

# Clasquin

France | Support services | MCAP EUR 64.5m

28 April 2017

## Buy

<b>Target Price</b>	<b>EUR 32.00</b>
Current Price	EUR 28.00
Up/downside	14.3%
Change in TP	none
Change in EPS	none 16E / none 17E

## Leveraging its edge

Clasquin is fully benefiting from its flexibility edge versus global freight forwarders in a context of a nascent recovery of international freight. After a good end of 2016, the freight forwarder once again outperformed the market average with significant improvement of key metrics all across the board (Volume, GP, GP/unit). We have a Buy rating on the stock arguing that the combined effect of the normalisation of freight rates and sustained volume will be amplified by slower growth in opex,, thus advocating for earnings recovery in 2017.

### Acceleration in volume growth, GP/Unit normalising

Key metrics came up nicely in Q1, supported by the improved momentum of the global freight market. Clasquin performed stronger than the market in average: 1) quarterly Volume shipped grew strongly in Ocean and Air, 12% and 26%, significantly above market (+4% in Ocean, +6/7% in Air); 2) gross profit increased by 8.3%, above our expectations (+4.2% QOQ). On a LFL basis, growth rate is 4.5% after accounting for FX effect of 1pp and changes in scope of 2.7pp (Art Shipping in May 2016, new offices in Chile and Portugal). The growth is notable in Air (+18%) and more modest in Ocean (+3%); 3) GP/unit ratios are normalising. In Air, the ratio is evolving in line with historical standards (EUR263) after a +9% QOQ solid progression. In ocean, the GP/unit is down 2.5% QOQ to EUR279m, still under pressure. It however stands significantly above last year's low in Q2-Q3 (c. EUR265). In the early stage of a market recovery, Clasquin is fully leveraging on its highly flexibility profile compared to global freight forwarders who deal with larger customers and, as a result, tend to be more committed on rates. We expect Clasquin to outperform in Q2 again given that the repricing of large contracts for major freight forwarders are not taking place before May/June.

### Gross Profit (EURm)

	Q1-17 reported	Q1-17 KECH est.	Q1-16 reported
<b>AIR</b>	<b>4.6</b>	<b>4.1</b>	<b>3.9</b>
%Growth	17.9%	5.0%	-9.3%
<b>SEA</b>	<b>7.0</b>	<b>7.1</b>	<b>6.8</b>
%Growth	2.9%	5.0%	6.3%
<b>Other overseas</b>	<b>2.7</b>	<b>2.3</b>	<b>2.4</b>
%Growth	17.4%	2.0%	228.6%
<b>Others</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>
Growth	-33.3%	-8.3%	50.0%
<b>Total</b>	<b>14.5</b>	<b>13.9</b>	<b>13.4</b>
Growth	8.3%	4.2%	14.7%

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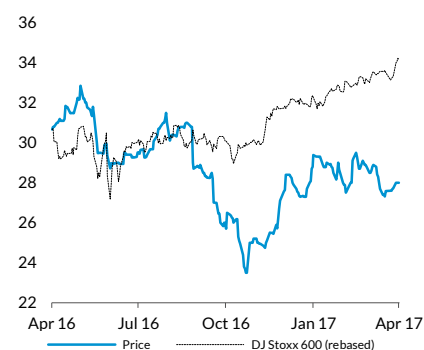
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### Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	64
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume (EURm)	0.1
YTD abs performance	-1.4%
52-week high/low (EUR)	32.85/23.50

FY to 31/12 (EUR)	12/16E	12/17E	12/18E
Sales (m)	235.0	245.3	252.1
EBITDA adj (m)	7.1	8.5	8.3
EBIT adj (m)	4.6	6.3	6.1
Net profit adj (m)	2.1	3.3	3.1
Net fin. debt (m)	11.0	10.3	10.5
FCF (m)	-1.7	2.7	2.8
EPS adj. and fully dil.	0.92	1.42	1.36
Consensus EPS	0.95	1.37	1.78
Net dividend	0.80	1.22	1.18

FY to 31/12 (EUR)	12/16E	12/17E	12/18E
P/E adj and ful. dil.	30.4	19.7	20.5
EV/EBITDA	11.2	9.3	9.6
EV/EBIT	17.2	12.6	13.1
FCF yield	-2.6%	4.1%	4.3%
Dividend yield	2.9%	4.4%	4.2%
Net fin. debt/EBITDA	1.5	1.2	1.3
Gearing	46.3%	40.2%	39.7%
ROIC	9.6%	12.0%	11.1%
EV/IC	2.4	2.3	2.2



