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# Clasquin Buy

France | Support services

**Beta Profile:** MOMENTUM

**MCap: EUR158.5m**

**Target Price:** EUR 79.00  
**Current Price:** EUR 68.80  
**Up/downside:** 14.8%  
**Market data:** 28 April 2022

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Free float	45%
Avg. daily volume (EURm)	0.1
YTD abs performance	-9.5%
52-week high/low (EUR)	76.00/45.00

## Solid Q1. Prudence going forward

### Key points:

- Strong Q1 marked by a strong 46% YOY increase in gross profit.
- The company however provides a prudent message for the coming quarters on the back of the Russo-Ukrainian conflict, the restrictions in China (both having an impact on offering), and lower expectations on demand.
- The market environment remains extremely uncertain and volatile with various dynamics involved (volume vs. gross yields).

### Sound Q1

- Gross profit up 46% in Q1, driven by: 1) higher volume shipping (+6% in sea freight and 11% in air freight respectively); 2) exceptionally high yields in air freight thanks to special shipping operations (cargo and charters); 3) continued disruption of global supply chains.
- Clasquin outperformed the overall market (volume shipping down in sea freight, stable in air freight).
- Good commercial momentum from new clients (gain of a major automotive manufacturer) as well as from existing clients.
- The implementation of high-margin alternative solutions to fill market failures did pay off.

### Prudence heading towards Q2 and the rest of the year

- YOY growth in volume shipping however slowed down from previous quarters, which tends to confirm the deceleration being seen on the overall freight market.
- The management shared concerns about the latest market developments.
- In air freight, the Asia/Europe air environment is disrupted by the consequences of the Russo-Ukrainian conflict (closure of Ukrainian air space, cancellation of Russian capacities due to international sanctions) and the drastic lockdowns in China (sharp reduction of departures from Shenzhen and Shanghai).
- In this respect, we note that the number of air shipments came in at the lowest level since Q2-20 at the peak of the Covid crisis.
- In sea freight, the group reports bottlenecks on land transport (the shipping of goods to the airports and ports by trucks) due to the drastic containment measures taken by the local authorities.
- Moreover, maritime companies are making use of “blank sailing” (cancellation of stopovers) to maintain an acceptable level of service.

