3.1	4.1	4.9	5.7	6.2	5.9	4.8	3.8	2.7
Financial assets	0.0	0.7	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Other non-current assets	1.8	2.2	2.7	2.6	2.5	2.2	2.7	2.7	2.7	2.7
Non-current assets	19.4	23.9	27.0	27.4	30.3	47.8	45.9	42.6	39.4	36.2
Short term debt	4.8	7.9	14.0	18.6	25.0	39.5	26.0	26.0	21.0	16.0
Accounts payable	50.3	50.7	49.9	53.5	61.6	73.0	86.3	128.1	144.5	135.5
Other short term liabilities	8.8	9.0	10.0	12.9	10.8	0.8	0.5	0.8	0.9	0.8
Current liabilities	63.9	67.6	73.8	85.0	97.4	113.3	112.8	154.9	166.3	152.3
Long term debt	9.1	17.8	19.6	14.4	14.2	18.3	37.3	30.7	25.7	20.7
Pension provisions	0.0	0.0	0.0	0.9	0.8	1.1	1.3	1.3	1.3	1.3
IFRS16 Debt	0.0	0.0	0.0	0.0	0.0	9.7	9.0	9.0	9.0	9.0
Other long term provisions	-7.0	-6.0	-5.0	-4.0	-3.0	-2.0	-1.0	0.0	0.0	0.0
Other long term liabilities	1.4	1.1	1.2	3.6	3.3	5.1	3.8	7.7	7.7	7.7
Non-current liabilities	3.5	12.9	15.8	14.9	15.3	32.2	50.4	48.7	43.7	38.7
Shareholders' equity	21.2	21.7	20.2	19.7	21.4	21.9	26.9	47.0	59.7	68.9
Minority interests	2.1	2.1	3.0	3.2	3.0	4.9	4.0	4.0	4.0	4.0
Total equity	23.3	23.8	23.2	22.9	24.5	26.8	30.9	51.0	63.7	72.9
Balance sheet total	90.7	104.3	112.8	122.7	137.2	172.3	194.2	254.6	273.8	263.9
% Change		15.1%	8.1%	8.8%	11.8%	25.6%	12.7%	31.2%	7.5%	-3.6%
Book value per share (EUR)	9.22	9.42	8.78	8.57	9.31	9.53	11.68	20.40	25.91	29.89
% Change	0.8%	2.3%	-6.9%	-2.4%	8.7%	2.3%	22.6%	74.6%	27.0%	15.4%
Net financial debt	0.7	5.2	11.6	12.7	16.0	29.3	37.5	28.0	19.1	2.9
IFRS16 Debt	0.0	0.0	0.0	0.0	0.0	9.7	9.0	9.0	9.0	9.0
Pension provisions	0.0	0.0	0.0	0.9	0.8	1.1	1.3	1.3	1.3	1.3
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt	0.7	5.2	11.6	13.6	16.8	40.0	47.8	38.3	29.4	13.2
Net fi. debt (+IFRS16) / EBITDA (x)	0.2	0.6	1.6	1.7	1.7	2.8	2.8	1.0	0.7	0.4
Trade working capital	5.1	5.9	10.6	16.1	15.3	4.8	1.0	3.0	3.4	3.2
Net working capital	-1.1	0.2	4.0	8.7	11.3	22.1	35.7	54.5	61.4	57.6
NWC/Sales	-0.5%	0.1%	1.7%	3.0%	3.7%	6.7%	9.1%	7.2%	7.2%	7.2%
Inventories/sales	-3.5%	-2.6%	-2.1%	-1.4%	-1.0%	-0.6%	-0.3%	0.0%	0.0%	0.0%
Invested capital	16.6	21.3	28.3	33.3	39.0	67.7	78.8	94.2	98.0	91.0
Net fin. debt / FCF (x)	0.2	0.9	-5.3	-10.7	19.2	2.1	65.2	2.1	1.1	0.1
Gearing (%)	3.0%	21.9%	50.0%	55.7%	65.2%	109.2%	121.3%	54.9%	30.0%	4.0%
Goodwill / Equity (%)	35.8%	59.7%	64.6%	64.4%	66.7%	91.3%	76.6%	46.1%	36.9%	32.3%

Research ratings and important disclosures

The term "KEPLER CHEUVREUX" shall, unless the context otherwise requires, mean each of KEPLER CHEUVREUX and its affiliates, subsidiaries and related companies (see "Regulators" table below).

