Kepler Cheuvreux | Equity Research

Espresso
Target price change

Clasquin

France | Support services | MCAP EUR 70.9m

29 April 2016

Hold (Hold)

Target Price	**EUR 35.00**
Current Price	EUR 30.80
Up/downside	13.6%
Change in TP	-2.78%
Change in EPS	down nm 2014E

LCI drives growth in Q1

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In accordance with a weak start to the year in the freight industry, especially in air, Clasquin experienced modest organic growth in Q1 (+1.4%). As expected, LCI constitutes the main driver. We lower our gross profit estimates for 2016 and 2017, which has an impact of EUR1 on our valuation. We lower our TP from EUR36 to EUR35 accordingly.

Modest organic growth, LCI drive sales up

Clasquin reported gross profit of EUR13.4m in Q1, an increase of 15% QOQ and slightly lower than our estimates (EUR13.8m, +19% growth) as we underestimated the weakness in the air segment. On a comparable scope, excluding the contribution of LCI (consolidated from April 2015), gross profit increased by a timid 1.4%. By division, Air Freight saw its revenues decline by 10% to EUR3.9m while sea freight continued to post healthy growth of 7.2%.

Q1 summary

Gross Profit (EURm)	Q1-16 reported	Q1-15 KECH est.	FY-15A
AIR	**3.9**	**4.3**	**4.3**
%Growth	*-10.0%*	*0.0%*	
SEA	**6.8**	**6.8**	**6.4**
%Growth	*7.2%*	*7.0%*	
Other overseas (LCI)	**2.3**	**2.4**	**0.7**
%Growth	*234.0%*	*246.9%*	
Log System & intragroup	**0.3**	**0.2**	**0.2**
Growth	*5.0%*	*0.0%*	
Total	**13.4**	**13.8**	**11.6**
Growth	*15.0%*	*18.8%*	

Source: Kepler Cheuvreux

2016-17 GP estimates reduced, EUR1 impact on valuation

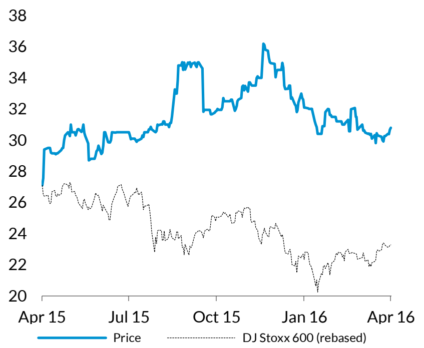
We adjust our gross profit forecasts for 2016 from EUR59.5m (+7.2% YOY) to EUR57.2m (+3.1% YOY) to account for a weaker-than-expected market environment in the air segment. The impact on our valuation is EUR1 and we lower our TP from EUR36 to EUR35 accordingly. At the same time, we add a EUR0.5m additional gross profit coming from Art Shipping International, a Paris-based company specialised in the transport organisation of works of art that has sales of EUR1.4m and gross profit of EUR0.7m. We believe Clasquin is likely to carry out a similar kind of operation in the future in accordance with its strategy to acquire expertise in niche segments.

Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	71
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume('000)	3
YTD abs performance	-10.7%
52-week high/low (EUR)	36.20/27.55

FY to 31/12 (EUR)	12/16E	12/17E	12/18E
Sales (m)	241.5	248.8	258.7
EBITDA adj (m)	10.1	10.8	11.4
EBIT adj (m)	7.5	8.2	8.7
Net profit adj (m)	4.0	4.2	4.6
Net fin. debt (m)	7.9	8.8	9.8
FCF (m)	1.1	3.2	3.4
EPS adj. and fully dil.	1.74	1.85	1.98
Consensus EPS	1.96	2.02	2.13
Net dividend	1.50	1.59	1.70

FY to 31/12 (EUR)	12/16E	12/17E	12/18E
P/E adj and ful. dil.	17.7	16.7	15.5
EV/EBITDA	8.2	7.8	7.6
EV/EBIT	11.0	10.3	10.0
FCF yield	1.6%	4.5%	4.7%
Dividend yield	4.9%	5.2%	5.5%
Net fin.debt/EBITDA	0.8	0.8	0.9
Gearing	32.0%	33.6%	35.6%
ROIC	16.8%	16.6%	16.2%
EV/IC	2.7	2.5	2.4



