13 June 2014
Company update

Clasquin

France | Support services

Hold (Hold)

Target price
EUR 31.00

Current price
EUR 28.00

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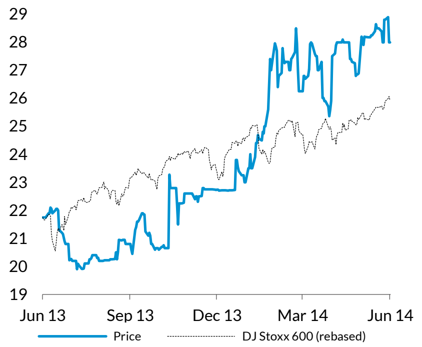
Transition in 2014, recovery shaping up for 2015

Reuters ALCLA.PA
Bloomberg ALCLA FP
Index DJ Stoxx 600

Market data	
Market cap (EURm)	65
Free float	37%
No. of shares outstanding (m)	2
Avg. daily trading volume('000)	1
YTD abs performance	17.6%
52-week high (EUR)	28.90
52-week low (EUR)	19.90



FY to 31/12 (EUR)	2014E	2015E	2016E
Sales (m)	203.7	213.8	224.5
EBITDA adj (m)	6.4	7.4	8.6
EBIT adj (m)	4.7	5.6	6.7
Net profit adj (m)	2.7	3.3	4.0
Net fin. debt (m)	-0.7	-1.4	-2.7
FCF (m)	2.5	2.5	3.3
EPS adj. and fully dil.	1.16	1.42	1.72
Consensus EPS	1.46	1.78	2.12
Net dividend	0.81	0.85	0.95

FY to 31/12 (EUR)	2014E	2015E	2016E
P/E (x) adj and ful. dil.	24.1	19.7	16.3
EV/EBITDA (x)	10.3	8.8	7.5
EV/EBIT (x)	14.1	11.7	9.6
FCF yield	3.8%	3.9%	5.1%
Dividend yield	2.9%	3.0%	3.4%
Net debt/EBITDA (x)	0.0	-0.1	-0.2
Gearing	-3.0%	-5.4%	-9.7%
ROIC	15.2%	17.5%	19.9%
EV/IC (x)	3.3	3.1	2.9

In 2014, we expect Clasquin to confirm the rebound in activity initiated in 2013. We think margins will recover in 2015, as 2014 is set to remain penalised by investments aimed at ensuring future growth. In light of the share price performance, we estimate that better prospects are almost fully priced in. Hold rating reiterated due to limited upside.

Business rebound initiated in 2013

After two years of tough market conditions, Clasquin benefited from a slight improvement in business in 2013. Gross profit grew by 3.3% LFL versus -4.9% in 2012 (+5.2% reported thanks to the consolidation of Intercargo over 12 months). This business rebound was confirmed at the start of 2014, with gross profit growth of +3.7% in Q1, which we expect to be sustained over the year.

Better markets leading to faster business growth

As we expect the world trade rebound to accelerate in 2015, and given Clasquin's exposure to Asian and LatAm flows (with the Intercargo consolidation), we believe the company will continue to outperform its market. We are therefore confident that gross profit growth will accelerate in the years ahead, and forecast +5% for both 2015 and 2016.

We expect margin recovery from 2015

Given high volatility in freight rates and the full impact of the 2013 recruitment campaign (sales and head office staff), we believe it will be difficult for Clasquin to significantly improve margins in 2014. We expect a 9.6% EBIT/gross profit ratio for 2014, +10bps versus 2013. As the company is now structured to generate future growth, in parallel with the acceleration in gross profit growth, we believe that it could improve its operating performance from 2015: we forecast an 11.0% EBIT/gross profit ratio, +110bps YOY.

Good prospects but limited upside

For 2013-16, we expect average EBIT growth of 14%, compared with average gross profit growth of 4%. Moreover, Clasquin could well make acquisitions (hard to foresee; not in our scenario), which could accelerate business and profit growth. After a share price increase of over 21% YTD, following +26.5% in 2013, Clasquin now trades significantly above its historical multiples: 14.1x on EV/EBIT 2014E versus an average of less than 9x in the past and a record high of 11.7x in 2006 and 2007 before the economic crisis and the drop in earnings. As the market has already priced in the earnings rebound expected for 2015, we believe upside is now more limited (11% vs. our TP of EUR31, based on a DCF and peer model) and we reiterate our Hold rating.

Summary

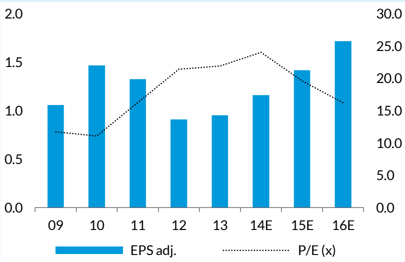
Company profile

Clasquin is an air and sea freight forwarder with a focus on Asia/Europe and Asia/US flows. Thanks to external growth operation managed in 2008 Clasquin also operates road transport and logistics in France under the name Gueppe-Clasquin.

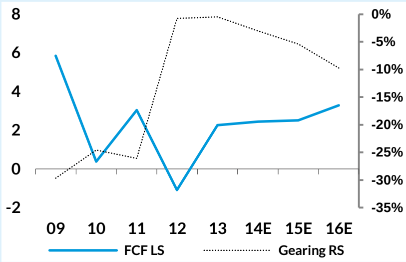
Management structure	
Yves Revol	CEO
Philippe Lons	CFO

Key shareholders	
Yves Revol	47.2%
Zenlor	6.6%
Staff	7.8%

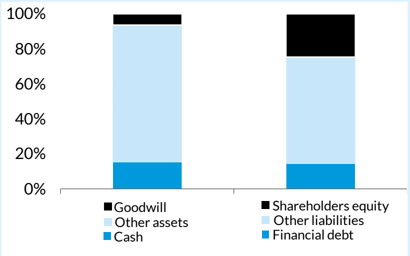
EPS and P/E



FCF and gearing



Balance sheet structure, 2014E



Valuation

Base case

EBIT margin raised to 4% (3.3% in 2011), 2% in infinite growth, and discount reduced to 15% vs. peers

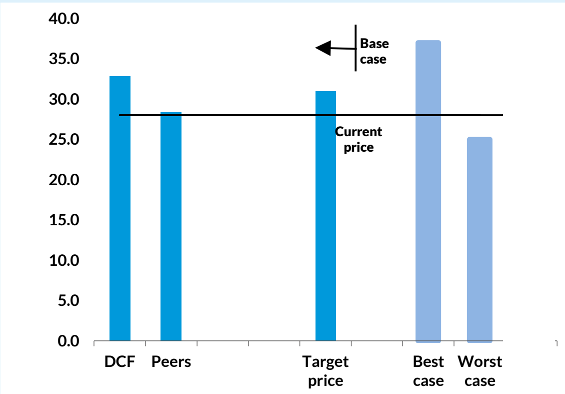
Best case

EBIT margin raised to 5% (3.3% in 2011), 2.5% in infinite growth, and no discount vs. peers

Worst case

EBIT margin capped at 3% (3.3% in 2011), 1.5% in infinite growth and discount applied to Clasquin multiples raised at 30%

Target price



Risk to our rating

Drop in worldwide flows, volatility in freight rate, pricing pressure

Contents

Why the stock is a Hold

Valuation approach

In the freight forwarding business, sales are not a good indicator of activity, as they are highly influenced by oil prices and freight rates, which are very volatile (increase or decrease passed on to clients). Therefore, gross profit is a better measure of activity and profitability.

DCF

Our DCF method is based on the following assumptions:

- A cost of debt of 4%.
- A market risk premium of 4.5%.
- A risk-free rate of 2%.
- A Beta of 1.4.
- A discount rate of 8.5%.
- EBIT margin capped at 16.5% of gross profit or 4.0% of sales.
- WCR maintained at 4% of sales.
- Perpetual cash flow growth of 2%.
- No further external growth operations.

