


Clasquin Buy

France | Support services

Beta Profile:  **MOMENTUM**
MCap: EUR120.4m

Target Price: EUR 79.00
Current Price: EUR 52.60
Up/downside: 50.2%
Market data: 13 September 2022

Bloomberg: ALCLA FP Reuters: ALCLA.PA
 Free float 45%
 Avg. daily volume (EURm) 0.0
 YTD abs performance -30.8%
 52-week high/low (EUR) 76.00/52.60

Record profit in H1

Key points:

- Record profit in H1. Beats expectations.
- Strong operating leverage drives surge in EBIT (+87%) and net profit (+98%).
- Business conditions are getting tougher in the second half, especially for Q4 (lower demand, destocking, decongestion in Asia, air traffic recovery). The management anticipates a weaker peak season (around the Christmas period) versus last year.
- Our full-year estimates reflect that prudence (expected YOY decline in GP and profit in H2).

H1 2022: record profit

- In late July, Clasquin reported very strong growth in GP (+38%) thanks to sustained volume (+8% in air freight and +2% in sea freight) and record yields (above EUR600/ton in air freight and around EUR300/TEU in sea freight).
- Despite the slowdown in volume in Q2, GP was still supported by very strong yields.
- On top of favourable market conditions, Clasquin seems to be benefiting from the deployment of a new sales organisation aimed at winning and managing customers globally (compared to locally previously). The business with existing customers is being extended. New clients account for nearly one-fourth of reported growth.
- Operating leverage drives a strong increase in EBIT (+87%). Opex increased by 27% in the first half (increase in G&A expenses post pandemic, higher variable costs in relation with strong activity). The conversion ratio reached 26.9% (all-time high).
- Very limited exposure to inflation (energy, etc.) due to the nature of the business.
- Balance sheet ratio improved drastically. All-time low leverage ratio (0.4x excluding IFRS) thanks to solid cash generation and deleveraging.

Table 1: H1-22 results

	H1-22	H1-21	Change	KECH estimates
EBIT (current)	19.3	10.3	87%	17.2
Conversion ratio	26.9%	19.9%		26.9%
Net profit	12.9	6.5	98%	10.4
% of GP	18.0%	12.5%		18.0%

Source: Kepler Cheuvreux

Table 2: KPIs

	Q1-22	Q2-22	H1-22	H1-21	Change yoy H1
Volume					
Air freight ton	18,409	15,163	33,572	31,216	8%
Sea Freight TEU	63,255	71,186	134,441	131,991	2%
GP/volume					
Air freight EUR	581	673	623	497	25%
Sea freight EUR	299	294	296	205	44%
Gross profit					
Air Freight EURm	10.7	10.2	20.9	15.5	35%
Sea freight EURm	18.9	20.9	39.8	27.1	47%
Other (RO/RO, etc.)	5.3	5.7	11.0	9.2	20%
Group	34.9	36.8	71.7	51.8	38%

Source: Kepler Cheuvreux

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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: 13 September 2022

