

# Clasquin

France | Support services | MCAP EUR 83.1m

23 February 2018

# Hold

<b>Target Price</b>	<b>EUR 35.00</b>
Current Price	EUR 36.10
Up/downside	-3.0%
Change in TP	none
Change in EPS	none 17E / none 18E

## Q4: another move forward growth

Q4 confirmed robust growth across the board. Clasquin keeps outperforming the freight forwarding market and aims to continue to do so in 2018. No reason not to believe it. TP and rating unchanged.

### Strong Q4 as expected

Top-line metrics were strong in Q4, in the double-digit area for the second consecutive quarter. The number of shipments grew by 13% (Chart 2), the volume shipped was up by 11% and 13% in Air and Sea, respectively (Chart 1). This translated into a comparable increase of 11% in gross profit (Tables 1 and 2). Clasquin again outperformed the freight market which is estimated to have grown by 4% in Sea and 8% in Air (DSV reported 4% growth in Sea freight and +10% in Air freight, we are still waiting for K+N and Panalpina). Clasquin mentions that two-thirds of that incremental growth was generated by new accounts, which is a good thing. Besides, GP is up in every geographical area with a special mention to North America and Asia. Finally, the GP-to-shipment ratio increased compared QOQ, by 7% in Sea to EUR275 and by 6% in Air to EUR269 (Chart 3).

### Still aiming for market outperformance in 2018

Clasquin is confident for 2018 in the light of a favourable market environment (GP/volume normalisation, wold trade growth, less volatile freight rates) and excellent internal dynamic. Again, it aims at outperforming the freight forwarding market (mid-single-digit growth expected), which the company has been doing in its recent history. In this respect, our 2018 estimates may look slightly conservative (+5.4% to EUR66.3m), but we decide stick to them for now. Operationally, management expects to have deployed its new transportation management systems (TMS) by the end of 2018, (Q1 2019 at most) across all its subsidiaries before starting the optimisation phase next year. FY 2017 earnings to be announced on 21 March will give us an indication on the extent to which it will weight on opex.

### Fairly priced

The proven capacity of Clasquin to recover quickly after a tough 2016 for the industry, as well as to deliver outstanding growth was rewarded by a strong performance of shares in 2017. It is now consolidating. We think the current valuation looks fair with regards with our DCF (WACC: 8.3%, LT growth: 2%) and current P/E multiple of 20.5x for 2018 which is only a 10% discount compared to DSV and K+N. (charts and tables on next pages).

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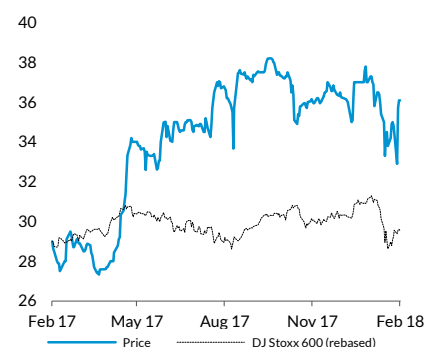
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#### Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	83
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume (EURm)	0.0
YTD abs performance	0.3%
52-week high/low (EUR)	38.21/27.32

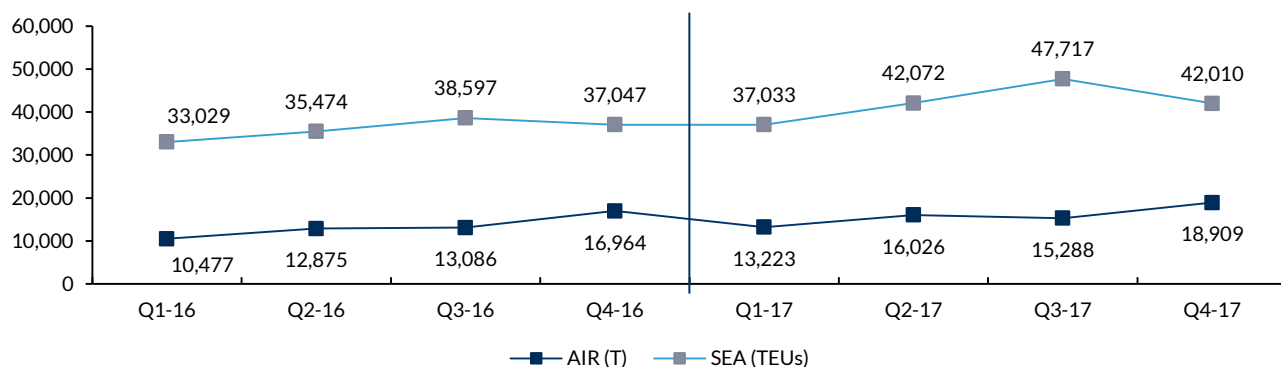
FY to 31/12 (EUR)	12/17E	12/18E	12/19E
Sales (m)	256.9	270.8	283.4
EBITDA adj (m)	8.8	9.6	10.4
EBIT adj (m)	6.7	7.5	8.2
Net profit adj (m)	3.5	4.1	4.5
Net fin. debt (m)	10.8	10.8	10.5
FCF (m)	2.1	3.1	3.7
EPS adj. and fully dil.	1.54	1.76	1.95
Consensus EPS	1.47	1.71	2.07
Net dividend	1.25	1.43	1.58

