

Clasquin Buy

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France | Support services

MCap: EUR135.0m

Target Price: EUR70.00
Current Price: EUR59.00
Up/downside: 18.6%
Market data: 23 February 2023

Bloomberg: ALCLA FP Reuters: ALCLA.PA
Free float 45%
Avg. daily volume (EURm) 0.1
YTD abs performance -1.0%
52-week high/low (EUR) 72.40/45.60

Normalisation under way

Key points:

- Decreasing demand and falling rates reflected in a 15% drop in GP in Q4.
- This was factored into our numbers. GP actually came in higher than we expected in Q4.
- As part of the scenario of normalisation we expect, we forecast a 14% decrease in GP in 2023.
- This scenario is integrated by the street. As such, the impact on the share price should be limited, in our view.
- Despite of a negative Q4, the GP is up 15% on FY 2022. The contribution of global accounts and new clients to that growth is very satisfactory.

Normalisation of business conditions underway after exceptional 2021

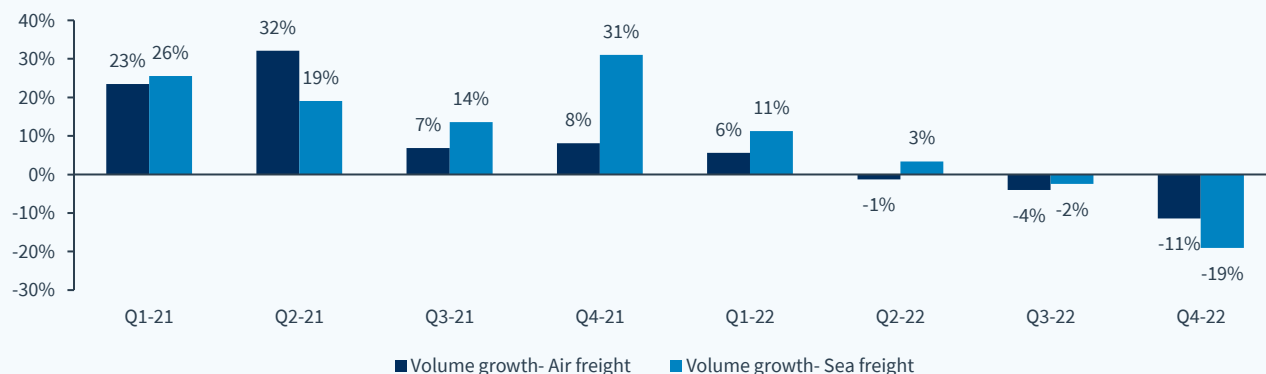
- The weakening of momentum observed since the start of 2022 continued in Q4 as expected. The combination of a correction in demand and falling freight rates caused GP to drop by 15% in Q4.
- On a YOY basis, volume in air freight declined by 11%. In sea freight, volume decreased by 19% (Chart 1).
- It must be noted that these figures compete against very tough comps last year, especially in air freight (special cargo operations in Q4 2021). On a QOQ basis, volume in air freight was up 6% and remained at a high level compared to historical levels. In sea freight though, volume came down 6% and is back to the lowest level since Q1 2021.
- Yields are decreasing on the back of falling freight rates (Chart 2).

Table 1: Gross profit

	Q4-22 A	Q4-21 A	YOY change	Q4-22 KECH	vs. KECH	FY-22 A	FY-22 A	YOY change
GP total	33	38	-15%	29	15%	140	122	15%
Air	9	12	-29%	11	-20%	39	36	10%
Sea	18	21	-11%	14	29%	79	66	19%
Road brokerage (adj. *)	4	3	11.7%*	2	65%	15	9	24.7%*
Other (adj. *)	2	3	6.9%*	1	67%	7	11	11.4%*

