Kepler Cheuvreux | Equity Research

Espresso
News comment

Clasquin

France | Support services | MCAP EUR 70.3m

17 March 2016

Hold (Hold)

Target Price	**EUR 36.00**
Current Price	EUR 30.6
Up/downside	17.8%
Change in TP	none
Change in EPS	down nm 2014E

Delightful performance

Baptiste de Leudeville
Equity Research Analyst
bdeleudeville@keplercheuvreux.com
+41 22 994 1573

The freight forwarder had a strong financial year. The performance is spectacular on every metrics.

2015 pro-forma results

	2015 reported	2014 restated	2014 reported	KECH 2015 est. Restated	KECH 2015 est. Reported
nb of shipments	207,931	171,300	171,300		
chg%	21.4%				
Sales (EURm)	234.2	201.7	211.5		
chg%	16.1%				
Gross profit (EURm)	55.6	43.6	50.4	54.6	61.4
chg%	27.5%			25.2%	
GP per shipment AIR (EUR)	271	254			
chg%	*+6.6%*				
GP per shipment SEA (EUR)	281	245			
chg%	*+14.9%*				
Current operating income	6.7	3.1	4.3	6.4	7.6
chg%	116.1%			106.5%	
EBIT/GP	*12.1%*	*7.1%*		*11.7%*	
Net Profit group share	3.3	2.1	2.1	3.1	3.5
chg%	57.1%			47.6%	

Source: Kepler Cheuvreux

Strong earnings as expected: +5pp in EBIT/GP

Clasquin reported very strong earnings in 2015. After restatement for the Gueppe Clasquin disposal in late December of the previous year, the group's gross profit increased by 27.5% to EUR55.6m, Current operating income more than doubled to EUR6.7 versus EUR3.1 a year ago and net profit was up 57%, despite the one-off related to the disposal (-EUR0.2m). The EBIT to gross profit ratio rose to 12.1% from 7.1% the previous year. Overall, results were slightly higher than our expectations. In the light of excellent results, Clasquin will distribute a dividend of EUR1.25 per share after EUR0.80 in 2014.

Accretive acquisitions and cost discipline

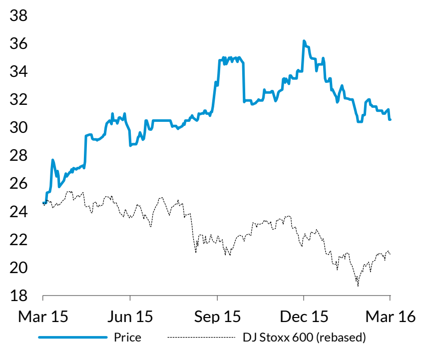
Clasquin does not disclose its organic growth rate but we believe it to be c. 10% once we have excluded the contribution from ECS, GAF and LCI, substantially higher than freight market in overall (+0-1% in sea freight, +2-3% in sea; source DSV). There are several factors explaining earnings strength including the fact Clasquin is leveraging on its value-oriented acquisition policy (immediate accretive effect of LCI, notably) and efficient control of operating expenses (+1.4%). The stock is back around EUR30 which provides room for further upside. TP unchanged at EUR36.

Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	70
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume('000)	1
YTD abs performance	-11.4%
52-week high/low (EUR)	36.20/24.60

FY to 31/12 (EUR)	12/16E	12/17E	12/18E
Sales (m)	250.9	262.0	273.6
EBITDA adj (m)	10.5	11.4	12.1
EBIT adj (m)	7.4	8.2	8.7
Net profit adj (m)	3.8	4.2	4.5
Net fin. debt (m)	13.7	14.7	15.7
FCF (m)	3.0	3.4	3.7
EPS adj. and fully dil.	1.67	1.81	1.96
Consensus EPS	1.93	2.10	na
Net dividend	1.45	1.57	1.70

FY to 31/12 (EUR)	12/16E	12/17E	12/18E
P/E adj and ful. dil.	18.3	16.9	15.6
EV/EBITDA	8.5	8.0	7.7
EV/EBIT	12.0	11.0	10.6
FCF yield	4.3%	4.8%	5.2%
Dividend yield	4.8%	5.2%	5.6%
Net fin.debt/EBITDA	1.3	1.3	1.3
Gearing	55.7%	57.3%	58.8%
ROIC	13.1%	13.8%	13.7%
EV/IC	2.3	2.3	2.2



KEPLER CHEUVREUX and the issuer have agreed that KEPLER CHEUVREUX will produce and disseminate investment research on the said issuer as a service to the issuer.