FY to 31/12 (EUR)	12/17E	12/18E	12/19E
P/E adj and ful. dil.	23.5	20.5	18.5
EV/EBITDA	11.2	10.3	9.5
EV/EBIT	14.7	13.2	12.1
FCF yield	2.6%	3.7%	4.4%
Dividend yield	3.5%	4.0%	4.4%
Net fin. debt/EBITDA	1.2	1.1	1.0
Gearing	41.8%	39.1%	35.9%
ROIC	12.6%	13.2%	13.5%
EV/IC	2.8	2.6	2.4



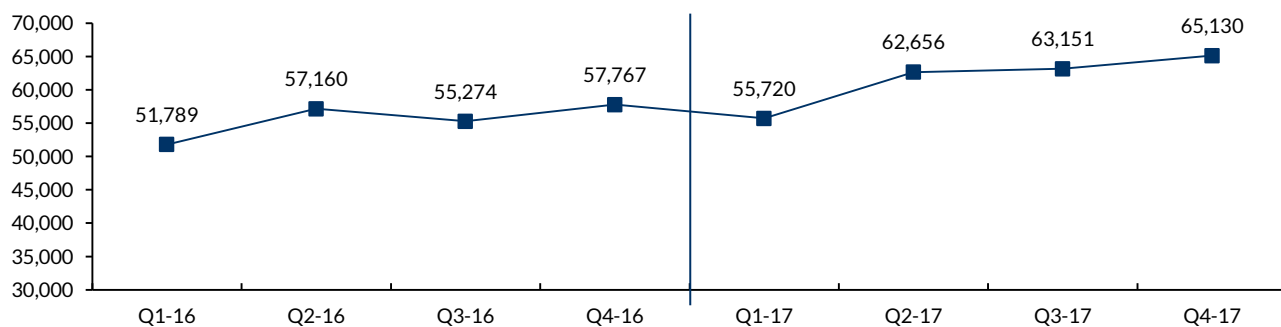
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**Chart 1: Volume shipped**