Source: Kepler Cheuvreux

Chart 1: Volume



Source: Kepler Cheuvreux

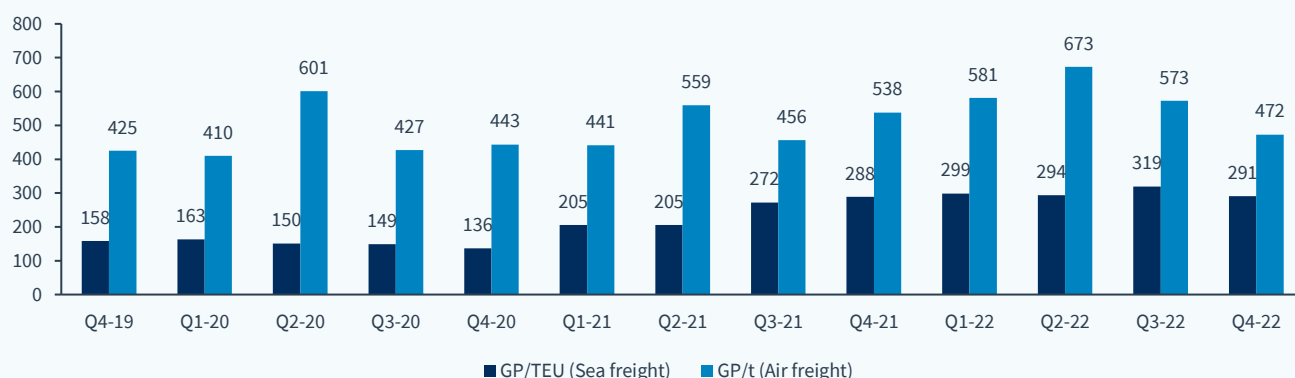
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Chart 2: GP/volume



Source: Kepler Cheuvreux

Some good indicators on growth

- Of the 15% increase in GP recorded in 2022, we note the strong contribution of new clients, which accounted for two-thirds of that growth. It is a positive news, since Clasquin is used to increase its exposure to clients overtime.
- The global accounts grew 48%. Clasquin has set up a dedicated organisation (Global Account Management) to manage these priority accounts (14 clients to date).
- The penetration rate of clients using the “Live” digital platform has progressed from 46 to 51% in 2022. The share of clients using the most advanced functions/features of the platform represent 18%. “Live” is a digital platform that optimizes data sharing between Clasquin and its customers from end to end of the transport chain. Having them using the platform is a way to lock them in.

Appendix 1: Research framework

Last model update: 31 January 2023

Investment case

- Clasquin is a top-quality company that primarily bases its success on differentiated and highly attractive positioning in the freight forwarding industry. Clasquin has been implementing a well-functioning growth model with success, as evidenced by a robust 14% gross profit CAGR since 2015.
- Successful strategy execution: 1) well-led international expansion, 2) development of niche expertise and verticals (wine & spirits, art shipping, etc.) 3) smart M&A, 4) addition of value-added services for customers.
- In 2021-22, Clasquin took advantage of the powerful recovery in global demand and the massive disruption of supply chains. We expect some kind of normalisation in 2023-24.

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 (8.5% WACC, 2% terminal growth, 16% LT EBIT/GP).
- Peers (applying structural discount to account for smaller size and lower liquidity).

Risk to our rating

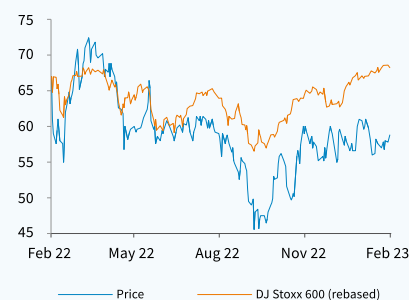
- Improving supply chain conditions create less favourable pricing environment.
- Freight capacity exceeding demand.
- Decreasing consumption and world trade.

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

- Slowdown in global consumption and world trade.
- Collapse in freight rates.
- Relocation of production in Europe.

