



espresso note

Clasquin

Buy (vs Buy)

Q1 preview

Not too late to Buy, target price raised from EUR26 to EUR29

Support services
Small & mid cap
France DJ Stoxx 600

Current price EUR24.00 Target price EUR29.00

Mkt. cap (m) EUR54 EV (m) EUR50

YTD abs. perf. 39.0% YTD rel. perf. 35.1%

Reuters ALCLA.PA Bloomberg ALCLA FP

FY ending: 31/12	2011E	2012E	2013E
Sales (EURm)	197.0	212.8	223.4
EBITDA	10.2	11.0	11.6
EBIT	7.8	8.5	9.0
Pretax profit	7.4	8.5	9.1
Net profit (adj)	4.7	5.5	5.9
EPS (adj)	2.12	2.47	2.64
DPS	1.06	1.24	1.32
PE	11.3	9.7	9.1
EV/sales	0.3	0.2	0.2
EV/EBITDA	4.9	4.3	3.9
EV/EBIT	6.4	5.6	5.0
Net debt/EBITDA	-0.6	-0.8	-1.1
FCF Yield	7.3%	10.0%	11.4%
Net dividend yield	4.4%	5.1%	5.5%

Facts: We expect 8% organic growth for Q1 sales (+9% reported thanks to dollar effect) to EUR40m (out on 9 May). In terms of gross margin, as it is difficult to estimate the impact (pass on to clients) of freight rate (sharp decline) and oil price changes (sharp increase), we assume a global neutral impact. Our gross profit estimate for Q1 thus comes in at EUR9.8m, +8%.

Analysis: We have assumed an acceleration in activity as of Q2 in parallel with the ramp-up of new developments: agency openings (Eastern France and Vietnam in 2010), labour force reinforcement (+13% globally in 2010, o/w +15% for the commercial team), and penetration of new countries (Germany, India and Georgia announced for 2011). We thus estimate +10% in gross profit growth for FY 2011 despite the unfavourable comparison basis offered by 2010 (+24% in GP).

Opinion: As Q1 is a low season and as the effects of new developments will not be visible before Q2, we do not expect any change in our scenario. Thanks to the recovery posted in 2010, the discount applied to Clasquin versus peers had started to decrease: 48% on average versus 60% at the beginning of the year. We estimate that the discount will continue to decline. We have therefore raised our TP from EUR26 to EUR29. Considering the group prospects, and the current multiples, we estimate that the share price will continue its rebound. It is not yet too late to Buy the share.

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Kepler Capital Markets and the issuer have agreed that Kepler Capital Markets will produce and disseminate investment research on the said issuer as a service to the issuer.