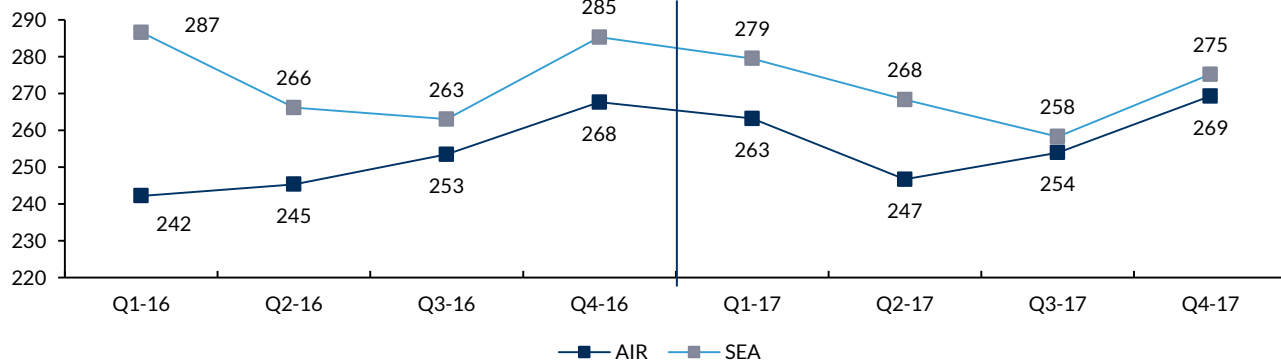
Source: Kepler Cheuvreux

**Chart 2: Shipments**



Source: Kepler Cheuvreux

**Chart 3: GP/shipment (EUR)**



Source: Kepler Cheuvreux

## Gross profit

**Table 1: Gross profit (quarterly)**

EURm	2016				2017			
	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17
AIR	3.9	4.7	4.5	5.3	4.6	5.1	5.1	5.9
%Growth	-9.3%	-11.3%	0.0%	6.0%	17.9%	8.5%	13.3%	11.3%
SEA	6.8	6.7	7.0	7.2	7.0	7.6	7.9	7.7
%Growth	6.3%	0.0%	-7.9%	1.4%	2.9%	13.4%	12.9%	6.9%
RO/RO	1.7	1.5	1.5	2.0	1.7	1.5	1.4	2.0
%Growth	ND	ND	ND	ND	0.0%	0.0%	-6.7%	0.0%
Other overseas	0.7	1.1	1.3	0.5	1.0	1.0	1.1	1.1
%Growth	ND	ND	ND	ND	42.9%	-9.1%	-15.4%	120.0%
Log System + Intragroup	0.3	0.3	0.3	0.2	0.2	0.4	0.3	0.2
%Growth	ND	ND	ND	ND	-33.3%	33.3%	0.0%	0.0%
<b>Total</b>	<b>13.4</b>	<b>14.3</b>	<b>14.6</b>	<b>15.2</b>	<b>14.5</b>	<b>15.6</b>	<b>15.8</b>	<b>16.9</b>
Growth	15.5%	-2.7%	1.0%	1.3%	8.2%	9.1%	8.2%	11.2%
LFL growth	1.4%	-1.0%	0.8%	2.7%	5.5%	9.1%	8.2%	11.2%

Source: Kepler Cheuvreux

**Table 2: Gross profit (cumulated)**

EURm	2016				2017			
	Q1-16	H1-16	9M-16	FY-16	Q1-17	H1-17	9M-17	FY-17
AIR	3.9	8.6	13.1	18.4	4.6	9.7	14.8	20.7
%Growth	-9.3%	-10.4%	-7.1%	-3.7%	17.9%	12.8%	13.0%	12.5%
SEA	6.8	13.5	20.5	27.7	7.0	14.6	22.5	30.2
%Growth	6.3%	3.1%	-1.0%	-0.4%	2.9%	8.1%	9.8%	9.0%
RO/RO	1.7	3.2	4.7	6.7	1.7	3.2	4.6	6.6
%Growth	142.9%	3.2%	-9.6%	42.6%	0.0%	0.0%	-2.1%	-1.5%
Other overseas activities	0.7	1.8	3.1	3.6	1.0	2.0	3.1	4.2
%Growth	ND	ND	ND	ND	42.9%	11.1%	0.0%	17.8%
Log System + Intragroup	0.3	0.6	0.9	1.1	0.2	0.6	0.9	1.1
%Growth	ND	ND	ND	ND	-33.3%	0.0%	0.0%	3.6%
<b>Total</b>	<b>13.4</b>	<b>27.7</b>	<b>42.3</b>	<b>57.5</b>	<b>14.5</b>	<b>30.1</b>	<b>45.9</b>	<b>62.9</b>
Growth	15.5%	5.3%	3.8%	3.4%	8.2%	8.7%	8.5%	9.4%
LFL growth	1.4%	0.0%	0.5%	0.7%	5.5%	8.1%	9.1%	10.3%