Table 1: Sensitivity table

		WACC				
		6.5%	7.5%	8.5%	9.5%	10.5%
Infinite Growth	1.5%	45.6	36.9	30.8	26.2	22.6
	2.0%	49.3	39.2	32.3	27.2	23.4
	2.5%	53.9	41.9	34.0	28.4	24.2

		Top of EBIT margin				
	% of sales	3.0%	3.5%	4.0%	4.5%	5.0%
	% of GP	12.5%	14.5%	16.5%	18.5%	20.5%
Infinite Growth	1.5%	25.3	28.0	30.7	33.5	36.2
	2.0%	26.4	29.3	32.3	35.2	38.1
	2.5%	27.7	30.9	34.0	37.1	40.3

Source: Kepler Cheuvreux

Table 2: Summary of our forecasts

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sales	204	214	225	235	244	253	260	267	272	277	283
Growth	3.7%	5.0%	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	2.0%	2.0%
GP	49	51	54	56	59	61	62	64	65	67	68
Growth	3.0%	5.0%	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	2.0%	2.0%
EBITD	6.4	7.4	8.6	9.6	10.5	11.2	11.9	12.5	13.0	13.3	13.6
% of sales	3.1%	3.5%	3.8%	4.1%	4.3%	4.4%	4.6%	4.7%	4.8%	4.8%	4.8%
% of GP	13.1%	14.5%	16.0%	17.0%	18.0%	18.5%	19.0%	19.5%	20.0%	20.0%	20.0%
Depreciation	1.7	1.8	1.9	2.0	2.0	2.1	2.2	2.2	2.3	2.3	2.4
% of sales	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
% of GP	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
EBIT	4.7	5.6	6.7	7.6	8.5	9.1	9.7	10.2	10.8	11.0	11.2
Growth	3.7%	20.3%	19.3%	12.9%	11.7%	7.1%	6.4%	5.8%	5.2%	2.0%	2.0%
% of sales	2.3%	2.6%	3.0%	3.2%	3.5%	3.6%	3.7%	3.8%	4.0%	4.0%	4.0%
% of GP	9.6%	11.0%	12.5%	13.5%	14.5%	15.0%	15.5%	16.0%	16.5%	16.5%	16.5%
Tax	-1.7	-2.0	-2.4	-2.7	-3.1	-3.3	-3.5	-3.7	-3.9	-4.0	-4.0
Tax rate	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%
Change in WCR	0.2	-0.4	-0.4	-0.4	-0.4	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2
WRC	8.1	8.6	9.0	9.4	9.8	10.1	10.4	10.7	10.9	11.1	11.3
% sales	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Investments	-2.5	-2.5	-2.5	-2.6	-2.4	-2.3	-2.2	-2.1	-2.2	-2.2	-2.3
% sales	-1.2%	-1.2%	-1.1%	-1.1%	-1.0%	-0.9%	-0.9%	-0.8%	-0.8%	-0.8%	-0.8%
Free cash flows	2.4	2.5	3.3	3.8	4.7	5.3	5.9	6.4	6.8	6.9	7.1
Growth	Ns	2%	31%	18%	21%	14%	10%	9%	6%	2%	2%
% of Sales	1.2%	1.2%	1.5%	1.6%	1.9%	2.1%	2.3%	2.4%	2.5%	2.5%	2.5%
% of GP	5.0%	4.9%	6.1%	6.8%	8.0%	8.8%	9.4%	10.0%	10.4%	10.4%	10.4%
% of EBIT	52.0%	44.3%	48.5%	50.6%	55.0%	58.6%	60.6%	62.5%	63.0%	63.0%	63.0%
Discounted FCF	**2.2**	**2.1**	**2.6**	**2.8**	**3.1**	**3.3**	**3.3**	**3.3**	**3.3**	**3.1**	**2.9**
Sum of FCF	29.1										
Terminal value	48.4										
Infinite growth	2.0%										
WACC	8.5%										
Beta	1.4										
Risk premium	4.5%										
Risk Free rate	2.0%										
Enterprise value	**77.4**										
Net debt	-0.1										
Minorities	3.2										
Equity value	74.4										
Implied fair value (€)	32.3										

Source: Kepler Cheuvreux

We obtain a value per share of EUR32.3.

Peers

The company has many competitors listed in Europe, Panalpina and Khuene & Nagel (the most established players in the market), DHL (subsidiary of Deutsche Post), SDV (subsidiary of Bolloré) and DSV among others. Many freight forwarders are also listed in the US (Uti Worldwide, Expeditors, or Ceva) or in Asia (Kinetsu, Nippon Express or Kerry Logistics). However, as those companies do not have the same target clients (domestic clients for Clasquin) or the same regional presence, we think it is more relevant to focus our comparison sample on European companies.

Moreover, due to the different nature of air and sea freight compared with logistics and road transport (asset light, more volatile, less concentrated network), we have only considered those that have a majority of their activity in air and sea freight (Panalpina, Khuene & Nagel).

Table 3: Peer sample

	Country	Price (EUR)	MC (EURm)	Sales 2013 (EURm)	GP 2013 (EURm)	EBIT/Sales 2013	EBIT/GP 2013
Panalpina	Switzerland	120.2	2,855	5,568	1,036	1.8%	9.5%
Kuehne & Nagel	Switzerland	100.0	11,999	17,297	5,137	3.6%	12.2%
Clasquin	**France**	**28.0**	**65**	**198**	**47**	**2.3%**	**9.5%**

Sources: Thomson Reuters, Kepler Cheuvreux

Historically, Clasquin traded with a discount of around 40% versus peer multiples. As the company has proved its ability to outperform the market both in periods of growth and decline, the discount has been reduced since mid-2013, and is now at 24% on average. Although we were convinced that the historical discount was excessive, in light of the relatively small size of the company and its lower liquidity versus peers, we estimate that it will be difficult to reduce its discount below 15% (the target of our valuation approach).

Table 4: Clasquin multiples versus peer multiples, and theoretical valuation

	P/E			EV/Sales			EV/EBITDA			EV/EBIT		
	2014E	**2015E**	**2016E**	**2014E**	**2015E**	**2016E**	**2014E**	**2015E**	**2016E**	**2014E**	**2015E**	**2016E**
Panalpina	32.6	24.7	18.0	0.43	0.40	0.36	14.2	11.4	8.5	20.0	14.9	10.6
Kuehne & Nagel	22.6	20.6	18.8	0.63	0.60	0.57	13.3	12.3	11.4	16.5	15.0	13.7
Average	**27.6**	**22.6**	**18.4**	**0.53**	**0.50**	**0.46**	**13.8**	**11.8**	**10.0**	**18.3**	**14.9**	**12.2**
Clasquin	24.1	19.7	16.3	0.32	0.31	0.29	10.3	8.8	7.5	14.1	11.7	9.6
Current discount	-13%	-13%	-12%	-39%	-39%	-38%	-25%	-25%	-25%	-23%	-22%	-21%
Multiples after a discount of 15%	**23.5**	**19.2**	**15.7**	**0.45**	**0.43**	**0.39**	**11.7**	**10.1**	**8.5**	**15.5**	**12.7**	**10.3**
Theoretical valuation (EUR per share)	27.3	27.4	26.9	39.1	39.0	38.3	31.9	31.9	31.6	30.9	30.6	30.1

Source: Thomson Reuters, Kepler Cheuvreux

Based on the P/E and EV/EBIT multiples, the most relevant in that segment, we obtain a theoretical valuation of EUR28.9 per share.

Summary

Table 5: Summary of our valuation approach

Method	Per share EUR	Upside	P/E 2014	P/E 2015	EV/Sales 2014	EV/Sales 2015	EV/EBITDA 2014	EV/EBITDA 2015	EV/EBIT 2014	EV/EBIT 2015
Peers	28.9	3.1%	24.8	20.3	0.33	0.32	10.6	9.1	14.5	12.0
DCF	32.3	15.2%	27.7	22.7	0.37	0.35	11.9	10.2	16.2	13.4
Target price	31.0	10.7%	26.6	21.8	0.36	0.34	11.4	9.8	15.6	12.9

Source: Kepler Cheuvreux

We obtain a theoretical valuation of EUR31.0 per share, offering 10.7% upside

Investment case

In 2013, Clasquin's share price rose by 26.5% and since the start of 2014 by 18%. Based on our 2014 forecasts, current multiples appear to be above past multiples. As results are not expected to rebound significantly (the weight of investments managed to ensure future growth in 2014), Clasquin is trading at more than 14x in terms of EV/EBIT 2014, significantly higher than the historical multiples (average of less than 9x since the listing) and even higher than the record reached in 2006 and 2007 (below 12x, before the economic crisis and the drop in results).

As the market has already priced in the results rebound expected for 2015, we estimate that upside is now more limited (11% vs. our target price) and we advise holding the shares.

Table 6: Current multiples versus past multiples

	2006	2007	2008	2009	2010	2011	2012	2013	Average	2014E	2015E
PE	25.6	23.5	15.6	25.9	18.3	20.3	29.6	28.3	23.4	24.1	19.7
EV/Sales	0.38	0.31	0.20	0.26	0.19	0.27	0.22	0.27	0.26	0.32	0.31
EV/EBITDA	8.5	8.7	3.7	3.8	4.2	5.9	7.4	8.0	6.3	10.3	8.8
EV/EBIT	11.7	11.7	5.5	5.6	5.4	8.0	11.4	11.2	8.8	14.1	11.7

Source: Kepler Cheuvreux

Company background

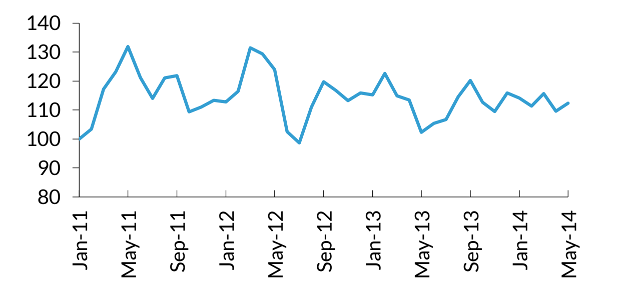
Freight forwarding: how it works

A pure player in freight forwarding does not act as a carrier, only as an organiser that dispatches and consolidates shipments via asset-based carriers and books space for the shipments. Carriers use ships, airplanes, trucks and railroads. The added value consists in the ability to manage international freight, i.e. prepare and process the documentation and perform related activities linked to shipments (specific rules depending on the origin and destination of goods).

