

Clasquin Buy

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France | Support services

MCap: EUR133.2m

Target Price: EUR70.00
Current Price: EUR58.20
Up/downside: 20.3%
Market data: 22 March 2023

Bloomberg: ALCLA FP Reuters: ALCLA.PA
Free float 45%
Avg. daily volume (EURm) 0.1
YTD abs performance -2.3%
52-week high/low (EUR) 72.40/45.60

Another exceptional year (FY 2022), normalisation factored in (FY 2023)

Key points:

- Clasquin ended FY 2022 with a significant YOY increase in its financial performance, driven by the disruption in the global logistics chain.
- A record-high dividend will be distributed to shareholders (EUR6.50 compared to EUR3.40 in the previous year), corresponding to a 68% payout and a 11% yield.
- It is a new record year for Clasquin after a very strong FY 2021
- FY 2022 was obviously a very mixed year with a return towards normal market conditions starting from the second quarter.
- 2023 should be a year of normalisation after two exceptional years. This scenario is factored in by the street.
- The company is fully deleveraged thanks to unprecedented cash flow generation and a dramatic reduction in WC.
- The company expects to outperform the market once again in 2023.
- We consider Clasquin a high-quality small-cap in the freight forwarding/logistics industry. Buy.

Another exceptional year

- Clasquin ended FY 2022 with a significant YOY increase in its financial performance (GP up 15%, EBIT, adj. 21%, net profit up 25%), driven by the disruption in the global logistics chain.
- It is a new record year for Clasquin after a very strong FY 2021 (prior to 2021-22, Clasquin used to report EBIT, adj. in the range of EUR5m to EUR10m).
- Business margins have reached a new high (EBIT/GP ratio of 23.9% from 22.6% in the previous year).
- EBIT, adj. comes in 5% below expectations in H2, which we do not deem to be significant.
- The normalisation of business conditions started in Q2 2022. It coincides with a reduction of volume in global air freight and sea freight and a decline in freight rates.
- In this context, we are modelling a c. 50% drop in EBIT, adj this year, as well as a return to a more normative EBIT/GP ratio of 15%.
- The company is full deleveraged (net cash position of EUR21m excluding IFRS 16), thanks to unprecedented cash flow generation and a dramatic reduction in working capital.
- Clasquin expects to outperform the market once again this year (consensus expects a single-digit decline in air and sea freight). It expects the unit margin to decline in line with market stabilisation.
- A record-high dividend will be distributed to shareholders (EUR6.50 compared to EUR3.40 in the previous year), corresponding to a 68% payout and a 11% yield.
- We have not yet entered FY 2022 reported figures in our model at this stage.

Table 1: Key P&L metrics

	H1	2021 H2	FY	H1	2022 H2	FY	H1	Change % H2	FY
Gross profit	51.8	70.1	121.9	71.7	68.3	140.0	38%	-3%	15%
EBIT, adj.	10.3	17.2	27.5	19.3	14.1	33.4	87%	-18%	21%
EBIT/GP ratio	19.9%	24.6%	22.6%	26.9%	20.6%	23.9%			
Net profit	6.5	10.9	17.4	12.9	8.9	21.8	98%	-18%	25%

Source: Kepler Cheuvreux

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

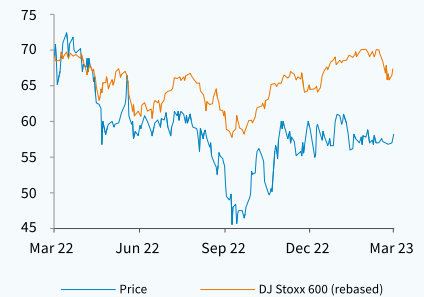
- Improving supply chain conditions create less favourable pricing environment.
- Freight capacity exceeding demand.
- Decreasing consumption and world trade.

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: 22 March 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	6.7	15.4	14.1
P/E adjusted and fully diluted	20.3	42.9	30.7	30.1	20.6	13.9	7.0	6.7	15.6	14.2
P/BV	3.1	3.4	3.9	3.9	3.6	2.6	3.1	2.5	2.4	2.2
P/CF	8.2	50.8	31.9	19.0	4.9	33.6	7.8	4.9	6.2	7.9
Dividend yield (%)	4.2%	2.7%	2.4%	1.8%	0.0%	4.2%	6.4%	6.0%	2.6%	2.8%
FCF yield (%)	8.6%	-3.2%	-1.6%	1.0%	17.1%	0.8%	11.2%	18.4%	14.2%	10.5%
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	3.7	6.5	5.9
EV/EBIT adj.	11.9	20.3	17.3	18.1	15.4	11.0	6.0	4.7	9.2	8.1

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Rating Breakdown	A	B
Buy	57%	68%
Hold	33%	27%
Reduce	8%	3%
Not Rated/Under Review/Accept Offer	2%	2%
Total	100%	100%

Source: Kepler Cheuvreux

A: % of all research recommendations

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

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Company Name	Date	Business Line	Rating	Target Price	Closing Price
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

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

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Local insight, European scale.



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