

Clasquin

Indy - Trucking / France

Target Price EUR 21.00

Expected performance (12 mth) 25.8%

BUY EUR 16.69 (Closing price 07-Dec-07)

2007, a year of investment to ensure future sales and results growth

10 December 2007

Analyst

Claire Deray

Tel: +33 1 55 67 72 43

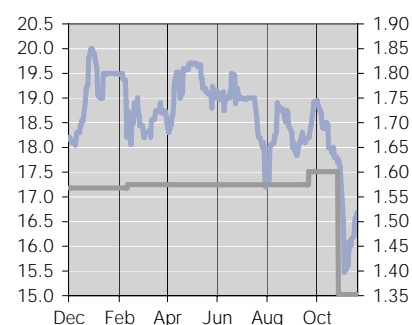
Email: claire.deray@fortis.com

Opinion on qualitative criteria

| | |
|-------------------------|-----------------|
| Accounting | Local reporting |
| Quality of track record | Neutral |
| Solvency | High |
| Currency risk | Neutral |
| Risk of asset write-off | Low |

Share price performance/EPS revision (EUR)

Price Fortis EPS est. 2008



Source: JCF, Fortis Equity Research

| | |
|-------------------------------|--------------------|
| Market capitalisation (EUR m) | 37.2 |
| No. of shares (m) | 2.2 |
| Free float | 28.0% |
| 1/3/12 mth perf. (%) | (7.3)/(11.1)/(8.3) |
| High/low 52 weeks (EUR) | 20.00/15.47 |
| Next results due | 22 February 2008 |
| Price/book value (x) | 2.9 |
| Volatility (ß) (5yrs/) | |
| Reuters symbol | ALC PA |
| Bloomberg symbol | ALCLA FP |
| Website | www.clasquin.com |

Investment case

Thanks to the capital increase made in early 2006 (EUR5m), the group is expected to both accelerate its internal development and seize external growth opportunities. Moreover, as the group has already put in place a structure to achieve around EUR300m in sales, we do not expect a significant increase in fixed costs. Thus margin improvement should go hand in hand with sales growth as of 2008 (agency openings, commercial team reinforcement, etc., should temporarily weigh on 2007 results).

Since the IPO on Alternext at the end of January 2006, management has proved that it can reliably post performances in line with, or above the guidance: 1) 2005 business plan surpassed, 2) continuing strong sales and results growth posted in 2006 (sales up 15% and net result up 22%), and 3) a promising start to 2007 in terms of activity (sales up 18.9% or up 25% l-f-l at end-9 months). The next trigger for the group, in our opinion, will be the announcement of an external growth operation, a goal that was targeted at the time of the IPO.

Today, Clasquin is trading at a discount of 45% to its European peers (Kuehne & Nagel and Panalpina) in terms of EV/EBIT multiples. Although Clasquin's small size and lower liquidity justifies a discount, we consider that in view of the group's potential, the current discount is too high and should decrease. We thus reiterate our BUY rating on the name, and our EUR21 target price (DCF and peer comparison).

| Year to December | 2005 | 2006 | 2007e | 2008e | 2009e |
|---|------|--------|--------|--------|--------|
| Sales (EUR m) | 92.3 | 106.2 | 127.4 | 140.2 | 147.2 |
| EBITDA (EUR m) | 4.3 | 4.6 | 4.5 | 5.5 | 6.2 |
| Net profit excl. extr. & amort. (EUR m) | 2.1 | 2.6 | 2.4 | 3.0 | 3.5 |
| Net profit (EUR m) | 2.1 | 2.5 | 2.4 | 3.0 | 3.5 |
| EBITDA margin (%) | 4.7 | 4.4 | 3.6 | 3.9 | 4.2 |
| ROCE (incl. goodwill) (%) | 28.0 | 26.1 | 22.6 | 27.3 | 31.4 |
| Net gearing (%) | 75.1 | (15.0) | (21.5) | (32.7) | (42.6) |
| EPS before extr. & amort. (EUR) | | 1.15 | 1.08 | 1.35 | 1.58 |
| EPS (EUR) | | 1.14 | 1.07 | 1.34 | 1.57 |
| DPS (EUR) | 0.00 | 0.28 | 0.27 | 0.34 | 0.39 |
| % change sales | 30.7 | 15.0 | 20.0 | 10.0 | 5.0 |
| % change EPS (excl. extr. & amort.) | | | (6.3) | 25.2 | 16.7 |
| EV/Sales | | 0.37 | 0.27 | 0.23 | 0.20 |
| EV/EBITDA | | 8.4 | 7.6 | 5.9 | 4.8 |
| P/E (excl. extr. & amort.) | | 15.4 | 15.5 | 12.3 | 10.6 |
| P/E | | 15.5 | 15.6 | 12.5 | 10.7 |
| PE/growth (excl. extr.) | | | | 1.5 | 0.5 |
| Free cash flow yield (%) | | 4.5 | 4.6 | 7.7 | 9.3 |