Key financials

FY to 31/12 (EUR)	2011	2012	2013	2014E	2015E	2016E	2017E	2018E
Per share data								
EPS adjusted	1.33	0.91	0.96	-2.03	1.17	1.67	1.80	1.95
EPS adj and fully diluted	1.33	0.91	0.96	-2.03	1.18	1.67	1.81	1.96
% Change	-9.7%	-31.4%	4.8%	-chg	+chg	42.0%	8.2%	8.2%
EPS reported	1.33	0.91	0.96	-2.03	1.17	1.67	1.80	1.95
Cash flow per share	2.54	0.80	2.20	0.67	1.93	3.21	3.57	3.78
Book value per share	9.12	9.17	9.15	9.22	9.18	9.18	9.20	9.24
Dividend per share	1.20	0.75	0.75	0.80	1.25	1.45	1.57	1.70
Number of shares, YE (m)	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Valuation								
P/E adjusted	16.3	21.4	21.9	na	26.0	18.3	16.9	15.7
P/E adjusted and fully diluted	16.3	21.4	21.9	na	26.0	18.3	16.9	15.6
P/BV	2.4	2.1	2.3	3.3	3.3	3.3	3.3	3.3
P/CF	8.5	24.4	9.5	45.4	15.9	9.5	8.6	8.1
Dividend yield (%)	5.5%	3.8%	3.6%	2.6%	4.1%	4.8%	5.2%	5.6%
FCF yield (%)	6.3%	-2.2%	4.8%	-1.9%	2.2%	4.3%	4.8%	5.2%
EV/Sales	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.3
EV/EBITDA	5.9	7.4	7.9	na	10.4	8.5	8.0	7.7
EV/EBIT	7.9	10.9	10.9	23.9	13.0	12.0	11.0	10.6
Income Statement (EURm)								
Sales	171.4	184.6	198.1	201.7	234.2	250.9	262.0	273.6
% Change	-4.3%	7.7%	7.3%	1.8%	16.1%	7.1%	4.4%	4.4%
EBITDA adjusted	7.7	6.3	6.3	-0.3	8.3	10.5	11.4	12.1
EBITDA margin (%)	4.5%	3.4%	3.2%	-0.2%	3.6%	4.2%	4.4%	4.4%
EBIT adjusted	5.8	4.3	4.6	3.1	6.7	7.4	8.2	8.7
EBIT margin (%)	3.4%	2.3%	2.3%	1.5%	2.9%	3.0%	3.1%	3.2%
Net financial items & associates	-0.5	-0.4	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	-1.9	-1.4	-1.6	-1.3	-1.9	-2.5	-2.8	-3.0
Net profit from continuing operations	3.3	2.3	2.5	-4.3	3.3	4.6	5.2	5.5
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	3.3	2.3	2.5	-4.3	3.3	4.6	5.2	5.5
Net profit reported	3.1	2.1	2.2	-4.7	2.7	3.8	4.2	4.5
Net profit adjusted	3.1	2.1	2.2	-4.7	2.7	3.8	4.2	4.5
Cash Flow Statement (EURm)								
Cash flow from operating activities	5.9	1.8	5.1	1.5	4.4	7.4	8.2	8.7
Capex	-2.7	-2.8	-2.8	-2.9	-2.9	-4.4	-4.8	-5.0
Free cash flow	3.1	-1.0	2.3	-1.3	1.5	3.0	3.4	3.7
Acquisitions & Divestments	0.2	-1.6	0.0	-1.8	-10.0	0.0	0.0	0.0
Dividend paid	-2.9	-2.1	-2.0	-2.2	-3.4	-3.8	-4.1	-4.4
Others	0.0	-0.3	-0.5	0.6	-0.3	-0.3	-0.3	-0.3
Change in net financial debt	0.5	-5.1	-0.1	-4.7	-12.1	-1.1	-1.0	-1.0
Balance Sheet (EURm)								
Intangible assets	6.1	7.7	8.4	11.4	21.3	21.1	21.0	20.8
Tangible assets	5.5	5.8	5.5	6.2	6.4	7.9	9.7	11.6
Financial & other non-current assets	1.3	1.5	1.4	1.8	1.8	1.8	1.8	1.8
Total shareholders' equity	22.3	22.3	22.2	23.3	23.8	24.6	25.7	26.8
Pension provisions	0.4	0.6	0.7	1.1	1.1	1.1	1.1	1.1
Liabilities and provisions	47.4	59.0	65.8	73.3	99.2	104.7	108.4	112.3
Net debt	-5.4	0.4	0.6	1.8	13.7	14.8	15.8	16.8
Working capital requirement	4.8	8.6	8.0	6.2	8.2	8.8	9.2	9.6
Invested Capital	16.3	22.0	21.9	23.8	35.9	37.8	39.8	42.9
Ratios								
ROE (%)	14.9%	10.0%	10.4%	-22.1%	12.8%	18.2%	19.6%	21.2%
ROIC (%)	22.4%	14.1%	13.0%	6.6%	14.6%	13.1%	13.8%	13.7%
Net fin. debt / EBITDA (x)	-0.8	0.0	0.0	-2.3	1.5	1.3	1.3	1.3
Gearing (%)	-26.1%	-0.8%	-0.5%	3.1%	53.0%	55.7%	57.3%	58.8%