High volatility in sales, gross profit a better indicator of the business

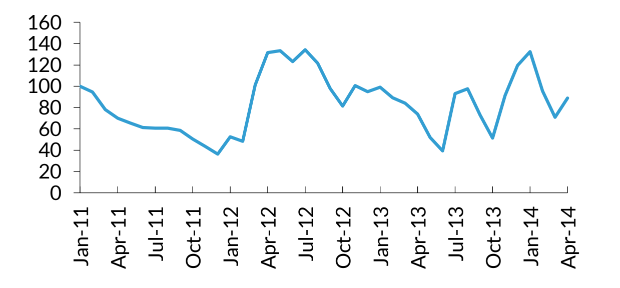
One of the characteristics of the business is high sales volatility for agents, as they are exposed to changes in oil prices and of freight rates. These changes are passed on to clients, affecting the company's sales performance but with no long-lasting impact on results (prices and rates changed are passed on with a slight delay). Over the past three years and more specifically in 2013, freight rates have been rather erratic, with no real trend over the year, a succession of peaks and troughs, disturbing pricing and therefore activity for freight forwarders.

Chart 1: Oil price (brent, basis 100 on January 2011)



Source: Datastream

Chart 2: Freight rate Asia-Europe (basis 100 on Jan 2011)

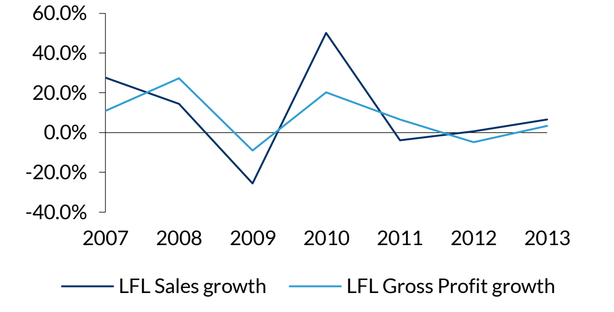


Source: Clasquin

Therefore, the best indicators of a company's activity are volumes and gross profit variations (Chart 3). In the market, the best indicator is TEU for sea freight (twenty-foot equivalent unit, i.e. the number of standard containers) and tonnes for air freight.

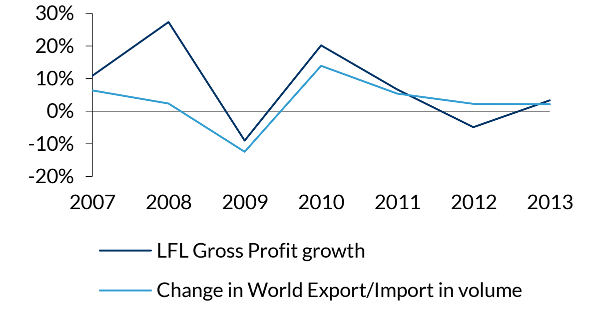
While gross profit is less volatile than sales, performance remains erratic due to the exposure to global world trade (Chart 4). Historically, excluding 2012 (restated for the Intercargo consolidation), Clasquin has outperformed global world trade thanks to its exposure to European-Asian flows which are more dynamic or more resilient than average flows.

Chart 3: Clasquin's sales growth vs. gross profit growth



Source: Clasquin

Chart 4: Clasquin's gross profit growth vs. market growth

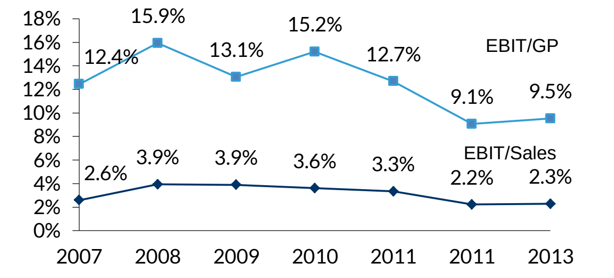


Sources: Clasquin, WTO

Asset-light business implies high ROCE despite low margins

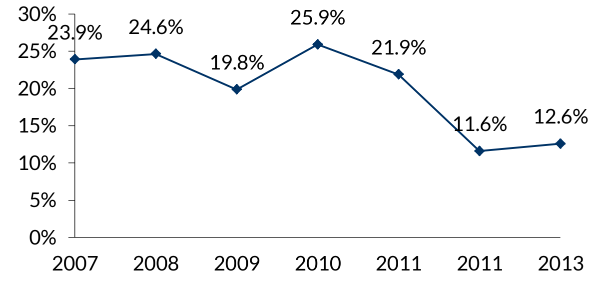
By definition, freight forwarding is asset-light (as it acts as an intermediary). Despite relatively low margins (EBIT at 3-5% of sales for the best players), ROCE is therefore high: over 10% under tough conditions, and above 20% under better market conditions.

Chart 5: Clasquin - EBIT margins



Source: Clasquin

Chart 6: Clasquin - ROCE (Goodwill included)



Source: Clasquin

Market consolidation

In early 2000s, the market started its consolidation. Historical freight forwarders decided to enlarge their offer through horizontal and vertical integration (logistics and/or road transport companies). Bolloré's SDV subsidiary and Kuehne & Nagel acquired a series of companies. A lot of players were also acquired by classic transport companies that decided to penetrate new markets and diversify their business into less capital-intensive activities. Therefore, freight forwarding is now operated by diversified (express, logistics, road transport, etc.) and very big companies. The air freight segment is much more concentrated than the sea segment, mainly due to its relatively smaller size.

Over the last five years, Asian operators have been entering the top 25 and top 10 in the market in terms of volume operated, but in terms of revenues the market remains dominated by European, American and Japanese players (Asian companies are mainly present in local flows).

Table 7: Main market players

Rank	Air freight Company	Country	Volume (Tons)	Market share	Sea freight Company	Country	Volume (TEU)	Market share
1	DHL	Germany	2,327,000	12.0%	Sinotrans (2012)	China	8,237,000	6.4%
2	Kuehne Nagel	Switzerland	1,134,000	5.8%	Kuehne Nagel	Switzerland	3,578,000	2.8%
3	DB Schenker	Germany	1,092,000	5.6%	DHL	Germany	2,800,000	2.2%
4	Hellmann Worldwide Logistics	Germany	513,278	2.6%	Damco (Maersk Group)	Denmark	2,800,000	2.2%
5	Panalpina	Switzerland	825,000	4.3%	DB Schenker	Germany	1,891,000	1.5%
6	UPS (2012)	US	862,000	4.4%	Pantos Logistics (2012)	Korea	1,765,246	1.4%
7	Nippon Express (2012)	Japan	773,773	4.0%	Panalpina	Switzerland	1,495,000	1.2%
8	Expeditors (2012)	US	729,527	3.8%	Expeditors (2012)	US	868,487	0.7%
9	Ceva	Netherlands	513,000	2.6%	Kerry Logistics	China	804,000	0.6%
10	SDV	France	510,000	2.6%	SDV	France	770,000	0.6%
Ns	**Clasquin**	**France**	**44,792**	**0.2%**	**Clasquin**	**France**	**85,138**	**0.1%**

Sources: Armstrong & Associates, Container trade statistics, companies

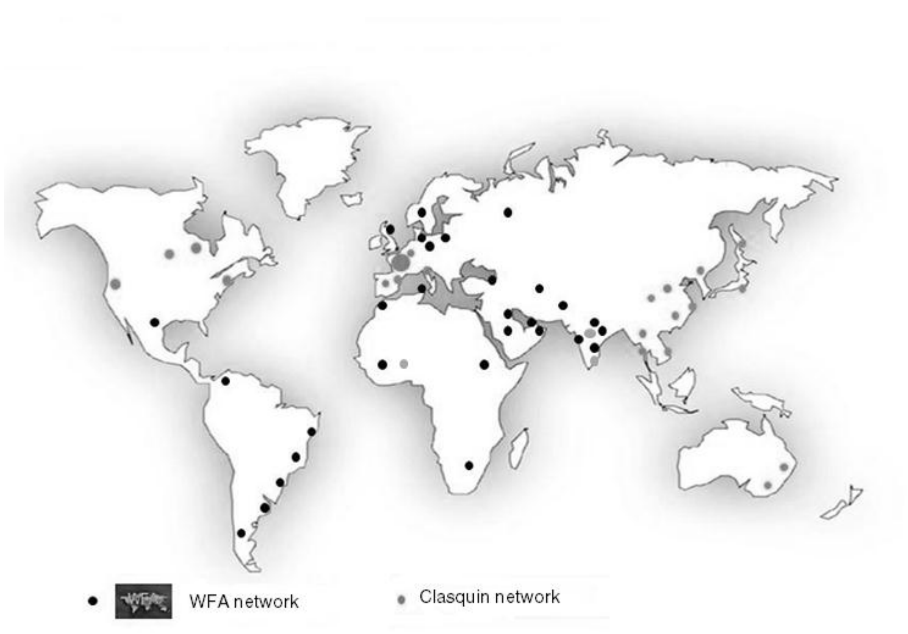
Besides these big operators, there are still small companies like Clasquin that have managed to successfully shift their flow overseas thanks to their greater flexibility and efficiency and the ability to customise their services.