IMPORTANT: PLEASE READ DISCLOSURES AND DISCLAIMERS AT THE END OF THIS DOCUMENT

Sales by segment 2006 (%)

| | |
|--------|------|
| Air | 54.0 |
| Sea | 41.3 |
| Others | 4.7 |

Source: Company, Fortis Equity Research

Sales by region 2006 (%)

| | |
|----------------|------|
| France | 53.9 |
| Rest of Europe | 6.8 |
| USA | 5.1 |
| Asia & Pacific | 34.3 |

Source: Company, Fortis Equity Research

Capital ownership (%)

| | |
|-------------------|------|
| Yves Revol | 46.0 |
| Banque de Vizille | 11.0 |
| Staff | 8.0 |
| Others | 7.0 |
| Free Float | 28.0 |

Source: Company, Fortis Equity Research

Peer group

Eagle
Expeditors
Geodis
Kuehne Nagel
Panalpina Welttransport
Uti Worldwide

Management

Yves Revol
Philippe Lons

Investor relations**Next dividend date**

29 June 2008

Profile and strategy

Clasquin is focused on air and sea freight forwarding management. Thanks to its presence in Asia, the group has benefited from strong growth in flows from and to this region. Clasquin operates 36 offices in North America, Europe (France and Southern Europe) and in Asia Pacific. To offer its clients a global service, Clasquin uses local players in the Rest of the World via the World Freight Alliance network. The group's strategy is geared towards 1) the penetration of new countries (India and Belgium) to support existing clients and to win local contracts, 2) the development of branches in already penetrated countries (higher volumes to generate economies of scale), via internal or external growth (France, Spain, Switzerland, Germany, etc.). Note that in view of the lack of suitable preys in freight forwarding (EUR5-20m in sales targeted for a foreign company, and at least EUR50m in sales for a French company), management has evoked the possibility of making acquisitions in ancillary activities such as logistics.

Risk factors

As this business (not capital intensive) is based on the *savoir faire* of commercial teams, the group might lose its best employees to its competitors, and in turn might lose major contracts (no long-term contracts). Management could fail to integrate acquisitions (no track record in M&A operations).

Latest news

Q3 sales were EUR34m, up 30% or up 38% l-f-l, and gross profit came in at EUR6.6m, up 10.1%. Like in H1, as the sales growth acceleration came mainly from the adjustment for oil price increases and for sea freight rate hikes (adjustment in price without impact on results), gross profit growth remained slower than sales growth.

Earnings forecast

In light of the strong sales growth posted over the first nine months (sales up 18.9%), we are rather confident in the group's ability to achieve its annual guidance of double-digit sales growth. Despite the confirmation of double-digit growth in gross profit (+10.4% expected), as the group should be penalised by increased structure and labour costs (agency openings, reinforcement of commercial team, etc.) net profit 2007 should be stable compared with 2006 (-5% cautiously integrated into our estimates).

As of 2008 the group should benefit from the ramp-up of new agencies and probably from the commercial team reinforcement, we thus estimate that sales and GP growth should remain strong (+10% l-f-l in sales and +14% in GP expected in our forecasts for 2008). In our opinion, the group should now have put in place the structure needed to achieve around EUR300m in sales, and therefore we do not expect a significant increase in fixed costs in the coming years. This should allow the group to enhance margins. Margin improvement in parallel with strong sales growth augurs for strong results growth in the coming years (+23% in net profit expected for 2008).

SWOT analysis**Strengths**

- Good knowledge of Asian markets
- Structure already put in place to ensure growth over the next three to four years