Appendix 5: Key financials

Last model update: 31 January 2023

Market data date: 23 February 2023

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	842.7	727.4	734.8
% Change	16.1%	0.3%	23.6%	6.1%	7.4%	18.3%	91.9%	12.0%	-13.7%	1.0%
EBITDA adjusted	8.2	7.1	7.4	9.3	13.9	16.7	38.2	42.7	24.5	25.4
EBITDA adj. margin (%)	3.5%	3.0%	2.5%	3.0%	4.2%	4.3%	5.1%	5.1%	3.4%	3.5%
EBIT adjusted	6.3	4.0	5.4	5.8	8.3	9.6	27.3	34.2	17.4	18.6
EBIT adj. margin (%)	2.7%	1.7%	1.9%	1.9%	2.5%	2.5%	3.6%	4.1%	2.4%	2.5%
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	-10.6	-5.0	-5.4
Net profit from continuing operations	4.2	2.0	2.9	3.4	4.5	5.4	18.9	21.5	10.2	11.0
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	21.5	10.2	11.0
Net profit reported	3.3	1.6	2.5	2.8	3.9	5.1	17.4	19.9	8.6	9.4
Net profit adjusted	3.3	1.6	2.5	2.8	3.9	5.1	17.4	19.9	8.6	9.4
Cash Flow Statement (EURm)										
Levered post tax CF before capex	8.2	1.3	2.4	4.4	16.2	2.1	15.5	27.0	21.6	16.8
Capex	-2.4	-3.6	-3.6	-3.6	-2.5	-1.5	-1.9	-2.5	-2.7	-2.8
Free cash flow	5.8	-2.2	-1.2	0.8	13.7	0.6	13.6	24.5	18.9	14.0
Acquisitions & divestments	-8.5	-0.6	0.1	-1.8	-7.1	0.3	-0.1	0.0	-10.0	0.0
Dividend paid	-2.1	-2.9	-1.9	-2.6	-1.7	-0.6	-3.2	-8.1	-8.2	-3.7
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	-15.6	0.1	-9.5
Balance Sheet (EURm)										
Intangible assets	17.3	19.1	19.6	22.0	30.6	29.6	32.2	30.2	38.7	37.4
Tangible assets	3.8	5.2	5.1	5.7	14.9	13.5	16.9	12.9	9.9	7.2
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	58.8	60.7	68.0
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	251.5	223.4	223.9
Net debt	5.2	11.6	13.6	16.8	40.0	30.0	27.8	12.2	12.4	2.9
Net financial debt	5.2	11.6	12.7	16.0	29.3	19.8	15.5	-0.1	0.0	-9.5
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	35.4	32.0	34.8
Invested capital	21.3	28.3	33.3	39.0	67.7	61.0	80.7	78.5	80.6	79.4
Per share data (EUR)										
EPS adjusted	1.45	0.69	1.08	1.21	1.68	2.22	7.60	8.71	3.78	4.13
EPS adj and fully diluted	1.45	0.69	1.08	1.21	1.68	2.21	7.53	8.62	3.74	4.09
% Change	57.0%	-52.4%	56.5%	12.3%	38.1%	31.8%	240.8%	14.6%	-56.6%	9.3%
EPS reported	1.45	0.69	1.08	1.21	1.68	2.22	7.60	8.71	3.78	4.13
Cash flow per share	3.57	0.58	1.04	1.92	7.01	0.91	6.79	11.80	9.44	7.36
Book value per share	9.42	8.78	8.57	9.31	9.53	11.68	17.07	22.92	23.76	26.94
Dividend per share	1.25	0.80	0.80	0.65	0.00	1.30	3.40	3.48	1.51	1.65
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%	43.5%	16.2%	16.3%
ROIC (%)	22.8%	9.3%	10.6%	9.8%	9.1%	10.1%	28.5%	28.8%	14.6%	15.6%
ND(F+IFRS16) / EBITDA (x)	0.6	1.6	1.7	1.7	2.8	1.7	0.7	0.3	0.5	0.1
Gearing (%)	21.9%	50.0%	55.7%	65.2%	109.2%	63.9%	34.1%	-0.2%	0.0%	-13.9%
Valuation										
P/E adjusted	20.3	42.9	30.7	30.1	20.6	13.8	7.0	6.8	15.6	14.3
P/E adjusted and fully diluted	20.3	42.9	30.7	30.1	20.6	13.9	7.0	6.8	15.8	14.4
P/BV	3.1	3.4	3.9	3.9	3.6	2.6	3.1	2.6	2.5	2.2
P/CF	8.2	50.8	31.9	19.0	4.9	33.6	7.8	5.0	6.3	8.0
Dividend yield (%)	4.2%	2.7%	2.4%	1.8%	0.0%	4.2%	6.4%	5.9%	2.6%	2.8%
FCF yield (%)	8.6%	-3.2%	-1.6%	1.0%	17.1%	0.8%	11.2%	18.1%	14.0%	10.4%
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	6.6	6.0
EV/EBIT adj.	11.9	20.3	17.3	18.1	15.4	11.0	6.0	4.7	9.3	8.2

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Total	100%	100%

Source: Kepler Cheuvreux

A: % of all research recommendations

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Clasquin (EUR)	07/04/2022 05:02	Equity Research	Buy	79.00	69.00
	31/01/2023 16:21	Equity Research	Buy	70.00	59.80

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