Clasquin: a unique positioning in the segment

Small player, big clients

Thanks to the creation of international partnerships, small players can offer a worldwide network to their clients. Clasquin is a member of the WFA, the World Freight Alliance. The company provides its services in 20 countries through 46 offices, and benefits from the network of the other members, enlarging its presence to around 130 countries.

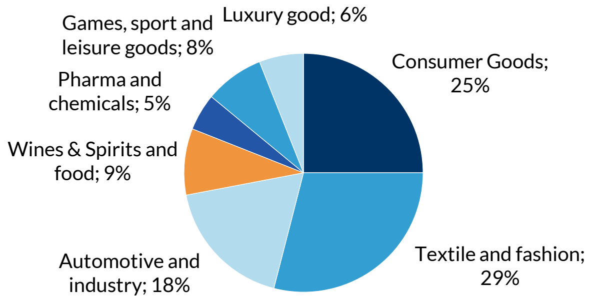
Chart 7: WFA and Clasquin networks



Source: Clasquinx

Thanks to its worldwide network, despite its relatively small size, Clasquin's clients are not small companies but big groups that operate in various sectors. Clasquin is not really exposed to one sector or a single client in particular (its number one client represents around 5% of gross profit and the top 30 less than 25%).

Chart 8: Gross profit by sector



Source: Clasquin

Initial skill: Asian flows by air, gradual diversification

In 1983, when it was acquired by Yves Revol (a manager of the company and still the CEO), Clasquin was focused on trade between France and Asia by air. In addition to the strong growth of flows to and from Asia, the company benefited from its diversification into sea freight (1991) and from the rapid expansion of its network into other European countries and the US (1994-2000).

The 2000-05 period was dedicated to the consolidation of its network and the upgrade of IT systems (in-house software) and management tools. Clasquin was therefore scaled in line with its expected acceleration in growth. Upon its listing in 2006 (EUR4m raised in cash), the group unveiled its acquisition strategy with plans to accelerate its development in freight forwarding (Europe, the US, etc.).

Since the IPO, in 2008 Clasquin acquired a French company specialised in road transport and logistics: Gueppe Developpement (70% of the capital for EUR5m; 5x EBIT in line with sector multiples). Even though synergies were quite low, in view of the performance posted by Gueppe-Clasquin since its acquisition both in terms of sales (+2% a year over the period; a relatively good performance in the current European economic context) and results (EBIT margin at 15% in 2013, among the best players in the market), we think this was a good deal with few risks (management remained at the helm of the subsidiary).

In 2012, Clasquin managed its first acquisition in freight forwarding business in Spain with Intercargo (two offices in Spain). This added around 5% in gross profit, and offered high potential of synergies thanks to good business complementarity, as Intercagro was focused on flows with Latam and the Middle East. The transaction multiple was at close to 5x EBIT, in line with the sector average.

While Clasquin is now more diversified in terms of activity (air freight accounts for less than one-third of the business), in terms of geographical presence it remains highly exposed to France and Continental Europe.

Chart 9: Gross profit by activity

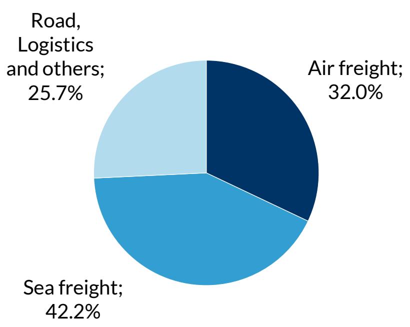
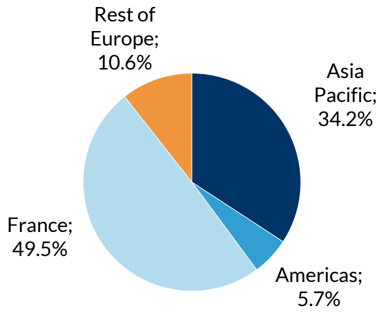


Chart 10: Freight forwarding business by region

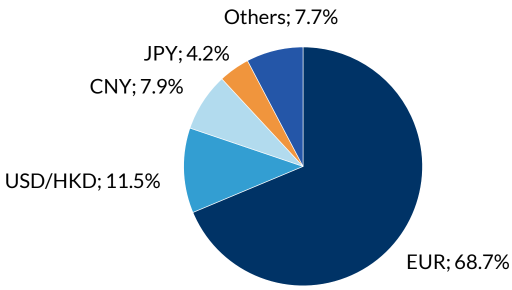


Source: Clasquin

Worldwide business but relatively low forex risk

Due to the weight of Europe in its activity and as some contracts are euro-denominated, the euro still represents close to 69% of Clasquin's gross profit. The company therefore has limited exposure to forex changes. Forex had a positive impact of 2.9% on gross profit in 2012 and a negative impact of 2.2% in 2013. (+1.6% on 2009 sales, +1.2% on gross profit). Moreover, as it is naturally hedged towards forex changes (revenues and costs in foreign countries are well balanced), the impact is limited to a conversion effect (low impact on margins).

Chart 11: Gross profit by currency



Source: Clasquin

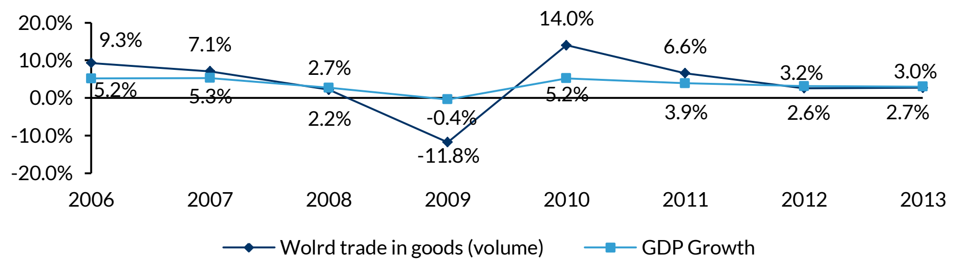
Good record in operating performance

Tough market

Historically, world trade (implying a need for transport) has been easy to predict: close to twice GDP growth thanks to outsourcing to low-cost countries for mature markets and growing purchasing power in emerging countries (boom in luxury, aerospace, defence, etc., trade). Over 1996-2005, world GDP grew by 3.7% on average and by 6.8% for world trade by volume (source: IMF).

Since 2008, market trends have been disrupted. Amid a decline in world GDP in 2009 (-0.4%), trade has plunged mainly due to destocking effects: the lack of visibility following financial crisis which had even undermined some states. Conversely, 2010 saw a catch-up effect - a likely re-stocking effect in parallel with a rebound in GDP. After this turbulent period, the market seems to have stabilised since 2011, but world trade growth is slightly lower than GDP growth likely due to insourcing effects and an increase in local production and demand from emerging countries.

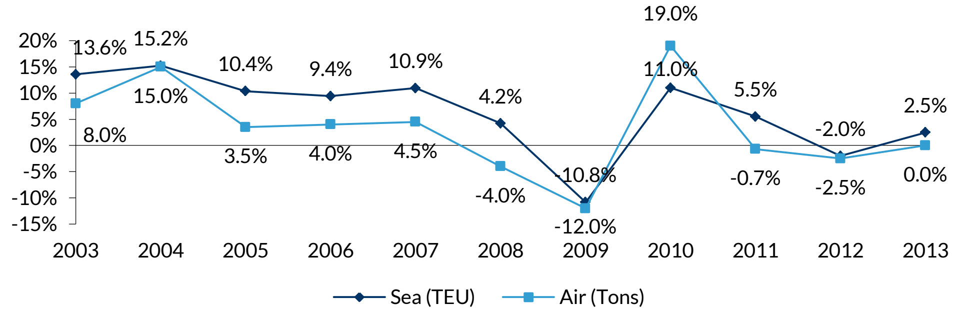
Chart 12: Global trade versus GDP growth worldwide 2006-13



Source: IMF

Between 2001 and 2007, freight forwarders had benefited from highly favourable market conditions: air and sea freight enjoyed constant and strong volume growth: +12% on average for sea freight and +8% for air freight. Therefore, agents were unprepared for the market downturn at the end of 2008 and which continued into 2009. After the catch-up effect posted in 2010, market growth was flat with 2% average growth for sea freight and a 1% decline in air freight.