Opportunities

- Penetration of new countries
- Penetration of new sectors
- External growth

Weaknesses

- Small size compared with peers
- Low liquidity
- Small own network

Threats

- Walkout of commercial team
- Failure to integrate acquisitions

Source: Fortis Equity Research

Clasquin

| P & L Statement (EUR m) Year to December | 2003 | 2004 | 2005 | 2006 | 2007e | 2008e | 2009e |
|---|------------|------------|------------|------------|------------|------------|------------|
| Net sales | 65.1 | 70.6 | 92.3 | 106.2 | 127.4 | 140.2 | 147.2 |
| Other income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Personnel costs | (9.0) | (9.7) | (12.0) | (14.1) | (15.4) | (17.5) | (18.5) |
| Other operating costs | (53.8) | (57.7) | (76.0) | (87.4) | (107.5) | (117.2) | (122.5) |
| EBITDA | 2.3 | 3.2 | 4.3 | 4.6 | 4.5 | 5.5 | 6.2 |
| Depreciation | (1.1) | (1.2) | (1.0) | (1.2) | (1.3) | (1.3) | (1.3) |
| EBITA | 1.1 | 2.1 | 3.3 | 3.5 | 3.2 | 4.1 | 4.9 |
| Reported provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) |
| EBIT | 1.1 | 2.1 | 3.3 | 3.4 | 3.2 | 4.1 | 4.8 |
| Net financials | (0.3) | (0.3) | (0.4) | 0.0 | 0.0 | 0.1 | 0.1 |
| Profit Before Taxes (PBT) | 0.5 | 1.3 | 2.7 | 3.4 | 3.2 | 4.2 | 5.0 |
| Taxes | (0.2) | (0.2) | (0.6) | (0.8) | (0.8) | (1.2) | (1.4) |
| Income from associates | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minorities | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) |
| Net profit before extraordinary | 0.3 | 1.1 | 2.1 | 2.5 | 2.4 | 3.0 | 3.5 |
| Extraordinary items | (0.3) | (0.4) | (0.2) | (0.1) | 0.0 | 0.0 | 0.0 |
| Net reported profit | 0.3 | 1.1 | 2.1 | 2.5 | 2.4 | 3.0 | 3.5 |
| % change in Sales | | 8.5 | 30.7 | 15.0 | 20.0 | 10.0 | 5.0 |
| % change in EBITDA | | 42.8 | 32.3 | 7.8 | (2.3) | 20.8 | 13.1 |
| % change in EBITA | | 84.6 | 60.4 | 4.3 | (6.5) | 27.3 | 17.5 |
| % change in PBT | | 152.7 | 103.4 | 25.4 | (5.0) | 29.9 | 18.4 |
| % change in Net profit before extraordinary | | 316.7 | 86.3 | 21.6 | (6.3) | 25.5 | 16.9 |

| Cash Flow Statement (EUR m) | 2003 | 2004 | 2005 | 2006 | 2007e | 2008e | 2009e |
|---|------------|------------|--------------|------------|------------|------------|------------|
| EBITDA | 2.3 | 3.2 | 4.3 | 4.6 | 4.5 | 5.5 | 6.2 |
| Change in provisions excluding tax provisions | (0.0) | 0.1 | 0.2 | (0.0) | 0.0 | 0.0 | 0.0 |
| Change in net working capital | 0.7 | 0.0 | (3.7) | (0.6) | (0.7) | (0.2) | (0.1) |
| Gross operating cash flow | 2.9 | 3.3 | 0.8 | 4.0 | 3.8 | 5.3 | 6.1 |
| Taxes paid | (0.2) | (0.2) | (0.6) | (0.8) | (0.8) | (1.2) | (1.4) |
| Capex | (0.8) | (0.6) | (1.1) | (1.2) | (1.3) | (1.3) | (1.3) |
| Free cash flow | 1.9 | 2.5 | (0.9) | 2.0 | 1.7 | 2.8 | 3.3 |
| Net interest received | (0.4) | (0.3) | (0.3) | (0.2) | 0.0 | 0.1 | 0.1 |
| Other | 0.0 | (0.0) | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 |
| Acquisitions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Divestments | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Share issues/buybacks | 0.0 | 2.0 | 0.0 | 4.2 | 0.0 | 0.0 | 0.0 |
| Dividend (adj. stock dividend) | 0.0 | 0.0 | 0.0 | (0.5) | (0.6) | (0.6) | (0.8) |
| Extraordinary items (after tax) | (0.1) | (0.0) | (0.1) | (0.1) | 0.0 | 0.0 | 0.0 |
| Change in interest-bearing debt | (0.9) | 0.8 | (0.1) | 0.8 | (0.2) | (0.4) | (0.3) |
| Change in cash & cash equivalents | 0.5 | 4.9 | (1.4) | 6.3 | 0.9 | 1.8 | 2.4 |