**Appendix 1: Research framework**

Last model update: 07 April 2022

**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.

**Appendix 2: 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%

**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**

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

**Weaknesses**

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

**Threats**

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

**Appendix 5: Key financials**

Last model update: 07 April 2022

Market data date: 28 April 2022

FY to 31/12 (EUR)	12/15	12/16	12/17	12/18	12/19	12/20	12/21E	12/22E	12/23E	12/24E
<b>Income Statement (EURm)</b>										
Sales	234.2	235.0	290.6	308.3	331.3	392.0	752.2	848.0	795.3	776.3
% Change	16.1%	0.3%	23.6%	6.1%	7.4%	18.3%	91.9%	12.7%	-6.2%	-2.4%
EBITDA adjusted	8.2	7.1	7.4	9.3	13.9	16.7	38.2	39.1	33.7	30.6
EBITDA adj. margin (%)	3.5%	3.0%	2.5%	3.0%	4.2%	4.3%	5.1%	4.6%	4.2%	3.9%
EBIT adjusted	6.3	4.0	5.4	5.8	8.3	9.6	27.5	32.5	27.3	24.3
EBIT adj. margin (%)	2.7%	1.7%	1.9%	1.9%	2.5%	2.5%	3.7%	3.8%	3.4%	3.1%
Net financial items & associates	1.4	0.7	0.8	0.8	1.1	-0.4	-0.5	-0.5	-0.5	-0.5
Others	-1.5	-1.1	-1.4	-1.1	-1.7	-1.2	-1.5	-1.5	-1.5	-1.5
Tax	-1.9	-1.5	-1.9	-2.1	-3.2	-2.6	-6.6	-10.0	-8.3	-7.3
Net profit from continuing operations	4.2	2.0	2.9	3.4	4.5	5.4	18.9	20.5	17.0	15.0
Net profit from discontinuing activities	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	4.0	2.0	2.9	3.4	4.5	5.4	18.9	20.5	17.0	15.0
Net profit reported	3.3	1.6	2.5	2.8	3.9	5.1	17.4	19.0	15.5	13.5
Net profit adjusted	3.3	1.6	2.5	2.8	3.9	5.1	17.4	19.0	15.5	13.5
<b>Cash Flow Statement (EURm)</b>										
Levered post tax CF before capex	8.2	1.3	2.4	4.4	16.2	2.1	15.5	21.2	28.2	23.7
Capex	-2.4	-3.6	-3.6	-3.6	-2.5	-1.5	-2.1	-3.4	-3.2	-3.1
Free cash flow	5.8	-2.2	-1.2	0.8	13.7	0.6	13.4	17.8	25.0	20.6
Acquisitions & divestments	-8.5	-0.6	0.1	-1.8	-7.1	0.3	0.2	0.0	0.0	0.0
Dividend paid	-2.1	-2.9	-1.9	-2.6	-1.7	-0.6	-3.0	-7.8	-7.8	-7.8
Others	1.5	-4.1	-3.4	-2.1	-1.2	-2.5	-1.0	-1.0	-1.0	-1.0
Change in net financial debt	3.2	9.9	6.5	5.7	-3.7	2.2	-9.6	-8.9	-16.2	-11.7
<b>Balance Sheet (EURm)</b>										
Intangible assets	17.3	19.1	19.6	22.0	30.6	29.6	28.4	27.3	26.3	25.2
Tangible assets	3.8	5.2	5.1	5.7	14.9	13.5	11.4	9.3	7.2	5.1
Financial & other non-current assets	2.9	2.8	2.8	2.6	2.3	2.8	2.8	2.8	2.8	2.8
Total shareholders' equity	23.8	23.2	22.9	24.5	26.8	30.9	51.0	63.7	72.9	80.1
Pension provisions	0.0	0.0	0.9	0.8	1.1	1.3	1.3	1.3	1.3	1.3
Liabilities and provisions	80.5	89.6	99.0	111.9	144.4	161.9	202.3	208.7	189.7	177.5
Net debt	5.2	11.6	13.6	16.8	40.0	47.8	38.3	29.4	13.2	1.5
Net financial debt	5.2	11.6	12.7	16.0	29.3	37.5	28.0	19.1	2.9	-8.8
IFRS 16 debt	0.0	0.0	0.0	0.0	9.7	9.0	9.0	9.0	9.0	9.0
Net working capital	0.2	4.0	8.7	11.3	22.1	35.7	54.5	61.4	57.6	57.2
Invested capital	21.3	28.3	33.3	39.0	67.7	78.8	94.2	98.0	91.0	87.5
<b>Per share data (EUR)</b>										
EPS adjusted	1.45	0.69	1.08	1.21	1.68	2.22	7.55	8.26	6.73	5.87
EPS adj and fully diluted	1.45	0.69	1.08	1.21	1.68	2.21	7.51	8.21	6.69	5.83
% Change	57.0%	-52.4%	56.5%	12.3%	38.1%	31.8%	240.0%	9.3%	-18.5%	-12.9%
EPS reported	1.45	0.69	1.08	1.21	1.68	2.22	7.55	8.26	6.73	5.87
Cash flow per share	3.57	0.58	1.04	1.92	7.01	0.91	6.73	9.20	12.25	10.29
Book value per share	9.42	8.78	8.57	9.31	9.53	11.68	20.40	25.91	29.89	33.01
Dividend per share	1.25	0.80	0.80	0.65	0.00	1.30	3.40	3.40	3.40	3.40
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 (%)	15.6%	7.6%	12.5%	13.6%	17.9%	21.0%	47.1%	35.7%	24.1%	18.7%
ROIC (%)	22.8%	9.3%	10.6%	9.8%	9.1%	8.9%	23.6%	22.8%	19.4%	18.3%
ND(F+IFRS16) / EBITDA (x)	0.6	1.6	1.7	1.7	2.8	2.8	1.0	0.7	0.4	0.0
Gearing (%)	21.9%	50.0%	55.7%	65.2%	109.2%	121.3%	54.9%	30.0%	4.0%	-11.0%
<b>Valuation</b>										
P/E adjusted	20.3	42.9	30.7	30.1	20.6	13.8	9.1	8.3	10.2	11.7
P/E adjusted and fully diluted	20.3	42.9	30.7	30.1	20.6	13.9	9.2	8.4	10.3	11.8
P/BV	3.1	3.4	3.9	3.9	3.6	2.6	3.4	2.7	2.3	2.1
P/CF	8.2	50.8	31.9	19.0	4.9	33.6	10.2	7.5	5.6	6.7
Dividend yield (%)	4.2%	2.7%	2.4%	1.8%	0.0%	4.2%	4.9%	4.9%	4.9%	4.9%
FCF yield (%)	8.6%	-3.2%	-1.6%	1.0%	17.1%	0.8%	8.5%	11.2%	15.8%	13.0%
EV/Sales	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.2	0.2	0.2
EV/EBITDA adj.	9.1	11.5	12.8	11.3	9.2	7.4	5.4	5.0	5.4	5.5
EV/EBIT adj.	11.9	20.3	17.3	18.1	15.4	12.8	7.5	6.1	6.6	6.9

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Source: Kepler Cheuvreux

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# Local insight, European scale.



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