Chart 13: Market performance (by volume)



Source: Kuehne & Nagelx

Clasquin: standing strong amid tough conditions

Table 8: Clasquin's performance in freight forwarding activity 2009-13

	2009	2010	2011	2012	2013
Number of operations					
Air	51,167	57,629	60,899	59,896	61,275
Change	-15.8%	12.7%	5.7%	-1.6%	2.3%
Sea	52,523	66,435	69,537	73,487	81,595
Change	1.9%	26.5%	4.7%	5.7%	11.0%
Volume traded					
Air (tons)	30,956	37,879	41,139	41,659	44,792
Change	-16.4%	22.4%	8.6%	1.3%	7.5%
By operation	0.60	0.66	0.68	0.70	0.73
Change	-0.7%	8.6%	2.8%	3.0%	5.1%
Sea (TEU)	55,618	79,094	90,198	84,895	85,138
Change	9.7%	42.2%	14.0%	-5.9%	0.3%
By operation	1.06	1.19	1.30	1.16	1.04
Change	7.7%	12.4%	9.0%	-10.9%	-9.7%
Gross profit					
Air (EURm)	12.7	16.1	17.3	16.2	15.6
Change	-14.8%	27.2%	7.7%	-6.6%	-3.4%
GP by operation (EUR)	248.2	279.4	284.1	270.5	255.4
Change	1.3%	12.5%	1.7%	-4.8%	-5.6%
GP by ton (EUR)	410.3	425.0	420.5	388.9	349.3
Change	1.9%	3.6%	-1.1%	-7.5%	-10.2%
Sea (EURm)	12.7	16.2	17.5	18.5	20.6
Change	-5.6%	26.6%	8.4%	5.6%	11.3%
GP by operation (EUR)	242.7	243.5	251.7	251.7	252.6
Change	-7.3%	0.3%	3.4%	0.0%	0.3%
GP by TEU (EUR)	229.2	204.5	194.0	217.9	242.1
Change	-14.0%	-10.8%	-5.1%	12.3%	11.1%
GP total group	**34.3**	**42.4**	**45.1**	**45.1**	**47.4**
Change	**-7.9%**	**23.8%**	**6.3%**	**0.0%**	**5.2%**
Change LFL	**-9.1%**	**20.2%**	**6.6%**	**-4.9%**	**3.3%**

Source: Clasquin

Amid such tough market conditions, Clasquin was relatively resilient, with gross profit growth of close to 4% on average over the past three years, or close to 2% LFL, excluding scope and forex effects. Due to its historical exposure to air freight, and as this market had declined, Clasquin posted a better resilience in sea freight. Below are the details by division:

In the air activity Clasquin benefited from the combination of a higher number of operations (61,275 in 2013 vs. 57,629 in 2010), with higher volume (0.73 tonnes per operation versus 0.66 in 2010), but was penalised by a lower contribution to gross profit (EUR15.6m vs EUR16.1m) likely due to pricing pressure amid a declining or stable market.

In the sea segment, a higher number of operations (85,138 vs. 79,094) was partly offset by lower volumes (1.04 TEU vs. 1.19), but thanks to good pricing conditions, gross profit grew significantly, reaching EUR20.6m in 2013 compared with EUR16.2m in 2010, implying average growth of over 8%.

In its other activities, over 2010-13 average gross profit growth was -1.5% for Gueppe Clasquin (road transport in Europe, relatively good resilience in the current economic context), +10% for Logsystem (software activity) and +17% for other businesses in the freight forwarding division.

Margins under pressure due to investment in future growth

The main charges are labour costs (closed to 60% of operating charges). Despite a tough market context, management decided to pursue its hiring efforts to seize opportunities (difficulties in finding people in emerging countries) and to prepare for future growth (bolstering its head-office structure). Over the past three years, the number of employees has grown by more than 6% a year or +4.5% restated for the Intercargo effect (almost twice gross profit growth). Therefore, the weight of labour costs has grown significantly, reaching 61.8% of gross profit in 2013 compared with 57.7% in 2010.

Chart 14: Change in staff 2009-13

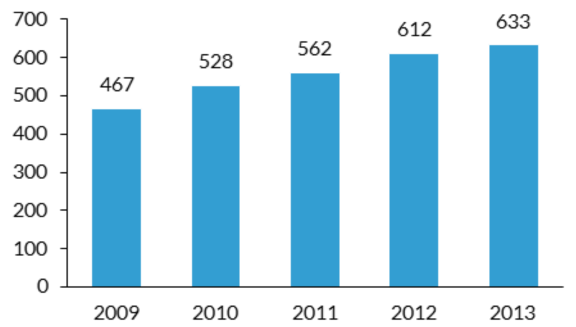
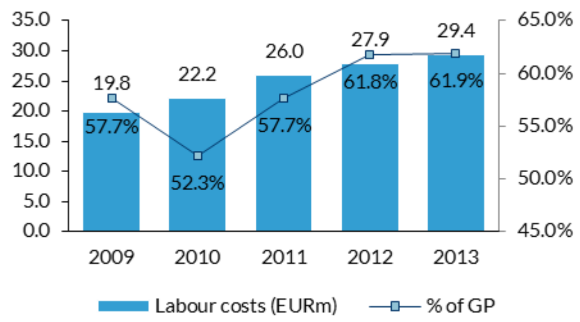


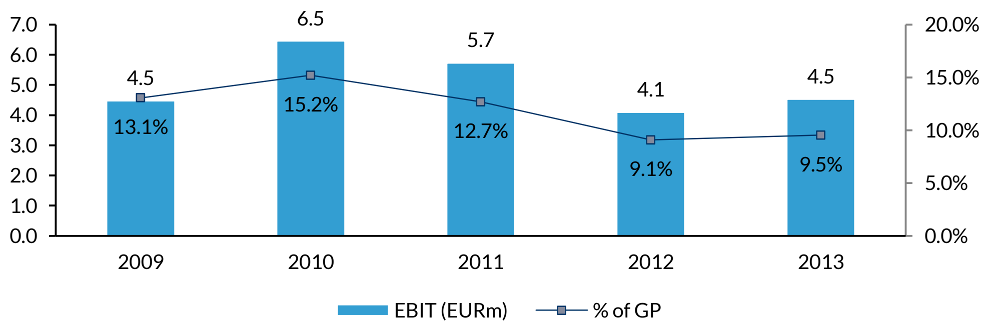
Chart 15: Change in labour costs 2009-13



Source: Clasquin

Due to the strengthening of Clasquin's team, amid low activity growth, operating margins have therefore been under pressure since 2010. In absolute terms, EBIT reached EUR4.5m in 2013, back to 2009 levels.

Chart 16: Change in EBIT and EBIT margin (% of GP) 2009-13



Source: Clasquin

Sound financial health

Thanks to FCF of around EUR2m a year, and as the company has only generated limited external growth operations since its listing, management had maintained a relatively friendly dividend policy, with a payout of over 80% in 2012 and 2013. The net cash position at end-2013 was EUR1.9m, which could allow the company to finance its developments through organic and external growth.

Table 9: Cash generation and consumption 2009-13

EURm	2009	2010	2011	2012	2013
Cash flow	4.6	5.2	5.6	3.4	4.9
FCF	5.9	0.4	3.0	-1.1	2.3
Dividend	-1.5	-1.8	-2.9	-2.1	-2.0
Investments and acquisitions	-0.1	-0.4	-0.2	-2.6	-0.3
Net debt	**-5.6**	**-5.4**	**-5.8**	**-0.2**	**-0.1**

Source: Clasquin

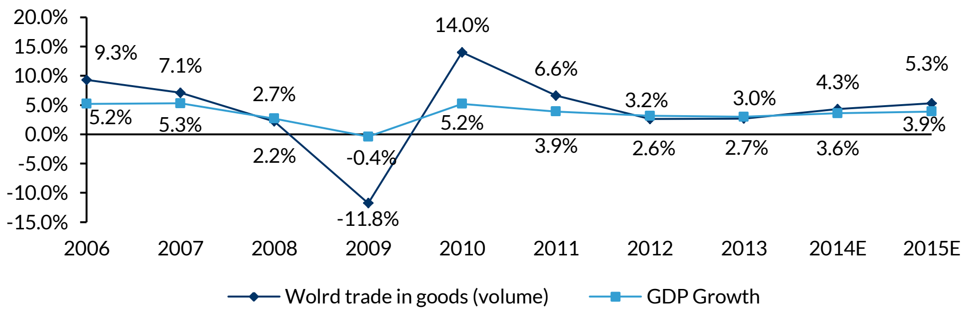
Catalysts and news flow

Better market context

Exceptionally tough market conditions since 2009

According to the IMF, world GDP growth is expected to gradually accelerate to reach +3.6% in 2014 (after +3.0% in 2013) and +3.9% in 2015. Moreover, world trade growth is expected to outperform GDP growth as of 2014, with a forecast announced at +4.3% in terms of volume of goods for 2014 (vs. 2.7% in 2013) and +5.3% for 2015.