| Balance Sheet (EUR m) | 2003 | 2004 | 2005 | 2006 | 2007e | 2008e | 2009e |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net intangible fixed assets | 1.7 | 1.4 | 1.3 | 1.3 | 1.3 | 1.3 | 1.2 |
| Net tangible fixed assets | 0.8 | 0.7 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 |
| Financials fixed assets (FFA) | 0.3 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 |
| Inventories | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade debtors | 12.8 | 16.4 | 24.7 | 29.8 | 32.7 | 33.6 | 34.0 |
| Other debtors | 4.5 | 4.5 | 5.4 | 3.5 | 3.8 | 3.9 | 3.9 |
| Cash & securities | (2.9) | 1.0 | 0.1 | 5.6 | 6.5 | 8.3 | 10.7 |
| Total Assets | 17.3 | 24.2 | 32.8 | 41.6 | 45.7 | 48.5 | 51.4 |
| Shareholder's equity | (0.3) | 2.7 | 4.8 | 11.0 | 12.8 | 15.2 | 17.9 |
| Other equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minorities | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Provisions | 0.5 | 0.6 | 0.5 | 0.7 | 0.7 | 0.7 | 0.7 |
| Long-term interest bearing debt | 0.9 | 2.0 | 2.1 | 2.5 | 3.0 | 2.8 | 2.6 |
| Short-term interest bearing debt | 1.8 | 0.9 | 1.7 | 1.4 | 0.7 | 0.5 | 0.3 |
| Trade creditors | 12.6 | 15.9 | 20.4 | 22.4 | 24.5 | 25.2 | 25.6 |
| Other non-interest bearing liabilities | 1.7 | 2.0 | 3.0 | 3.5 | 3.9 | 4.0 | 4.0 |
| Total Liabilities & Capital | 17.3 | 24.2 | 32.8 | 41.6 | 45.7 | 48.5 | 51.4 |
| Enterprise Value (EV) | | | | 39.0 | 34.3 | 32.0 | 29.4 |
| Net debt/(Net cash) | 5.6 | 2.0 | 3.7 | (1.7) | (2.8) | (5.0) | (7.7) |
| Capital Employed incl. goodwill (avg.) | 5.6 | 5.2 | 9.1 | 10.0 | 10.7 | 10.9 | 11.0 |
| Cumulative goodwill (as of 1991) | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Capital Employed (avg.) | 5.6 | 5.1 | 8.9 | 9.8 | 10.5 | 10.6 | 10.7 |
| Net working capital | 3.0 | 3.0 | 6.6 | 7.3 | 8.1 | 8.3 | 8.4 |
| Discounted value of leases | | | | | | | |
| Adjusted equity | (0.1) | 3.0 | 5.2 | 11.3 | 13.1 | 15.5 | 18.2 |

Clasquin

| Per Share Data (EUR) | 2003 | 2004 | 2005 | 2006 | 2007e | 2008e | 2009e |
|--|------|------|------|--------|--------|--------|--------|
| Avg. no. of shares (m) | 0.0 | 0.0 | 0.0 | 2.2 | 2.2 | 2.2 | 2.2 |
| Eoy. no. of shares (m) | 0.0 | 0.0 | 0.0 | 2.2 | 2.2 | 2.2 | 2.2 |
| Avg. no. of shares fully diluted (m) | 0.0 | 0.0 | 0.0 | 2.2 | 2.2 | 2.2 | 2.2 |
| Enterprise Value (EV) | | | | 17.47 | 15.37 | 14.37 | 13.17 |
| Net debt less FFA plus minorities | high | high | high | (0.83) | (1.32) | (2.32) | (3.52) |
| Sales | high | high | high | 47.61 | 57.15 | 62.86 | 66.01 |
| EBITDA | high | high | high | 2.08 | 2.03 | 2.45 | 2.77 |
| EBITA | high | high | high | 1.56 | 1.46 | 1.85 | 2.18 |
| EBIT | high | high | high | 1.55 | 1.44 | 1.84 | 2.17 |
| Net profit before extr. & amort. (EUR) | | | | 1.15 | 1.08 | 1.35 | 1.58 |
| Net profit before extraordinary (EUR) | | | | 1.14 | 1.07 | 1.34 | 1.57 |
| Cash Flow (EUR) | | | | 1.67 | 1.65 | 1.95 | 2.17 |
| Gross Dividend (EUR) | 0.00 | 0.00 | 0.00 | 0.28 | 0.27 | 0.34 | 0.39 |
| Book value (EUR) | | | | 4.93 | 5.73 | 6.80 | 8.02 |
| Adjusted equity | high | high | high | 5.08 | 5.89 | 6.95 | 8.18 |
| Free Cash Flow | high | high | high | 0.89 | 0.76 | 1.24 | 1.49 |
| % change in EPS before extr. & amort. | | | | | (6.27) | 25.20 | 16.74 |