The investment recommendation(s) referred to in this report was (were) completed on 06/04/2022 16:10 (GMT) and was first disseminated on 07/04/2022 5:02 (GMT).

Unless otherwise stated, all prices are aligned with the "Market Data date" on the front page of this report.

Disclosure checklist - Potential conflict of interests

Company Name	ISIN	Disclosure
Clasquin	FR0004152882	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

Organizational and administrative arrangements to avoid and prevent conflicts of interests

KEPLER CHEUVREUX promotes and disseminates independent investment research and have implemented written procedures designed to identify and manage potential conflicts of interest that arise in connection with its research business, which are available upon request. The KEPLER CHEUVREUX research analysts and other staff involved in issuing and disseminating research reports operate independently of KEPLER CHEUVREUX Investment Banking business. Information barriers and procedures are in place between the research analysts and staff involved in securities trading for the account of KEPLER CHEUVREUX or clients to ensure that price sensitive information is handled according to applicable laws and regulations.

It is Kepler Cheuvreux' policy not to disclose the rating to the issuer before publication and dissemination. Nevertheless, this document, in whole or in part, and with the exclusion of ratings, target prices and any other information that could lead to determine its valuation, may have been provided to the issuer prior to publication and dissemination, solely with the aim of verifying factual accuracy.

Please refer to www.keplercheuvreux.com for further information relating to research and conflict of interest management.

Analyst disclosures

The functional job title of the person(s) responsible for the recommendations contained in this report is Equity/Credit Research Analyst unless otherwise stated on the cover.

Name of the Research Analyst(s): Baptiste de Leudeville

Regulation AC - Analyst Certification: Each Equity/Credit Research Analyst(s) listed on the front-page of this report, principally responsible for the preparation and content of all or any identified portion of this research report hereby certifies that, with respect to each issuer or security or any identified portion of the report with respect to an issuer or security that the equity research analyst covers in this research report, all of the views expressed in this research report accurately reflect their personal views about those issuer(s) or securities. Each Equity/Credit Research Analyst(s) also certifies that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that equity research analyst in this research report.

Each Equity/Credit Research Analyst certifies that he is acting independently and impartially from KEPLER CHEUVREUX shareholders, directors and is not affected by any current or potential conflict of interest that may arise from any KEPLER CHEUVREUX activities.

Analyst Compensation: The research analyst(s) primarily responsible for the preparation of the content of the research report attest that no part of the analyst's(s') compensation was, is or will be, directly or indirectly, related to the specific recommendations expressed by the research analyst(s) in the research report. The research analyst's(s') compensation is, however, determined by the overall economic performance of KEPLER CHEUVREUX.

Registration of non-US Analysts: Unless otherwise noted, the non-US analysts listed on the front of this report are employees of KEPLER CHEUVREUX, which is a non-US affiliate and parent company of Kepler Capital Markets, Inc. a SEC registered and FINRA member broker-dealer. Equity/Credit Research Analysts employed by KEPLER CHEUVREUX, are not registered/qualified as research analysts under FINRA/NYSE rules, may not be associated persons of Kepler Capital Markets, Inc. and may not be subject to NASD Rule 2711 and NYSE Rule 472 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

Research ratings

Kepler Cheuvreux rating split as of 07 April 2022

Rating Breakdown	A	B
Buy	61%	70%
Hold	30%	22%
Reduce	5%	0%
Not Rated/Under Review/Accept Offer	4%	8%
Total	100%	100%

Source: Kepler Cheuvreux

A: % of all research recommendations

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

12 months rating history

The below table shows the history of recommendations and target prices changes issued by KEPLER CHEUVREUX research department (Equity and Credit) over a 12 months period.

Company Name	Date	Business Line	Rating	Target Price	Closing Price
Clasquin (EUR)	02/09/2021 08:45	Equity Research	Buy	65.00	57.80
	29/10/2021 07:02	Equity Research	Buy	76.00	71.00

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

Please refer to the following link <https://research.keplercheuvreux.com/disclosure/stock/> for a full list of investment recommendations issued over the last 12 months by the author(s) and contributor(s) of this report on any financial instruments.