Chart 17: GDP and world trade forecasts 2006-15E

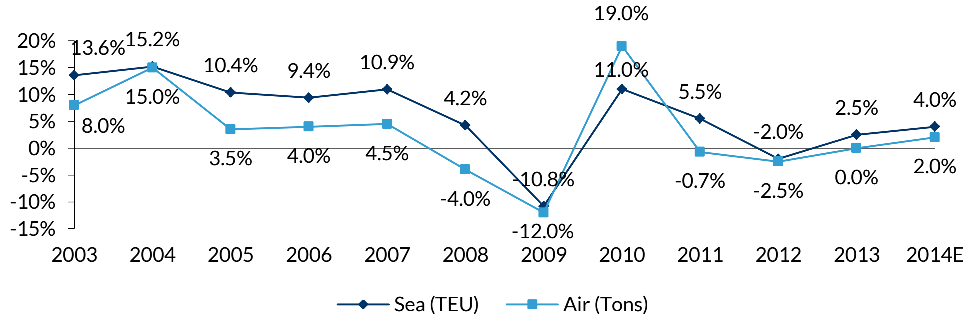


Source: IMF (April 2014)

Forecasts for freight forwarding sector

Operators forecast a slight acceleration in volumes for 2014: around +4% for sea freight, versus +2.5% in 2013 and +2% in air freight, following flat activity in 2013. Based on IMF forecasts, it is highly likely that volume growth will continue to accelerate in 2015.

Chart 18: Air and sea markets forecasts (by volume) 2003-14E



Sources: Panalpina and Kuehne & Nagelx

Business rebound initiated in 2013 expected to be confirmed

Pick-up in gross profit started in Q2 2013

For Clasquin, the business rebound started in 2013 (+3.3% LFL over the year, restated for forex and scope effects) and was confirmed by a good start to 2014: Q1 was +3.7% LFL.

Table 10: Gross profit performance by quarter

EURm	Q1-13	Q2-13	Q3-13	Q4-13	2013	Q1-14
Air	3.3	4.1	4.0	4.2	15.6	3.4
Growth	18.7%	-1.0%	4.1%	0.7%	-3.4%	4.3%
Sea	4.9	4.9	5.6	5.2	20.6	4.9
Growth	-12.0%	9.3%	10.7%	7.6%	11.3%	-0.1%
Others	0.7	0.8	0.8	1.0	3.3	0.7
Growth	10.4%	7.0%	0.6%	-0.2%	12.8%	1.7%
Total freight forwarding	8.9	9.8	10.4	10.5	39.6	9.0
Growth	4.6%	4.5%	7.3%	3.6%	5.1%	1.6%
Gueppe (road transport)	1.7	1.7	1.7	1.7	6.8	1.8
Growth	4.3%	4.0%	9.0%	6.3%	8.0%	5.9%
Log-System (software)	0.6	0.6	0.6	0.6	2.4	0.6
Growth	8.8%	17.1%	4.9%	4.0%	-10.7%	3.2%
Inter-co	-0.3	-0.4	-0.4	-0.3	-1.4	-0.3
Total gross profit	**10.8**	**11.8**	**12.3**	**12.5**	**47.4**	**11.1**
Growth	**4.7%**	**4.4%**	**7.7%**	**3.6%**	**5.2%**	**2.2%**
Organic growth	**-1.1%**	**1.2%**	**5.5%**	**6.6%**	**3.3%**	**3.7%**

Source: Clasquin

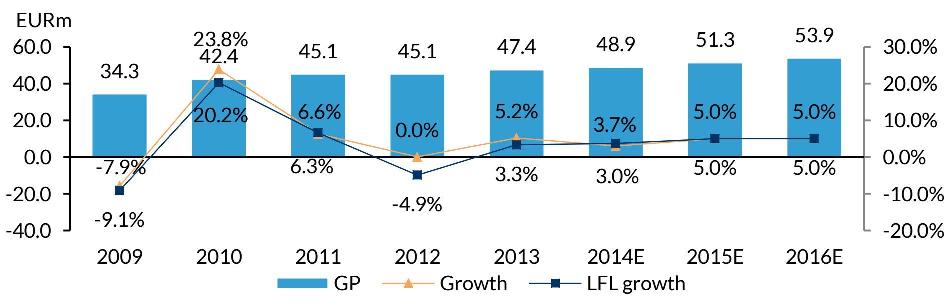
Cautious scenario for 2014

As the market rebound is expected to be gradual (only a slight acceleration forecast for 2014) and as Clasquin has a relatively high comparison base for H2, we estimate that it will be difficult for the company to accelerate its business rebound compared with the trend posted for Q1. We therefore forecast organic growth at 3.7% for 2014, or +3% reported (after negative forex effect), to EUR 48.9m, below the +5.2% reported in 2013 as Clasquin has benefited from the scope effect (+4.1% for gross profit) with the integration of Intercargo over 12 months.

Bright prospects

Thanks to its exposure to Asian and Latam flows, with the Intercargo consolidation, in the long term we estimate that Clasquin will continue to outperform its market. We are therefore confident that there will be an acceleration in gross profit growth over the next few years: +5% in gross profit growth expected for 2015 and 2016.

Chart 19: Gross profit growth forecasts 2009-16E



Source: Kepler Cheuvreux

High leverage on margins

Margins expected to stabilise in 2014

Since the start of the year, Clasquin has seen high volatility in terms of freight rates, in decreasing phase it has a positive impact on margins (lag to pass on to clients freight rate decline) but in increasing phase the impact is negative. It also has a disturbing effect on the business, implying lower efficiency and therefore having pressure on margins by operation.

Moreover, the company will support the full impact of its 2013 commercial staff reinforcement and the end of the hiring programme for the head office structure (it recently appointed a new head of the marketing team and a new legal head), which will imply a further increase in labour charges.

Despite the confirmation of the business rebound amid a more favourable market context, we estimate that it will be difficult for Clasquin to significantly improve its margins in 2014. We expect a 9.6% EBIT/gross profit ratio for 2014, +10bps versus 2013.

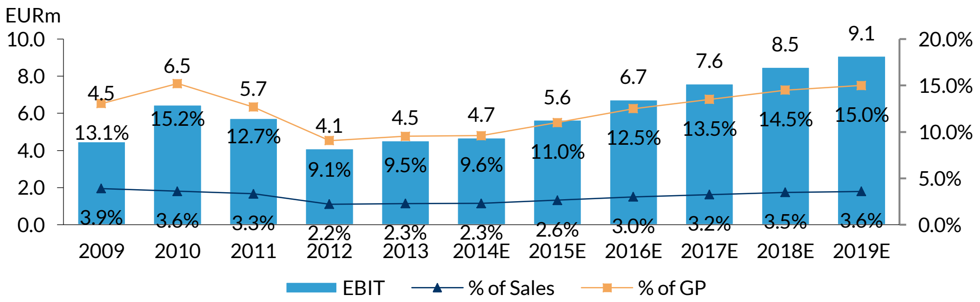
Start of margin recovery expected as of 2015

As the company is now structured to maximise growth, both in terms of back offices and commercial network, we estimate that labour charges and external charges could grow more slowly than the business. In parallel with the acceleration in gross profit growth, we estimate that Clasquin could significantly improve its operating performance as of 2015: 11.0% expected in terms of EBIT/gross profit ratio, +110bps YOY. We estimate that Clasquin may be able to restore its past operating margin performance: 15.9% in EBIT/gross profit ratio reached in 2008, before the financial crisis (15.4% in 2005).

Past performance expected to be restored

The company's rate of margin recovery will depend on the rebound in gross profit and on external growth operations. In our scenario, as we do not forecast further acquisitions (hard to foresee) and as we have integrated cautious forecasts in terms of gross profit growth, we expect the 15% threshold for EBIT/gross profit ratio to be crossed in 2019.

Chart 20: EBIT and EBIT margin forecasts



Source: Kepler Cheuvreux

For 2013-16, we expect average EBIT growth of 14% compared with average gross profit growth of 4%.

While our forecasts are based on the current scope, Clasquin is likely to seize new external growth opportunities (hard to foresee; not in our scenario). With the acquisition of Gueppe and Intercargo, Clasquin has added close to EUR9m in gross profit to its business since 2008 (+25% vs. 2008 base). In light of its cash generation and current financial health, Clasquin could double its historical external growth rate and therefore significantly accelerate its business rebound and its margin recovery.

Clasquin is entering a new growing phase, both in business and results growth, and news flow is expected to remain positive.