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	0.92	1.45	1.74	1.84	1.98
EPS adj and fully diluted	1.33	0.91	0.96	0.92	1.45	1.74	1.85	1.98
% Change	-9.7%	-31.4%	4.8%	-3.8%	58.1%	19.9%	5.9%	7.4%
EPS reported	1.33	0.91	0.96	0.92	1.45	1.74	1.84	1.98
Cash flow per share	2.54	0.80	2.20	2.84	3.57	2.30	3.36	3.50
Book value per share	9.12	9.17	9.15	9.22	9.42	9.54	9.68	9.83
Dividend per share	1.20	0.75	0.75	0.80	1.25	1.50	1.59	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	33.5	21.2	17.7	16.7	15.6
P/E adjusted and fully diluted	16.3	21.4	21.9	33.5	21.2	17.7	16.7	15.5
P/BV	2.4	2.1	2.3	3.3	3.3	3.2	3.2	3.1
P/CF	8.5	24.4	9.5	10.8	8.6	13.4	9.2	8.8
Dividend yield (%)	5.5%	3.8%	3.6%	2.6%	4.1%	4.9%	5.2%	5.5%
FCF yield (%)	6.3%	-2.2%	4.8%	5.2%	8.2%	1.6%	4.5%	4.7%
EV/Sales	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3
EV/EBITDA	5.9	7.4	7.9	15.8	9.9	8.2	7.8	7.6
EV/EBIT	7.9	10.9	10.9	23.8	11.9	11.0	10.3	10.0
Income Statement (EURm)								
Sales	171.4	184.6	198.1	201.7	234.2	241.5	248.8	258.7
% Change	-4.3%	7.7%	7.3%	1.8%	16.1%	3.1%	3.0%	4.0%
EBITDA adjusted	7.7	6.3	6.3	4.7	8.0	10.1	10.8	11.4
EBITDA margin (%)	4.5%	3.4%	3.2%	2.4%	3.4%	4.2%	4.4%	4.4%
EBIT adjusted	5.8	4.3	4.6	3.1	6.7	7.5	8.2	8.7
EBIT margin (%)	3.4%	2.3%	2.3%	1.6%	2.9%	3.1%	3.3%	3.4%
Net financial items & associates	-0.5	-0.4	-0.4	-0.4	-0.1	-0.1	-0.1	-0.1
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	-1.9	-1.4	-1.6	-0.9	-1.9	-2.6	-2.8	-3.0
Net profit from continuing operations	3.3	2.3	2.5	1.8	4.2	4.8	5.2	5.6
Net profit from discontinuing activities	0.0	0.0	0.0	0.7	-0.3	0.0	0.0	0.0
Net profit before minorities	3.3	2.3	2.5	2.5	4.0	4.8	5.2	5.6
Net profit reported	3.1	2.1	2.2	2.1	3.3	4.0	4.2	4.6
Net profit adjusted	3.1	2.1	2.2	2.1	3.3	4.0	4.2	4.6
Cash Flow Statement (EURm)								
Cash flow from operating activities	5.9	1.8	5.1	6.5	8.2	5.3	7.7	8.1
Capex	-2.7	-2.8	-2.8	-2.9	-2.4	-4.2	-4.5	-4.7
Free cash flow	3.1	-1.0	2.3	3.7	5.8	1.1	3.2	3.4
Acquisitions & Divestments	0.2	-1.6	0.0	-1.8	-8.5	0.0	0.0	0.0
Dividend paid	-2.9	-2.1	-2.0	-2.2	-2.1	-3.7	-3.9	-4.2
Others	0.0	-0.3	-0.5	-0.4	1.5	-0.1	-0.1	-0.1
Change in net financial debt	0.5	-5.1	-0.1	-0.7	-3.2	-2.7	-0.9	-1.0
Balance Sheet (EURm)								
Intangible assets	6.1	7.7	8.4	11.4	17.3	17.2	17.2	17.2
Tangible assets	5.5	5.8	5.5	6.2	3.8	5.4	7.3	9.3
Financial & other non-current assets	1.3	1.5	1.4	1.8	2.9	2.9	2.9	2.9
Total shareholders' equity	22.3	22.3	22.2	23.3	23.8	24.9	26.2	27.5
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	85.5	106.4	108.9	112.2
Net debt	-5.4	0.4	0.6	1.8	6.3	9.0	9.9	10.9
Working capital requirement	4.8	8.6	8.0	6.2	6.3	8.5	8.7	9.1
Invested Capital	16.3	22.0	21.9	23.8	27.3	31.1	33.3	36.6
Ratios								
ROE (%)	14.9%	10.0%	10.4%	10.0%	15.6%	18.4%	19.2%	20.3%
ROIC (%)	22.4%	14.1%	13.0%	9.1%	17.0%	16.8%	16.6%	16.2%
Net fin. debt / EBITDA (x)	-0.8	0.0	0.0	0.1	0.6	0.8	0.8	0.9
Gearing (%)	-26.1%	-0.8%	-0.5%	3.0%	21.9%	32.0%	33.6%	35.6%