Equity research

Rating system

KEPLER CHEUVREUX equity research ratings and target prices are issued in absolute terms, not relative to any given benchmark. A rating on a stock is set after assessing the twelve months expected upside or downside of the stock derived from the analyst's fair value (target price) and in the light of the risk profile of the company. Ratings are defined as follows:

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).

Hold: The expected upside is below 10% (the expected upside could be higher in light of the company's risk profile).

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.

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

Under review: An event occurred with an expected significant impact on our target price and we cannot issue a recommendation before having processed that new information and/or without a new share price reference.

Not rated: The stock is not covered.

Restricted: A recommendation, target price and/or financial forecast is not disclosed further to compliance and/or other regulatory considerations.

Due to share prices volatility, ratings and target prices may occasionally and temporarily be inconsistent with the above definition.

Valuation methodology and risks

Unless otherwise stated in this report, target prices and investment recommendations are determined based on fundamental research methodologies and relies on commonly used valuation methodologies such as Discounted Cash Flow (DCF), valuation multiples comparison with history and peers, Dividend Discount Model (DDM).

Valuation methodologies and models can be highly dependent on macroeconomic factors (such as the price of commodities, exchange rates and interest rates) as well as other external factors including taxation, regulation and geopolitical changes (such as tax policy changes, strikes or war). In addition, investors' confidence and market sentiment can affect the valuation of companies. The valuation is also based on expectations that might change rapidly and without notice, depending on developments specific to individual industries. Whichever valuation method is used there is a significant risk that the target price will not be achieved within the expected timeframe.

Unless otherwise stated, models used are proprietary. Additional information about the proprietary models used in this report is accessible on request.

KEPLER CHEUVREUX' equity research policy is to update research rating when it deems appropriate in the light of new findings, markets development and any relevant information that can impact the analyst's view and opinion.

Regulators

Location	Regulator	Abbreviation
KEPLER CHEUVREUX S.A - France	Autorité des Marchés Financiers	AMF
KEPLER CHEUVREUX, Sucursal en España	Comisión Nacional del Mercado de Valores	CNMV
KEPLER CHEUVREUX, Frankfurt branch	Bundesanstalt für Finanzdienstleistungsaufsicht	BaFin
KEPLER CHEUVREUX, Milan branch	Commissione Nazionale per le Società e la Borsa	CONSOB
KEPLER CHEUVREUX, Amsterdam branch	Autoriteit Financiële Markten	AFM
Kepler Capital Markets SA - Switzerland, Zurich branch	Swiss Financial Market Supervisory Authority	FINMA
Kepler Capital Markets, Inc.	Financial Industry Regulatory Authority	FINRA
KEPLER CHEUVREUX, London branch	Financial Conduct Authority	FCA
KEPLER CHEUVREUX, Vienna branch	Austrian Financial Services Authority	FMA
KEPLER CHEUVREUX, Stockholm Branch	Finansinspektionen	FI
KEPLER CHEUVREUX Oslo Branch	Finanstilsynet	NFSA
KEPLER CHEUVREUX, Bruxelles Branch	Autorité des Services et Marchés Financiers	FSMA

KEPLER CHEUVREUX is authorised and regulated by both Autorité de Contrôle Prudentiel and Autorité des Marchés Financiers.

Legal and disclosure information

Other disclosures

This product is not for distribution to retail clients.

MIFID 2 WARNING: We remind you that pursuant to MiFID 2, it is your responsibility, as a recipient of this research document, to determine whether or not your firm is impacted by the provisions of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("MiFID 2") regarding the unbundling of research and execution (the "MiFID 2 Research Rules"). For any request on the provision of research documents, please send an email to crystal.team@keplercheuvreux.com.

The information contained in this publication was obtained from various publicly available sources believed to be reliable, but has not been independently verified by KEPLER CHEUVREUX. KEPLER CHEUVREUX does not warrant the completeness or accuracy of such information and does not accept any liability with respect to the accuracy or completeness of such information, except to the extent required by applicable law.

This publication is a brief summary and does not purport to contain all available information on the subjects covered. Further information may be available on request.

This publication is for information purposes only and shall not be construed as an offer or solicitation for the subscription or purchase or sale of any securities, or as an invitation, inducement or intermediation for the sale, subscription or purchase of any securities, or for engaging in any other transaction.