Valuation

FY to 31/12 (EUR)	2009	2010	2011	2012	2013	2014E	2015E	2016E
Per share data								
EPS adjusted	1.06	1.47	1.33	0.91	0.96	1.16	1.42	1.72
% Change	-38.9%	38.9%	-9.7%	-31.4%	4.8%	21.8%	22.2%	20.9%
EPS adjusted and fully diluted	1.06	1.47	1.33	0.91	0.96	1.16	1.42	1.72
% Change	-38.9%	38.9%	-9.7%	-31.4%	4.8%	21.8%	22.2%	20.9%
EPS reported	1.06	1.47	1.33	0.91	0.96	1.16	1.42	1.72
% Change	-38.9%	38.9%	-9.7%	-31.4%	4.8%	21.8%	22.2%	20.9%
EPS Consensus						1.46	1.78	2.12
Cash flow per share	3.01	2.13	2.50	0.76	2.17	2.15	2.18	2.51
Book value per share	7.67	8.70	9.11	9.16	9.14	9.50	10.11	10.98
DPS	0.63	1.20	0.75	0.75	0.80	0.81	0.85	0.95
Number of shares, YE (m)	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Number of shares, fully diluted, YE (m)	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Share price								
Latest price / year end	13.8	17.3	17.5	18.8	23.8	28.0	28.0	28.0
52 week high (Year high)	14.0	18.5	29.0	23.0	23.8	28.9		
52 week low (Year low)	10.5	13.3	16.4	17.4	18.3	23.0		
Average price (Year)	12.5	16.4	21.7	19.5	21.0	28.0		
Enterprise value (EURm)								
Market capitalisation	28.7	37.7	50.0	45.1	48.4	64.6	64.6	64.6
Net financial debt	-5.6	-5.4	-5.8	-0.2	-0.1	-0.7	-1.4	-2.7
Pension provisions	0.3	0.3	0.4	0.6	0.7	0.7	0.7	0.7
Market value of minorities	1.6	1.8	1.3	1.1	1.2	1.5	1.8	2.2
Market value of equity affiliates (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise value	25.0	34.5	45.9	46.6	50.1	66.1	65.8	64.8
Valuation								
P/E adjusted	11.8	11.1	16.3	21.4	21.9	24.1	19.7	16.3
P/E adjusted and fully diluted	11.8	11.1	16.3	21.4	21.9	24.1	19.7	16.3
P/E consensus						19.2	15.7	13.2
P/BV	1.6	1.9	2.4	2.1	2.3	2.9	2.8	2.6
P/CF	4.1	7.7	8.7	25.9	9.7	13.0	12.9	11.2
Dividend yield (%)	5.1%	7.3%	3.5%	3.8%	3.8%	2.9%	3.0%	3.4%
FCF yield (%)	20.4%	1.0%	6.1%	-2.4%	4.7%	3.8%	3.9%	5.1%
ROE (%)	13.3%	16.6%	13.9%	9.4%	9.9%	11.8%	13.5%	15.1%
ROIC (%)	19.5%	30.1%	24.0%	14.8%	14.1%	15.2%	17.5%	19.9%
EV/Sales	0.22	0.19	0.27	0.25	0.25	0.32	0.31	0.29
EV/EBITDA	3.8	4.2	5.9	7.4	7.9	10.3	8.8	7.5
EV/EBIT	5.6	5.3	8.0	11.4	11.1	14.1	11.7	9.6

Income statement

FY to 31/12 (EURm)	2009	2010	2011	2012	2013	2014E	2015E	2016E
Sales	**114.7**	**179.1**	**171.4**	**184.6**	**198.1**	**203.7**	**213.8**	**224.5**
% Change	-24.0%	56.1%	-4.3%	7.7%	7.3%	2.8%	5.0%	5.0%
EBITDA reported	**6.6**	**8.2**	**7.7**	**6.3**	**6.3**	**6.4**	**7.4**	**8.6**
% Change	-24.4%	23.7%	-5.5%	-18.2%	0.0%	1.4%	16.2%	15.9%
Depreciation and amortisation	-2.1	-1.7	-2.0	-2.2	-1.8	-1.7	-1.8	-1.9
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial result and associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT reported	**4.5**	**6.5**	**5.7**	**4.1**	**4.5**	**4.7**	**5.6**	**6.7**
% Change	-24.6%	44.2%	-11.3%	-28.5%	10.4%	3.7%	20.3%	19.3%
Net financial items	-0.2	-0.7	-0.5	-0.4	-0.4	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before tax	**4.3**	**5.8**	**5.2**	**3.7**	**4.1**	**4.7**	**5.7**	**6.8**
% Change	-25.4%	33.9%	-10.4%	-28.6%	10.2%	15.6%	20.4%	19.4%
Tax	-1.5	-2.0	-1.9	-1.4	-1.6	-1.7	-2.0	-2.4
Net profit from continuing operations	**2.8**	**3.8**	**3.3**	**2.3**	**2.5**	**3.0**	**3.6**	**4.3**
% Change	-34.9%	37.4%	-14.7%	-28.1%	7.6%	19.7%	20.4%	19.4%
Net profit from discontinuing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	**2.8**	**3.8**	**3.3**	**2.3**	**2.5**	**3.0**	**3.6**	**4.3**
Minorities	-0.4	-0.4	-0.2	-0.2	-0.3	-0.3	-0.3	-0.4
Net profit reported	**2.4**	**3.4**	**3.1**	**2.1**	**2.2**	**2.7**	**3.3**	**4.0**
% Change	-37.8%	41.3%	-9.7%	-31.4%	4.8%	21.8%	22.2%	20.9%
Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit adjusted	**2.4**	**3.4**	**3.1**	**2.1**	**2.2**	**2.7**	**3.3**	**4.0**
% Change	-37.8%	41.3%	-9.7%	-31.4%	4.8%	21.8%	22.2%	20.9%
Gross profit	34.3	42.4	45.1	45.1	47.4	48.9	51.3	53.9
EBITDA adjusted	6.6	8.2	7.7	6.3	6.3	6.4	7.4	8.6
EBIT adjusted	4.5	6.5	5.7	4.1	4.5	4.7	5.6	6.7
Gross profit margin (%)	29.9%	23.7%	26.3%	24.4%	23.9%	24.0%	24.0%	24.0%
EBITDA margin (%)	5.8%	4.6%	4.5%	3.4%	3.2%	3.1%	3.5%	3.8%
EBIT margin (%)	3.9%	3.6%	3.3%	2.2%	2.3%	2.3%	2.6%	3.0%
Net profit margin (%)	2.1%	1.9%	1.8%	1.1%	1.1%	1.3%	1.5%	1.8%
Tax rate (%)	35.7%	34.0%	37.1%	36.7%	38.2%	36.0%	36.0%	36.0%
Payout ratio (%)	38.6%	74.6%	85.6%	69.7%	95.7%	83.7%	70.0%	60.0%
EPS reported (EUR)	1.06	1.47	1.33	0.91	0.96	1.16	1.42	1.72
% change	-38.9%	38.9%	-9.7%	-31.4%	4.8%	21.8%	22.2%	20.9%
EPS adjusted (EUR)	1.06	1.47	1.33	0.91	0.96	1.16	1.42	1.72
% change	-38.9%	38.9%	-9.7%	-31.4%	4.8%	21.8%	22.2%	20.9%
EPS adj and fully diluted(EUR)	1.06	1.47	1.33	0.91	0.96	1.16	1.42	1.72
% change	-38.9%	38.9%	-9.7%	-31.4%	4.8%	21.8%	22.2%	20.9%
DPS (EUR)	0.63	1.20	0.75	0.75	0.80	0.81	0.85	0.95
% change	46.5%	90.5%	-37.5%	0.0%	6.7%	1.8%	4.8%	10.8%
Consensus Sales (EURm)						205.0	212.2	222.4
Consensus EBITDA (EURm)						7.6	8.5	9.4
Consensus EBIT (EURm)						5.9	6.9	8.3
Consensus EPS (EUR)						1.46	1.78	2.12
Consensus DPS (EUR)						1.05	1.24	1.75

Cash flow statement

FY to 31/12 (EURm)	2009	2010	2011	2012	2013	2014E	2015E	2016E
Net profit before minorities	2.8	3.8	3.3	2.3	2.5	3.0	3.6	4.3
Depreciation and amortisation	1.8	0.8	2.2	2.1	1.9	1.7	1.8	1.9
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in working capital	2.2	-0.3	0.2	-1.6	0.1	0.2	-0.4	-0.4
Others	0.0	0.6	0.1	-1.0	0.6	0.0	0.0	0.0
Cash Flow from operating activities	**6.8**	**4.9**	**5.8**	**1.7**	**5.0**	**5.0**	**5.0**	**5.8**
% Change	4.4%	-27.9%	17.4%	-69.8%	187.3%	-1.1%	1.3%	15.4%
Capex	-1.0	-4.5	-2.7	-2.8	-2.8	-2.5	-2.5	-2.5
Free cash flow	**5.9**	**0.4**	**3.0**	**-1.1**	**2.3**	**2.5**	**2.5**	**3.3**
% Change	56.5%	-93.3%	678.5%	na	na	8.6%	2.6%	30.7%
Acquisitions	-0.1	-0.4	-0.2	-2.6	-0.3	0.0	0.0	0.0
Divestments	0.2	1.1	0.3	1.0	0.4	0.0	0.0	0.0
Dividend paid	-1.5	-1.8	-2.9	-2.1	-2.0	-1.8	-1.9	-2.0
Share buy back	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital increases	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.1	0.4	0.2	-0.3	-0.4	0.0	0.0	0.0
Change in net financial debt	**4.9**	**-0.2**	**0.5**	**-5.1**	**-0.1**	**0.6**	**0.6**	**1.3**
Change in cash and cash equivalents	0.6	0.2	-0.3	1.5	1.8	1.2	1.1	1.8
Attributable FCF	5.9	0.4	3.0	-1.1	2.3	2.5	2.5	3.3
Cash flow per share (EUR)	3.01	2.13	2.50	0.76	2.17	2.15	2.18	2.51
% Change	2.7%	-29.1%	17.4%	-69.8%	187.3%	-1.1%	1.3%	15.4%
FCF per share (EUR)	2.58	0.17	1.32	-0.47	0.98	1.06	1.09	1.43
% Change	53.8%	-93.4%	678.5%	na	na	8.6%	2.6%	30.7%
Capex / Sales (%)	0.8%	2.5%	1.6%	1.5%	1.4%	1.2%	1.2%	1.1%
Capex / D&A (%)	45.4%	264.0%	137.1%	127.7%	153.4%	146.2%	139.3%	132.6%
Cash flow / Sales (%)	5.9%	2.7%	3.4%	0.9%	2.5%	2.4%	2.3%	2.6%
FCF / Sales (%)	5.1%	0.2%	1.8%	-0.6%	1.1%	1.2%	1.2%	1.5%
FCF Yield (%)	20.4%	1.0%	6.1%	-2.4%	4.7%	3.8%	3.9%	5.1%
Unlevered FCF Yield (%)	23.8%	2.4%	7.4%	-1.8%	5.1%	3.7%	3.8%	5.0%