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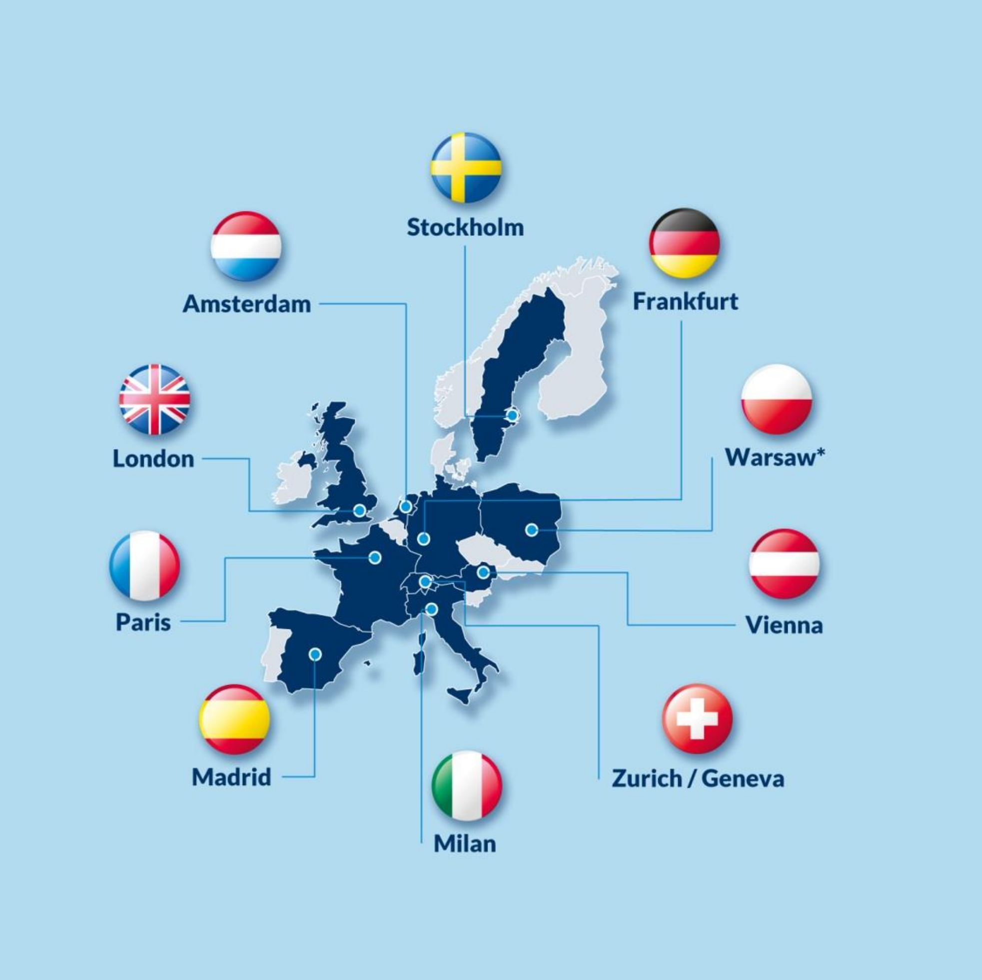

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PRI Principles for Responsible Investment