Any opinions, projections, forecasts or estimates in this report are those of the author only, who has acted with a high degree of expertise. They reflect only the current views of the author at the date of this report and are subject to change without notice. KEPLER CHEUVREUX has no obligation to update, modify or amend this publication or to otherwise notify a reader or recipient of this publication in the event that any matter, opinion, projection, forecast or estimate contained herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. The analysis, opinions, projections, forecasts and estimates expressed in this report were in no way affected or influenced by the issuer. The author of this publication benefits financially from the overall success of KEPLER CHEUVREUX.

The investments referred to in this publication may not be suitable for all recipients. Recipients are urged to base their investment decisions upon their own appropriate investigations that they deem necessary. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and KEPLER CHEUVREUX accepts no liability for any such loss or consequence. In the event of any doubt about any investment, recipients should contact their own investment, legal and/or tax advisers to seek advice regarding the appropriateness of investing. Some of the investments mentioned in this publication may not be readily liquid investments. Consequently it may be difficult to sell or realise such investments. The past is not necessarily a guide to future performance of an investment. The value of investments and the income derived from them may fall as well as rise and investors may not get back the amount invested. Some investments discussed in this publication may have a high level of volatility. High volatility investments may experience sudden and large falls in their value which may cause losses. International investing includes risks related to political and economic uncertainties of foreign countries, as well as currency risk.

To the extent permitted by applicable law, no liability whatsoever is accepted for any direct or consequential loss, damages, costs or prejudices whatsoever arising from the use of this publication or its contents.

Country and region disclosures

United Kingdom: This document is for persons who are Eligible Counterparties or Professional Clients only and is exempt from the general restriction in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the United Kingdom only to persons of a kind described in Articles 19(5) (Investment professionals) and 49(2) (High net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Any investment to which this document relates is available only to such persons, and other classes of person should not rely on this document.

United States: This communication is only intended for, and will only be distributed to, persons residing in any jurisdictions where such distribution or availability would not be contrary to local law or regulation. This communication must not be acted upon or relied on by persons in any jurisdiction other than in accordance with local law or regulation and where such person is an investment professional with the requisite sophistication to understand an investment in such securities of the type communicated and assume the risks associated therewith.

This communication is confidential and is intended solely for the addressee. It is not to be forwarded to any other person or copied without the permission of the sender. This communication is provided for information only. It is not a personal recommendation or an offer to sell or a solicitation to buy the securities mentioned. Investors should obtain independent professional advice before making an investment.

Notice to U.S. Investors: This material is not for distribution in the United States, except to "major US institutional investors" as defined in SEC Rule 15a-6 ("Rule 15a-6"). KEPLER CHEUVREUX has entered into a 15a-6 Agreement with Kepler Capital Markets, Inc. ("KCM, Inc.") which enables this report to be furnished to certain U.S. recipients in reliance on Rule 15a-6 through KCM, Inc.

Each U.S. recipient of this report represents and agrees, by virtue of its acceptance thereof, that it is a "major U.S. institutional investor" (as such term is defined in Rule 15a-6) and that it understands the risks involved in executing transactions in such securities. Any U.S. recipient of this report that wishes to discuss or receive additional information regarding any security or issuer mentioned herein, or engage in any transaction to purchase or sell or solicit or offer the purchase or sale of such securities, should contact a registered representative of KCM, Inc.

KCM, Inc. is a broker-dealer registered with the Securities and Exchange Commission ("SEC") under the U.S. Securities Exchange Act of 1934, as amended, Member of the Financial Industry Regulatory Authority ("FINRA") and Member of the Securities Investor Protection Corporation ("SIPC"). Pursuant to SEC Rule 15a-6, you must contact a Registered Representative of KCM, Inc. if you are seeking to execute a transaction in the securities discussed in this report. You can reach KCM, Inc. at Tower 49, 12 East 49th Street, Floor 36, New York, NY 10017, Compliance Department (212) 710-7625; Operations Department (212) 710-7606; Trading Desk (212) 710-7602. Further information is also available at www.keplercheuvreux.com. You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC directly at 202-371-8300; website: <http://www.sipc.org/>.

KCM, Inc. is a wholly owned subsidiary of KEPLER CHEUVREUX. KEPLER CHEUVREUX, registered on the Paris Register of Companies with the number 413 064 841 (1997 B 10253), whose registered office is located at 112 avenue Kléber, 75016 Paris, is authorised and regulated by both Autorité de Contrôle Prudentiel (ACP) and Autorité des Marchés Financiers (AMF).