Balance sheet

FY to 31/12 (EURm)	2009	2010	2011	2012	2013	2014E	2015E	2016E
Cash and cash equivalents	9.3	9.4	9.1	10.7	12.4	13.6	14.8	16.6
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	33.5	44.9	45.8	53.8	58.7	57.1	60.0	63.0
Other current assets	1.6	3.2	2.8	3.1	2.9	2.8	2.9	3.1
Current assets	**44.4**	**57.5**	**57.7**	**67.6**	**74.0**	**73.6**	**77.7**	**82.7**
Tangible assets	3.5	5.3	5.5	5.8	5.5	6.3	7.0	7.6
Goodwill	4.4	4.4	4.4	5.5	5.6	5.6	5.6	5.6
Other Intangible assets	1.3	1.3	1.6	2.2	2.8	2.8	2.8	2.8
Financial assets	0.6	0.7	0.9	0.8	0.8	0.8	0.8	0.8
Other non-current assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current assets	**9.7**	**11.7**	**12.4**	**14.3**	**14.8**	**15.6**	**16.3**	**16.9**
Short term debt	2.3	2.1	1.6	7.6	9.9	10.2	10.5	10.7
Accounts payable	23.4	34.3	35.1	38.4	44.4	43.2	45.4	47.7
Other short term liabilities	6.4	8.3	8.5	9.6	8.8	8.5	9.0	9.4
Current liabilities	**32.1**	**44.7**	**45.3**	**55.6**	**63.1**	**62.0**	**64.8**	**67.8**
Long term debt	1.4	2.0	1.7	2.9	2.4	2.7	3.0	3.2
Pension provisions	0.3	0.3	0.4	0.6	0.7	0.7	0.7	0.7
Other long term provisions	1.4	0.3	0.4	0.5	0.3	0.3	0.3	0.3
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**3.1**	**2.6**	**2.5**	**4.0**	**3.5**	**3.7**	**4.0**	**4.2**
Shareholders' equity	17.4	20.1	21.0	21.1	21.1	21.9	23.3	25.3
Minority interests	1.6	1.8	1.3	1.1	1.2	1.5	1.8	2.2
Total equity	**19.0**	**21.9**	**22.3**	**22.3**	**22.2**	**23.4**	**25.2**	**27.5**
Balance sheet total	**54.1**	**69.2**	**70.1**	**81.9**	**88.8**	**89.1**	**94.0**	**99.5**
% Change	-4.3%	27.9%	1.2%	16.8%	8.5%	0.3%	5.4%	5.9%
Book value per share (EUR)	7.67	8.70	9.11	9.16	9.14	9.50	10.11	10.98
% Change	7.4%	13.5%	4.7%	0.6%	-0.3%	4.0%	6.4%	8.6%
Net debt	-5.3	-5.1	-5.4	0.4	0.6	0.0	-0.6	-1.9
Net financial debt	-5.6	-5.4	-5.8	-0.2	-0.1	-0.7	-1.4	-2.7
Trade working capital	10.1	10.5	10.6	15.4	14.3	13.9	14.6	15.3
Working capital	5.3	5.4	4.9	9.0	8.4	8.1	8.6	9.0
Inventories/sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Invested capital	13.2	15.2	14.9	20.2	19.5	20.1	21.2	22.2
Net debt / EBITDA (x)	-0.8	-0.6	-0.7	0.1	0.1	0.0	-0.1	-0.2
Net debt / FCF (x)	-0.9	na	-1.8	-0.4	0.3	0.0	-0.2	-0.6
Gearing (%)	-29.6%	-24.6%	-26.1%	-0.7%	-0.5%	-3.0%	-5.4%	-9.7%
Goodwill / Equity (%)	23.0%	20.3%	19.9%	24.6%	25.1%	23.9%	22.2%	20.3%

Divisions and regions

FY to 31/12 (EUR)	2009	2010	2011	2012	2013	2014E	2015E	2016E
Key assumptions								
Sales by division								
Overseas	104.8	167.5	159.7					
Others	9.9	11.6	11.7					
by division								
Geographic breakdown of sales, adjusted (%)								
Currency exposure of sales (%)								

Research ratings and important disclosures

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Stock	ISIN	Disclosure (See Below)	Currency	Price
Clasquin	FR0004152882	8	EUR	28.00
Kuehne + Nagel	CH0025238863	nothing to disclose	CHF	121.70
Panalpina	CH0002168083	nothing to disclose	CHF	146.30

Source: Factset closing prices of 11/06/2014

Stock prices: Prices are taken as of the previous day's close (to the date of this report) on the home market unless otherwise stated.

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Rating ratio Kepler Cheuvreux Q1 2014

Rating breakdown	A	B
Buy	43.0%	0.0%
Hold	32.0%	0.0%
Reduce	21.0%	0.0%
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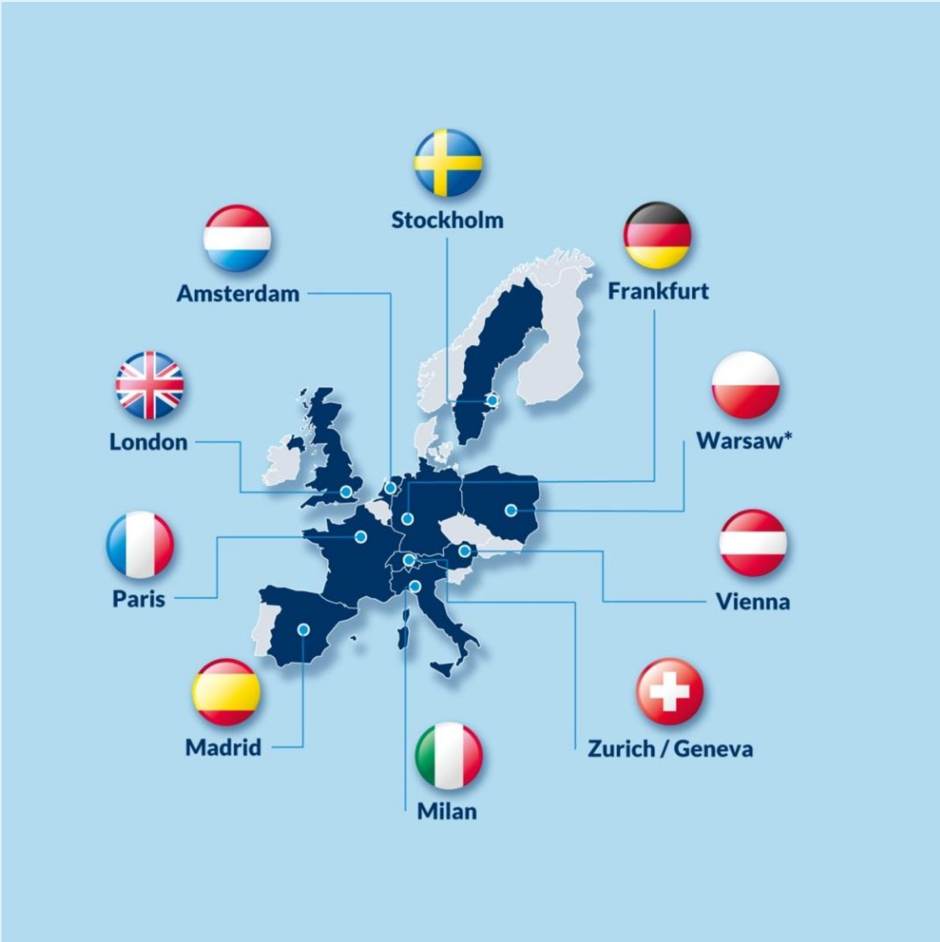

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