

Clasquin

France | Support services

Hold (Buy)

Target price
EUR 28.00

Current price
EUR 27.25

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Downgrade to Hold, despite good Q4 2013

- **Q4 shows third quarter of gross profit growth**
- Margin rebound likely slower than GP rebound
- Better prospects, TP lifted from EUR24 to EUR28...
- ...but almost fully priced in, rating downgrade from Buy to Hold

FY 2013 Gross profit vs estimates

EURm	2012	Q1-13	Q2-13	Q3-13	Q4-13E	Q4-13	2013E	2013
Total Gross profit	45.1	10.8	11.8	12.3	12.0	12.5	46.9	47.4
Growth	0.0%	4.7%	4.4%	7.7%	-0.5%	3.6%	4.1%	5.1%
Organic Growth	-4.9%	-1.1%	1.2%	5.5%	2.2%	6.6%	2.0%	3.2%

Sources: Clasquin, Kepler Cheuvreux

Slight business growth in Q4, as expected

Q4 gross profit was EUR12.5m, up 3.6% or 6.6% ex-forex (no scope effect), slightly above our estimate for 2.2% organic growth. Q4 results confirm the rebound in business begun in Q2. Full-year 2013 gross profit was EUR47.4m, +5.1% or +3.2% LFL (KECH: EUR46.9m, +4.1 or +2.0% LFL), +4.1% in scope effect (KECH: +4%), thanks to the 12-month Intercargo consolidation and a -2.2% forex effect (KECH: -2%) mainly due to the US dollar. By division, Clasquin benefited from a GP rebound in freight forwarding (+5.1% over the year) and sustained growth in road transport (+6%). Full-year 2013 sales, i.e. oil price and freight rates changes included, were EUR198.1m, +7.3% or +6.6% LFL (before scope and forex effects).

No major change to our scenario

In H1, margins were hit by a squeeze effect, as gross profit was under pressure and costs boosted by staff reinforcement. H1 EBIT was EUR1.6m (flat YOY), i.e. a EBIT/GP ratio of 7.2% compared with 7.4% in H1 2012. As Clasquin continue to invest in future growth (staff reinforcement), a margin rebound will likely be slower than a GP rebound. Despite GP being slightly above our scenario, we have therefore not changed our results forecasts with 2013 EBIT expected at EUR4.6m, +11%, +17% for H2.

TP up to EUR28, but downgrade to Hold due to share price hike

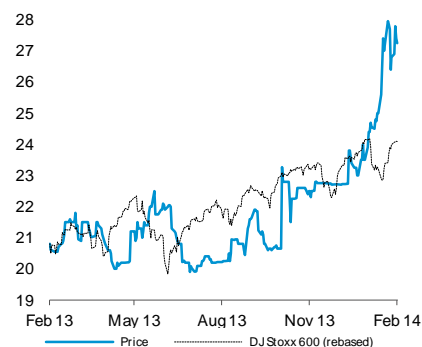
Due to the roll-over of our valuation approach, a WACC at 9.0% (vs. 10.0% before thanks to a better visibility on the activity) and discount applied vs. peers expected at 20% (vs. 30% before), we lift our target price from EUR24 to EUR28. However, considering the recent share price rebound (since Q3 GP released), the upside is now more limited, therefore we downgrade our rating from Buy to Hold.

Front page

Reuters ALCLA.PA
Bloomberg ALCLA FP
Index DJ Stoxx 600

Market data

Market cap (EURm)	63
Free float	37%
No. of shares outstanding (m)	2
Avg. daily trading volume('000)	2
YTD abs performance	14.5%
52-week high (EUR)	27.96
52-week low (EUR)	19.90



FY to 31/12 (EUR)	2013E	2014E	2015E
Sales (m)	198.1	202.9	208.9
EBITDA adj (m)	6.5	7.6	8.5
EBIT adj (m)	4.6	5.6	6.4
Net profit adj (m)	2.5	3.4	3.9
Net fin. debt (m)	-1.3	-3.0	-4.8
FCF (m)	2.9	3.4	3.5
EPS adj. and fully dil.	1.08	1.46	1.68
Consensus EPS	1.03	1.51	1.81
Net dividend	0.75	0.73	0.84

FY to 31/12 (EUR)	2013E	2014E	2015E
P/E (x) adj and ful. dil.	25.2	18.7	16.2
EV/EBITDA (x)	9.7	8.2	7.1
EV/EBIT (x)	14.0	11.1	9.5
FCF yield	4.6%	5.4%	5.6%
Dividend yield	2.8%	2.7%	3.1%
Net debt/EBITDA (x)	-0.1	-0.3	-0.5
Gearing	-5.6%	-11.7%	-17.3%
ROIC	14.3%	17.7%	19.8%
EV/IC (x)	3.2	3.1	2.9