Nothing herein excludes or restricts any duty or liability to a customer that KCM, Inc. may have under applicable law. Investment products provided by or through KCM, Inc. are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution, may lose value and are not guaranteed by the entity that published the research as disclosed on the front page and are not guaranteed by KCM, Inc.

Investing in non-U.S. Securities may entail certain risks. The securities referred to in this report and non-U.S. issuers may not be registered under the U.S. Securities Act of 1933, as amended, and the issuer of such securities may not be subject to U.S. reporting and/or other requirements. Rule 144A securities may be offered or sold only to persons in the U.S. who are Qualified Institutional Buyers within the meaning of Rule 144A under the Securities Act. The information available about non-U.S. companies may be limited, and non-U.S. companies are generally not subject to the same uniform auditing and reporting standards as U.S. companies. Securities of some non-U.S. companies may not be as

liquid as securities of comparable U.S. companies. Securities discussed herein may be rated below investment grade and should therefore only be considered for inclusion in accounts qualified for speculative investment.

Analysts employed by KEPLER CHEUVREUX SA, a non-U.S. broker-dealer, are not required to take the FINRA analyst exam. The information contained in this report is intended solely for certain "major U.S. institutional investors" and may not be used or relied upon by any other person for any purpose. Such information is provided for informational purposes only and does not constitute a solicitation to buy or an offer to sell any securities under the Securities Act of 1933, as amended, or under any other U.S. federal or state securities laws, rules or regulations. The investment opportunities discussed in this report may be unsuitable for certain investors depending on their specific investment objectives, risk tolerance and financial position.

In jurisdictions where KCM, Inc. is not registered or licensed to trade in securities, or other financial products, transactions may be executed only in accordance with applicable law and legislation, which may vary from jurisdiction to jurisdiction and which may require that a transaction be made in accordance with applicable exemptions from registration or licensing requirements.

The information in this publication is based on sources believed to be reliable, but KCM, Inc. does not make any representation with respect to its completeness or accuracy. All opinions expressed herein reflect the author's judgment at the original time of publication, without regard to the date on which you may receive such information, and are subject to change without notice.

KCM, Inc. and/or its affiliates may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. These publications reflect the different assumptions, views and analytical methods of the analysts who prepared them. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is provided in relation to future performance.

KCM, Inc. and any company affiliated with it may, with respect to any securities discussed herein: (a) take a long or short position and buy or sell such securities; (b) act as investment and/or commercial bankers for issuers of such securities; (c) act as market makers for such securities; (d) serve on the board of any issuer of such securities; and (e) act as paid consultant or advisor to any issuer. The information contained herein may include forward-looking statements within the meaning of U.S. federal securities laws that are subject to risks and uncertainties. Factors that could cause a company's actual results and financial condition to differ from expectations include, without limitation: political uncertainty, changes in general economic conditions that adversely affect the level of demand for the company's products or services, changes in foreign exchange markets, changes in international and domestic financial markets and in the competitive environment, and other factors relating to the foregoing. All forward-looking statements contained in this report are qualified in their entirety by this cautionary statement.

France: This publication is issued and distributed in accordance with legal or regulatory requirements relating to independent investment research, as defined under Article 36 of the EU delegated regulation n°565/2017.

Germany: This report must not be distributed to persons who are retail clients in the meaning of Sec. 31a para. 3 of the German Securities Trading Act (Wertpapierhandelsgesetz – "WpHG"). This report may be amended, supplemented or updated in such manner and as frequently as the author deems.