FY to 31/12 (EUR)	12/15	12/16	12/17	12/18	12/19	12/20	12/21	12/22E	12/23E	12/24E
Income Statement (EURm)										
Sales	234.2	235.0	290.6	308.3	331.3	392.0	752.2	847.8	795.1	776.1
% 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	39.2	33.8	30.7
EBITDA adj. margin (%)	3.5%	3.0%	2.5%	3.0%	4.2%	4.3%	5.1%	4.6%	4.2%	4.0%
EBIT adjusted	6.3	4.0	5.4	5.8	8.3	9.6	27.3	32.3	27.1	24.1
EBIT adj. margin (%)	2.7%	1.7%	1.9%	1.9%	2.5%	2.5%	3.6%	3.8%	3.4%	3.1%
Net financial items & associates	1.4	0.7	0.8	0.8	1.1	-0.4	-0.3	-0.3	-0.3	-0.3
Others	-1.5	-1.1	-1.4	-1.1	-1.7	-1.2	-1.9	-1.9	-1.9	-1.9
Tax	-1.9	-1.5	-1.9	-2.1	-3.2	-2.6	-6.1	-9.9	-8.1	-7.2
Net profit from continuing operations	4.2	2.0	2.9	3.4	4.5	5.4	18.9	20.2	16.7	14.7
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	20.2	16.7	14.7
Net profit reported	3.3	1.6	2.5	2.8	3.9	5.1	17.4	18.7	15.2	13.2
Net profit adjusted	3.3	1.6	2.5	2.8	3.9	5.1	17.4	18.7	15.2	13.2
Cash Flow Statement (EURm)										
Levered post tax CF before capex	8.2	1.3	2.4	4.4	16.2	2.1	15.5	23.7	26.2	22.7
Capex	-2.4	-3.6	-3.6	-3.6	-2.5	-1.5	-1.9	-3.4	-3.2	-3.1
Free cash flow	5.8	-2.2	-1.2	0.8	13.7	0.6	13.6	20.3	23.0	19.6
Acquisitions & divestments	-8.5	-0.6	0.1	-1.8	-7.1	0.3	-0.1	0.0	0.0	0.0
Dividend paid	-2.1	-2.9	-1.9	-2.6	-1.7	-0.6	-3.2	-8.1	-8.1	-8.1
Others	1.5	-4.1	-3.4	-2.1	-1.2	-2.5	-1.2	-0.8	-0.8	-0.8
Change in net financial debt	3.2	9.9	6.5	5.7	-3.7	2.2	-9.2	-11.4	-14.1	-10.7
Balance Sheet (EURm)										
Intangible assets	17.3	19.1	19.6	22.0	30.6	29.6	32.2	31.2	30.1	29.0
Tangible assets	3.8	5.2	5.1	5.7	14.9	13.5	16.9	14.7	12.6	10.4
Financial & other non-current assets	2.9	2.8	2.8	2.6	2.3	2.8	2.5	2.5	2.5	2.5
Total shareholders' equity	23.8	23.2	22.9	24.5	26.8	30.9	45.4	57.6	66.2	72.9
Pension provisions	0.0	0.0	0.9	0.8	1.1	1.3	1.2	1.2	1.2	1.2
Liabilities and provisions	80.5	89.6	99.0	111.9	144.4	161.9	241.4	252.6	230.9	217.7
Net debt	5.2	11.6	13.6	16.8	40.0	30.0	27.8	16.4	2.3	-8.3
Net financial debt	5.2	11.6	12.7	16.0	29.3	19.8	15.5	4.1	-10.0	-20.7
IFRS 16 debt	0.0	0.0	0.0	0.0	9.7	9.0	11.1	11.1	11.1	11.1
Net working capital	0.2	4.0	8.7	11.3	22.1	17.9	31.6	35.6	33.4	33.6
Invested capital	21.3	28.3	33.3	39.0	67.7	61.0	80.7	81.5	76.1	73.1
Per share data (EUR)										
EPS adjusted	1.45	0.69	1.08	1.21	1.68	2.22	7.60	8.17	6.63	5.76
EPS adj and fully diluted	1.45	0.69	1.08	1.21	1.68	2.21	7.53	8.10	6.57	5.71
% Change	57.0%	-52.4%	56.5%	12.3%	38.1%	31.8%	240.8%	7.6%	-18.8%	-13.2%
EPS reported	1.45	0.69	1.08	1.21	1.68	2.22	7.60	8.17	6.63	5.76
Cash flow per share	3.57	0.58	1.04	1.92	7.01	0.91	6.79	10.36	11.46	9.93
Book value per share	9.42	8.78	8.57	9.31	9.53	11.68	17.07	22.39	26.17	29.08
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	2.29	2.29	2.29	2.29
Ratios										
ROE (%)	15.6%	7.6%	12.5%	13.6%	17.9%	21.0%	52.7%	41.4%	27.3%	20.9%
ROIC (%)	22.8%	9.3%	10.6%	9.8%	9.1%	10.1%	28.5%	26.8%	23.1%	21.7%
ND(F+IFRS16) / EBITDA (x)	0.6	1.6	1.7	1.7	2.8	1.7	0.7	0.4	0.0	-0.3
Gearing (%)	21.9%	50.0%	55.7%	65.2%	109.2%	63.9%	34.1%	7.1%	-15.1%	-28.4%
Valuation										
P/E adjusted	20.3	42.9	30.7	30.1	20.6	13.8	7.0	6.4	7.9	9.1
P/E adjusted and fully diluted	20.3	42.9	30.7	30.1	20.6	13.9	7.0	6.5	8.0	9.2
P/BV	3.1	3.4	3.9	3.9	3.6	2.6	3.1	2.3	2.0	1.8
P/CF	8.2	50.8	31.9	19.0	4.9	33.6	7.8	5.1	4.6	5.3
Dividend yield (%)	4.2%	2.7%	2.4%	1.8%	0.0%	4.2%	6.4%	6.5%	6.5%	6.5%
FCF yield (%)	8.6%	-3.2%	-1.6%	1.0%	17.1%	0.8%	11.2%	16.9%	19.1%	16.3%
EV/Sales	0.3	0.3	0.3	0.3	0.4	0.3	0.2	0.2	0.2	0.2
EV/EBITDA adj.	9.1	11.5	12.8	11.3	9.2	6.4	4.3	3.8	4.0	4.1
EV/EBIT adj.	11.9	20.3	17.3	18.1	15.4	11.0	6.0	4.7	5.0	5.2

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Clasquin (EUR)	29/10/2021 07:02	Equity Research	Buy	76.00	71.00
	07/04/2022 05:02	Equity Research	Buy	79.00	69.00

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