Amsterdam
Kepler Cheuvreux Benelux
Johannes Vermeerstraat 9
1071 DK Amsterdam
+31 20 573 06 66

Frankfurt
Kepler Cheuvreux Germany
Taunusanlage 18
60325 Frankfurt
+49 69 756960

Geneva
Kepler Cheuvreux SA
Route de Crassier 11
1262 - Eysins
Switzerland
+41 22361 5151

London
Kepler Cheuvreux UK
12th Floor, Moorhouse
120 London Wall
London EC2Y 5ET
+44 20 7621 5100

Madrid
Kepler Cheuvreux Espana
Alcala 95
28009 Madrid
+3491 4365100

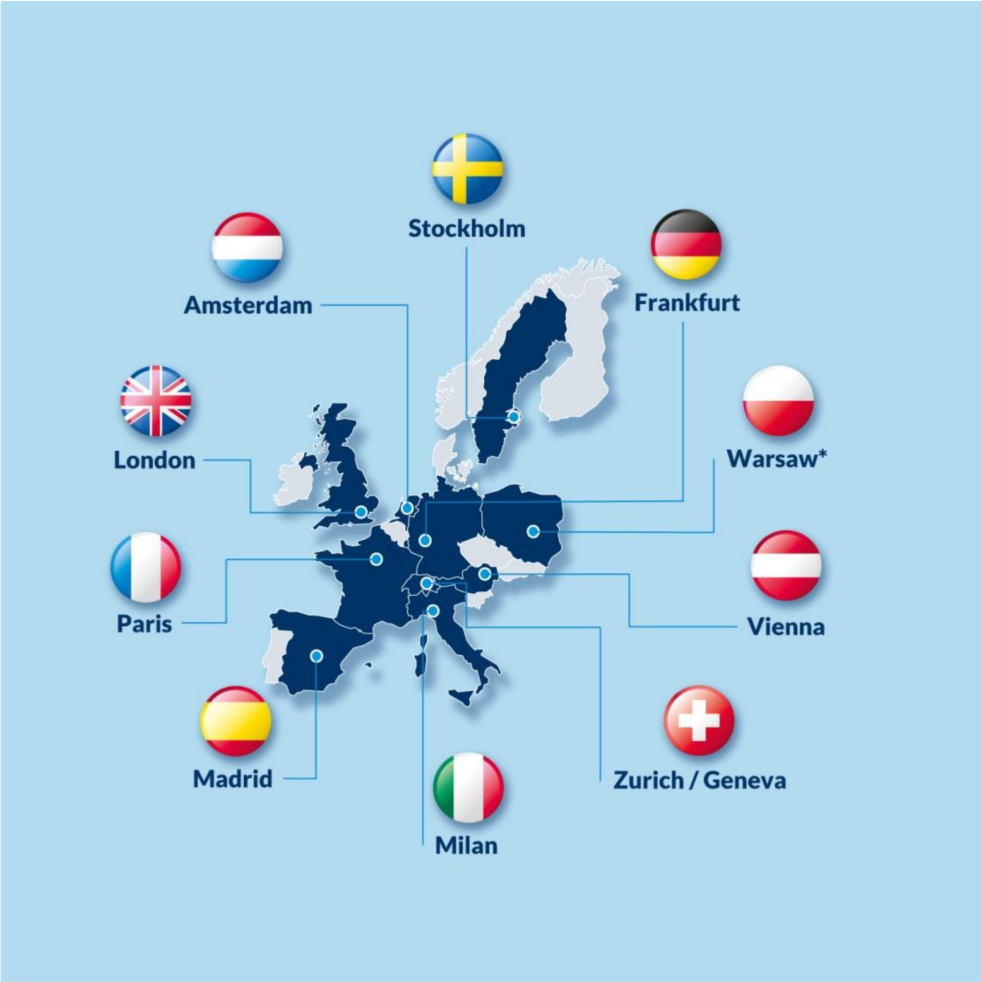
Milan
Kepler Cheuvreux Italia
Via C. Cornaggia 10
20123 Milano
+39 02 855 07 1

Paris
Kepler Cheuvreux France
112 Avenue Kleber
75016 Paris
+33 1 53653500

Stockholm
Kepler Cheuvreux Nordic
Regeringsgatan 38
10393 Stockholm
+468 723 5100

Vienna
Kepler Cheuvreux Vienna
Schottenring 16/2
Vienna 1010
+43 1 537 124 147

Zurich
Kepler Cheuvreux Switzerland
Stadelhoferstrasse 22
Postfach
8024 Zurich
+41 433336666



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North America

Boston
Kepler Capital Markets, Inc
225 Franklin Street, Floor 26
Boston, MA 02110
+1 617-217-2615

New York
Kepler Capital Markets, Inc.
600 Lexington Avenue, Floor 28
10022 New York, NY USA
+1 212-710-7600

San Francisco
Kepler Capital Markets, Inc
50 California Street, Suite 1500
San Francisco, CA 94111
+1 415- 439-5253

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