Italy: This document is issued by KEPLER CHEUVREUX Milan branch, authorised in France by the Autorité des Marchés Financiers (AMF) and the Autorité de Contrôle Prudentiel (ACP) and registered in Italy by the Commissione Nazionale per le Società e la Borsa (CONSOB) and is distributed by KEPLER CHEUVREUX. This document is for Eligible Counterparties or Professional Clients only as defined by the CONSOB Regulation 16190/2007 (art. 26 and art. 58). Other classes of persons should not rely on this document. Reports on issuers of financial instruments listed by Article 180, paragraph 1, letter a) of the Italian Consolidated Act on Financial Services (Legislative Decree No. 58 of 24/2/1998, as amended from time to time) must comply with the requirements envisaged by articles 69 to 69-novies of CONSOB Regulation 11971/1999. According to these provisions KEPLER CHEUVREUX warns on the significant interests of KEPLER CHEUVREUX indicated in Annex 1 hereof, confirms that there are not significant financial interests of KEPLER CHEUVREUX in relation to the securities object of this report as well as other circumstance or relationship with the issuer of the securities object of this report (including but not limited to conflict of interest, significant shareholdings held in or by the issuer and other significant interests held by KEPLER CHEUVREUX or other entities controlling or subject to control by KEPLER CHEUVREUX in relation to the issuer which may affect the impartiality of this document). Equities discussed herein are covered on a continuous basis with regular reports at results release. Reports are released on the date shown on cover and distributed via print and email. KEPLER CHEUVREUX branch di Milano analysts is not affiliated with any professional groups or organisations. All estimates are by KEPLER CHEUVREUX unless otherwise stated.

Spain: This document is only intended for persons who are Eligible Counterparties or Professional Clients within the meaning of Article 78bis and Article 78ter of the Spanish Securities Market Act. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. This report has been issued by KEPLER CHEUVREUX Sucursal en España registered in Spain by the Comisión Nacional del Mercado de Valores (CNMV) in the foreign investments firms registry and it has been distributed in Spain by it or by KEPLER CHEUVREUX authorised and regulated by both Autorité de Contrôle Prudentiel and Autorité des Marchés Financiers. There is no obligation to either register or file any report or any supplemental documentation or information with the CNMV. In accordance with the Spanish Securities Market Law (Ley del Mercado de Valores), there is no need for the CNMV to verify, authorise or carry out a compliance review of this document or related documentation, and no information needs to be provided.

Switzerland: This publication is intended to be distributed to professional investors in circumstances such that there is no public offer. This publication does not constitute a prospectus within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations.

Canada: The information contained herein is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering, an offer to sell securities described herein, solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. In Canada, the information contained herein is intended solely for distribution to Permitted Clients (as such term is defined in National Instrument 31-103) with whom Kepler Capital Markets, inc. deals pursuant to the international dealer exemption. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities may not be conducted through Kepler Capital Markets, inc. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein.

Other countries: Laws and regulations of other countries may also restrict the distribution of this report. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly.


None of the material, nor its content may be altered in anyway, transmitted to, copied or distributed to any other party, in whole or in part, unless otherwise agreed with KEPLER CHEUVREUX in writing.

Copyright © KEPLER CHEUVREUX. All rights reserved.


Local insight, European scale.



Europe

 **Amsterdam**
Kepler Cheuvreux Benelux
Johannes Vermeerstraat 9
1071 DK Amsterdam
+31 20 563 2365

 **London**
Kepler Cheuvreux UK
5th Floor
95 Gresham Street
London EC2V 7NA
+44 20 7621 5100

 **Paris**
Kepler Cheuvreux France
112 Avenue Kleber
75016 Paris
+33 1 53 65 35 00


 **Brussels**
Kepler Cheuvreux Belgium
Rogier Tower
Place Rogier 11
1210 Brussels
+32 11 491460

 **Madrid**
Kepler Cheuvreux Espana
Paseo de la Castellana, 52
28046 Madrid
+34 914 36 5100

 **Stockholm**
Kepler Cheuvreux Sweden
Malmskillnadsgatan 23
11157 Stockholm
+46 8 723 51 00

 **Frankfurt**
Kepler Cheuvreux Germany
Taunusanlage 19
60325 Frankfurt
+49 69 756 960

 **Milan**
Kepler Cheuvreux Italia
Via C. Cornaggia 10
20123 Milan
+39 02 8550 7201

 **Vienna**
Kepler Cheuvreux Austria
Schottenring 16/2
1010 Vienna
+43 1 537 124 147

 **Geneva**
Kepler Cheuvreux SA
Route de Crassier 11
1262 Eysins
Switzerland
+41 22361 5151

 **Oslo**
Kepler Cheuvreux Norway
Filipstad Brygge 1
Pb. 1671 Vika
0120 Oslo
+47 23 13 9080

 **Zurich**
Kepler Cheuvreux Switzerland
Stadelhoferstrasse 22
8001 Zurich
+41 43 333 66 66

North America

 **New York**
Kepler Capital Markets, Inc.
Tower 49
12 East 49th Street, Floor 36
10017 New York, NY USA
+1 212 710 7600