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# Key financials

FY to 31/12 (EUR)	2011	2012	2013	2014	2015	2016E	2017E	2018E
<b>Income Statement (EURm)</b>								
Sales	171.4	184.6	198.1	201.7	234.2	235.0	245.3	252.1
% Change	-4.3%	7.7%	7.3%	1.8%	16.1%	0.3%	4.4%	2.8%
EBITDA adjusted	7.9	6.0	6.3	4.6	8.2	7.1	8.5	8.3
EBITDA margin (%)	4.6%	3.3%	3.2%	2.3%	3.5%	3.0%	3.5%	3.3%
EBIT adjusted	5.7	4.1	4.5	3.1	6.3	4.6	6.3	6.1
EBIT margin (%)	3.3%	2.2%	2.3%	1.5%	2.7%	2.0%	2.6%	2.4%
Net financial items & associates	-0.5	-0.4	-0.4	-0.4	-0.1	-0.5	-0.5	-0.5
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	-1.5	-2.0	-2.0
Net profit from continuing operations	3.3	2.3	2.5	1.8	4.2	2.6	3.7	3.6
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	2.6	3.7	3.6
Net profit reported	3.1	2.1	2.2	2.1	3.3	2.1	3.3	3.1
Net profit adjusted	3.1	2.1	2.2	2.1	3.3	2.1	3.3	3.1
<b>Cash Flow Statement (EURm)</b>								
Cash flow from operating activities	5.9	1.8	5.1	6.5	8.2	1.9	5.8	5.8
Capex	-2.7	-2.8	-2.8	-2.9	-2.4	-3.6	-3.1	-3.1
Free cash flow	3.1	-1.0	2.3	3.7	5.8	-1.7	2.7	2.8
Acquisitions & Divestments	0.2	-1.6	0.0	-1.8	-8.5	-0.6	0.0	0.0
Dividend paid	-2.9	-2.1	-2.0	-2.2	-2.1	-2.9	-1.9	-2.8
Others	0.0	-0.3	-0.5	-0.4	1.5	-0.1	-0.2	-0.2
Change in net financial debt	0.5	-5.1	-0.1	-0.7	-3.2	-5.4	0.6	-0.2
<b>Balance Sheet (EURm)</b>								
Intangible assets	6.1	7.7	8.4	11.4	17.3	19.1	19.9	20.5
Tangible assets	5.5	5.8	5.5	6.2	3.8	5.2	5.2	5.3
Financial & other non-current assets	1.3	1.5	1.5	1.8	2.9	2.8	2.8	2.8
Total shareholders' equity	22.3	22.3	22.2	23.3	23.8	23.8	25.7	26.5
Pension provisions	0.4	0.6	0.7	1.1	1.1	0.8	0.8	0.8
Liabilities and provisions	47.4	59.0	65.8	73.3	85.5	93.8	96.4	98.1
Net financial debt	-5.8	-0.2	-0.1	0.7	5.2	11.0	10.3	10.5
Working capital requirement	4.8	8.6	8.0	6.2	6.3	9.2	9.6	9.9
Invested Capital	16.3	22.0	21.9	23.8	27.3	33.5	34.7	36.7
<b>Per share data</b>								
EPS adjusted	1.33	0.91	0.96	0.92	1.45	0.92	1.42	1.36
EPS adj and fully diluted	1.33	0.91	0.96	0.92	1.45	0.92	1.42	1.36
% Change	-9.7%	-31.4%	4.8%	-3.9%	57.8%	-36.6%	54.3%	-4.0%
EPS reported	1.33	0.91	0.96	0.92	1.45	0.92	1.42	1.36
Cash flow per share	2.54	0.80	2.20	2.84	3.57	0.81	2.51	2.54
Book value per share	9.12	9.17	9.15	9.22	9.42	9.03	9.67	9.82
Dividend per share	1.20	0.75	0.75	0.80	1.25	0.80	1.22	1.18
Number of shares, YE (m)	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
<b>Ratios</b>								
ROE (%)	14.9%	10.0%	10.4%	10.0%	15.6%	10.0%	15.2%	14.0%
ROIC (%)	22.1%	13.6%	12.7%	8.9%	16.9%	9.6%	12.0%	11.1%
Net fin. debt / EBITDA (x)	-0.7	0.0	0.0	0.2	0.6	1.5	1.2	1.3
Gearing (%)	-26.1%	-0.8%	-0.5%	3.0%	21.9%	46.3%	40.2%	39.7%
<b>Valuation</b>								
P/E adjusted	16.3	21.4	21.9	27.8	20.3	30.4	19.7	20.5
P/E adjusted and fully diluted	16.3	21.4	21.9	27.8	20.3	30.4	19.7	20.5
P/BV	2.4	2.1	2.3	2.8	3.1	3.1	2.9	2.9
P/CF	8.5	24.4	9.5	9.0	8.2	34.4	11.2	11.0
Dividend yield (%)	5.5%	3.8%	3.6%	3.1%	4.2%	2.9%	4.4%	4.2%
FCF yield (%)	6.3%	-2.2%	4.8%	6.2%	8.6%	-2.6%	4.1%	4.3%
EV/Sales	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
EV/EBITDA	5.8	7.7	7.9	13.7	9.2	11.2	9.3	9.6
EV/EBIT	8.0	11.4	11.1	20.3	12.1	17.2	12.6	13.1