| Valuation | 2003 | 2004 | 2005 | 2006 | 2007e | 2008e | 2009e |
|------------------------------|------|------|------|-------|-------|-------|-------|
| P/E (excl. extr. & amort.) | | | | 15.4 | 15.5 | 12.3 | 10.6 |
| P/CF (x) | | | | 10.6 | 10.1 | 8.6 | 7.7 |
| P/Book (x) | | | | 3.7 | 2.9 | 2.5 | 2.1 |
| Dividend yield (%) | | | | 1.6 | 1.6 | 2.0 | 2.4 |
| Free cash flow yield (%) | | | | 4.5 | 4.6 | 7.7 | 9.3 |
| EV/Sales (x) | | | | 0.4 | 0.3 | 0.2 | 0.2 |
| EV/EBITDA (x) | | | | 8.4 | 7.6 | 5.9 | 4.8 |
| EV/EBITA (x) | | | | 11.2 | 10.5 | 7.7 | 6.0 |
| EV/EBIT (x) | | | | 11.3 | 10.6 | 7.8 | 6.1 |
| EV/Capital Employed (x) | | | | 4.0 | 3.3 | 3.0 | 2.7 |
| EV/CE (incl. goodwill) (x) | | | | 3.9 | 3.2 | 2.9 | 2.7 |
| Share price : High (EUR) | | | | 19.70 | 20.00 | | |
| Share price : Low (EUR) | | | | 16.24 | 15.47 | | |
| Share price : Average (EUR) | | | | 17.72 | 16.69 | 16.69 | 16.69 |
| Share price : Year end (EUR) | | | | 18.30 | 16.69 | 16.69 | 16.69 |

| Capital Efficiency/Solvability | 2003 | 2004 | 2005 | 2006 | 2007e | 2008e | 2009e |
|-------------------------------------|-----------|-------|-------|--------|--------|--------|--------|
| Sales/CE (incl. goodwill) | 11.7 | 13.5 | 10.2 | 10.6 | 11.9 | 12.9 | 13.4 |
| Sales/Fixed assets (x) | 80.0 | 101.0 | 93.2 | 97.0 | 113.7 | 128.8 | 138.3 |
| Sales/Net working capital (x) | 21.3 | 23.5 | 14.0 | 14.5 | 15.8 | 16.9 | 17.5 |
| Inventories/Sales (days) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade debtors/Sales (days) | 71.8 | 84.6 | 97.6 | 102.5 | 93.6 | 87.4 | 84.4 |
| Trade creditors/Sales (days) | 70.5 | 82.0 | 80.7 | 77.0 | 70.3 | 65.6 | 63.4 |
| CAPEX/Depreciation (%) | 68.2 | 52.5 | 114.1 | 100.2 | 102.0 | 97.6 | 98.1 |
| Equity/Total assets (%) | (1.8) | 11.1 | 14.7 | 26.4 | 28.0 | 31.3 | 34.8 |
| Net debt/Equity (%) | (3,043.0) | 70.2 | 75.1 | (15.0) | (21.5) | (32.7) | (42.6) |
| Interest cover (x) | 2.6 | 6.0 | 12.0 | 18.2 | high | high | high |
| Dividend payout (%) | 0.0 | 0.0 | 0.0 | 24.3 | 25.5 | 25.0 | 25.0 |
| ROCE (average) (%) | 1.3 | 32.8 | 28.6 | 26.7 | 23.2 | 28.0 | 32.2 |
| ROCE (incl. goodwill) (average) (%) | 1.3 | 31.8 | 28.0 | 26.1 | 22.6 | 27.3 | 31.4 |

| Operating Efficiency & Profitability ratios | 2003 | 2004 | 2005 | 2006 | 2007e | 2008e | 2009e |
|---|-------|-------|-------|-------|-------|-------|-------|
| Sales per FTE employee ('000s) | 286.7 | 283.7 | 311.9 | 320.3 | 342.7 | 329.1 | 321.8 |
| Wage costs per FTE employee ('000s) | 39.5 | 38.8 | 40.5 | 42.6 | 41.5 | 41.1 | 40.5 |
| EBIT per FTE employee ('000s) | 4.9 | 8.2 | 11.2 | 10.4 | 8.7 | 9.6 | 10.6 |
| Gross margin (%) | 24.2 | 24.9 | 23.5 | 22.7 | 20.9 | 21.6 | 22.0 |
| EBITDA margin (%) | 3.5 | 4.6 | 4.7 | 4.4 | 3.6 | 3.9 | 4.2 |
| Operating margin (%) | 1.7 | 2.9 | 3.6 | 3.2 | 2.5 | 2.9 | 3.3 |
| Net margin (%) | 0.5 | 1.6 | 2.3 | 2.4 | 1.9 | 2.2 | 2.4 |
| Tax rate (%) | 43.7 | 14.2 | 21.8 | 24.5 | 25.6 | 28.2 | 29.2 |