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

## Disclosure checklist - Potential conflict of interests

Stock	ISIN	Disclosure (See Below)	Currency	Price
Clasquin	FR0004152882	8	EUR	28.00

Source: Factset closing prices of 27/04/2017

## Companies mentioned

Stock	Disclosure (See Below)
	nothing to disclose

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Name of the Research Analyst(s): Baptiste de Leuville

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### Rating ratio Kepler Cheuvreux Q1 2017

Rating Breakdown	A	B
Buy	47%	53%
Hold	34%	28%
Reduce	16%	5%
Not Rated/Under Review/Accept Offer	3%	14%
Total	100%	100%

Source: KEPLER CHEUVREUX

A: % of all research recommendations

B: % of issuers to which material services of investment firms are supplied

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Company Name	Date	Business Line	Rating	Target Price	Closing Price
Clasquin (EUR)	29/04/2016 09:03	Equity Research	Hold	35.00	30.80
	29/08/2016 07:30	Equity Research	Hold	31.00	30.99
	22/09/2016 07:37	Equity Research	Hold	30.00	30.80
	17/03/2017 09:31	Equity Research	Buy	32.00	28.70

Credit research does not issue target prices. Left intentionally blank.

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**Reduce:** There is an expected downside.

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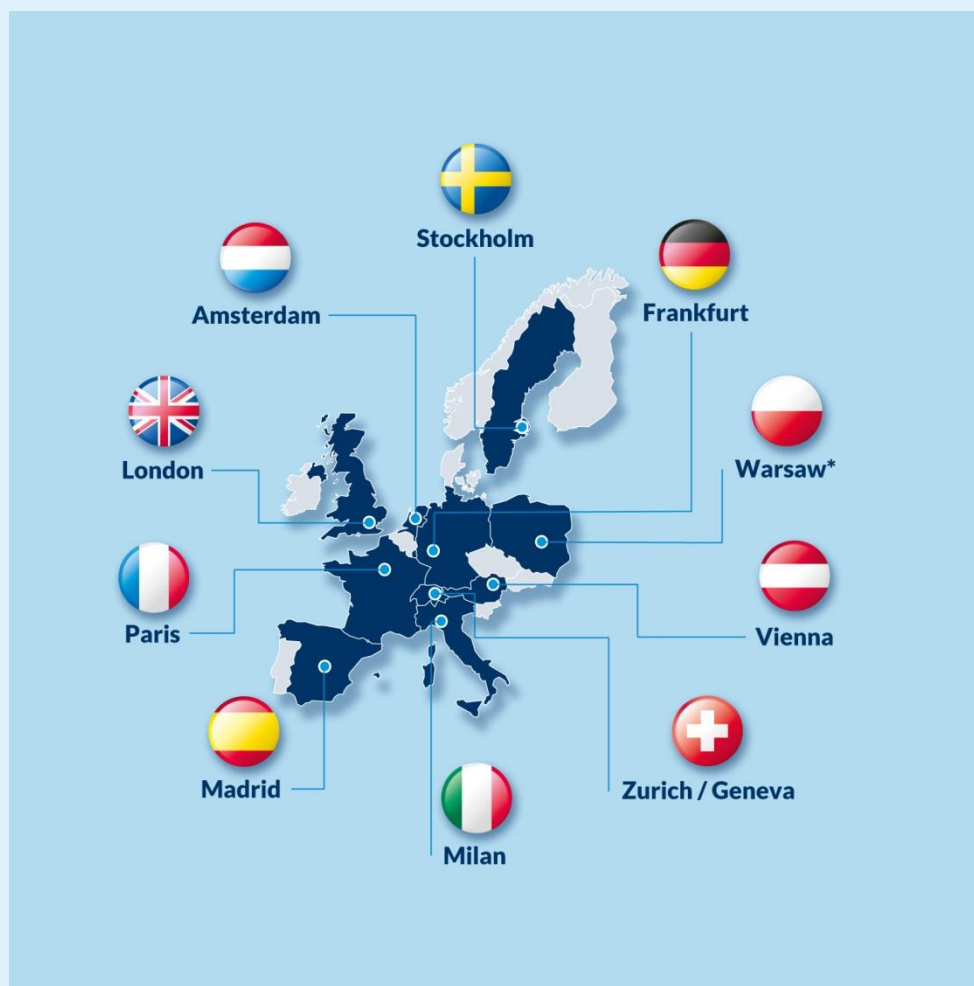
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