Source: Kepler Cheuvreux

# Key financials

FY to 31/12 (EUR)	2012	2013	2014	2015	2016	2017E	2018E	2019E
<b>Income Statement (EURm)</b>								
Sales	184.6	198.1	201.7	234.2	235.0	256.9	270.8	283.4
% Change	7.7%	7.3%	1.8%	16.1%	0.3%	9.3%	5.4%	4.6%
EBITDA adjusted	6.0	6.3	4.6	8.2	7.1	8.8	9.6	10.4
EBITDA margin (%)	3.3%	3.2%	2.3%	3.5%	3.0%	3.4%	3.5%	3.7%
EBIT adjusted	4.1	4.5	3.1	6.3	4.6	6.7	7.5	8.2
EBIT margin (%)	2.2%	2.3%	1.5%	2.7%	2.0%	2.6%	2.8%	2.9%
Net financial items & associates	-0.4	-0.4	-0.4	-0.1	-0.5	-0.5	-0.5	-0.5
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	-1.4	-1.6	-0.9	-1.9	-1.5	-2.2	-2.5	-2.7
Net profit from continuing operations	2.3	2.5	1.8	4.2	2.6	4.0	4.5	5.0
Net profit from discontinuing activities	0.0	0.0	0.7	-0.3	0.0	0.0	0.0	0.0
Net profit before minorities	2.3	2.5	2.5	4.0	2.6	4.0	4.5	5.0
Net profit reported	2.1	2.2	2.1	3.3	2.1	3.5	4.1	4.5
Net profit adjusted	2.1	2.2	2.1	3.3	2.1	3.5	4.1	4.5
<b>Cash Flow Statement (EURm)</b>								
Cash flow from operating activities	1.8	5.1	6.5	8.2	1.9	5.5	6.4	7.0
Capex	-2.8	-2.8	-2.9	-2.4	-3.6	-3.3	-3.3	-3.3
Free cash flow	-1.0	2.3	3.7	5.8	-1.7	2.1	3.1	3.7
Acquisitions & Divestments	-1.6	0.0	-1.8	-8.5	-0.6	0.0	0.0	0.0
Dividend paid	-2.1	-2.0	-2.2	-2.1	-2.9	-1.9	-2.9	-3.3
Others	-0.3	-0.5	-0.4	1.5	-0.1	-0.2	-0.2	-0.2
Change in net financial debt	-5.1	-0.1	-0.7	-3.2	-5.4	0.1	0.0	0.2
<b>Balance Sheet (EURm)</b>								
Intangible assets	7.7	8.4	11.4	17.3	19.1	20.2	21.2	22.1
Tangible assets	5.8	5.5	6.2	3.8	5.2	5.2	5.3	5.3
Financial & other non-current assets	1.5	1.5	1.8	2.9	2.8	2.8	2.8	2.8
Total shareholders' equity	22.3	22.2	23.3	23.8	23.8	26.0	27.6	29.3
Pension provisions	0.6	0.7	1.1	1.1	0.8	0.8	0.8	0.8
Liabilities and provisions	59.0	65.8	73.3	85.5	93.8	99.3	102.9	106.0
Net financial debt	-0.2	-0.1	0.7	5.2	11.0	10.8	10.8	10.5
Working capital requirement	8.6	8.0	6.2	6.3	9.2	10.1	10.6	11.1
Invested Capital	22.0	21.9	23.8	27.3	33.5	35.5	38.1	40.6
<b>Per share data</b>								
EPS adjusted	0.91	0.96	0.92	1.45	0.92	1.54	1.76	1.95
EPS adj and fully diluted	0.91	0.96	0.92	1.45	0.92	1.54	1.76	1.95
% Change	-31.4%	4.8%	-3.9%	57.8%	-36.6%	67.2%	14.4%	11.0%
EPS reported	0.91	0.96	0.92	1.45	0.92	1.54	1.76	1.95
Cash flow per share	0.80	2.20	2.84	3.57	0.81	2.37	2.78	3.04
Book value per share	9.17	9.15	9.22	9.42	9.03	9.79	10.31	10.85
Dividend per share	0.75	0.75	0.80	1.25	0.80	1.25	1.43	1.58
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 (%)	10.0%	10.4%	10.0%	15.6%	10.0%	16.4%	17.5%	18.5%
ROIC (%)	13.6%	12.7%	8.9%	16.9%	9.6%	12.6%	13.2%	13.5%
Net fin. debt / EBITDA (x)	0.0	0.0	0.2	0.6	1.5	1.2	1.1	1.0
Gearing (%)	-0.8%	-0.5%	3.0%	21.9%	46.3%	41.8%	39.1%	35.9%
<b>Valuation</b>								
P/E adjusted	21.4	21.9	27.8	20.3	32.2	23.5	20.5	18.5
P/E adjusted and fully diluted	21.4	21.9	27.8	20.3	32.2	23.5	20.5	18.5
P/BV	2.1	2.3	2.8	3.1	3.3	3.7	3.5	3.3
P/CF	24.4	9.5	9.0	8.2	36.4	15.2	13.0	11.9
Dividend yield (%)	3.8%	3.6%	3.1%	4.2%	2.7%	3.5%	4.0%	4.4%
FCF yield (%)	-2.2%	4.8%	6.2%	8.6%	-2.5%	2.6%	3.7%	4.4%
EV/Sales	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.3
EV/EBITDA	7.7	7.9	13.7	9.2	11.7	11.2	10.3	9.5
EV/EBIT	11.4	11.1	20.3	12.1	18.1	14.7	13.2	12.1

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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.

## Companies mentioned

Stock	ISIN	Currency	Price
Clasquin	FR0004152882	EUR	36.10

Source: Factset closing prices of 22/02/2018

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

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Rating Breakdown	A	B
Buy	46%	42%
Hold	35%	37%
Reduce	17%	13%
Not Rated/Under Review/Accept Offer	2%	8%
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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The below table shows the history of recommendations and target prices changes issued by KEPLER CHEUVREUX research department (Equity and Credit) over a 12 months period.

Company Name	Date	Business Line	Rating	Target Price	Closing Price
Clasquin (EUR)	17/03/2017 08:31	Equity Research	Buy	32.00	28.70
	01/09/2017 06:58	Equity Research	Buy	33.00	33.66
	21/09/2017 07:39	Equity Research	Hold	35.00	37.00

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

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**Hold:** The expected upside is below 10% (the expected upside could be higher in light of the company's risk profile).

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

**Accept offer:** In the context of a total or partial take-over bid, squeeze-out or similar share purchase proposals, the offer price is considered to be fairly valuing the shares.

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**Hold:** The analyst has a stable credit fundamental opinion on the issuer and/or performances of the debt securities over a 6 months period.

**Sell:** The analyst expects of a widening of the credit spread to some or all debt securities of the issuer and/or a negative fundamental view over a 6 months period.

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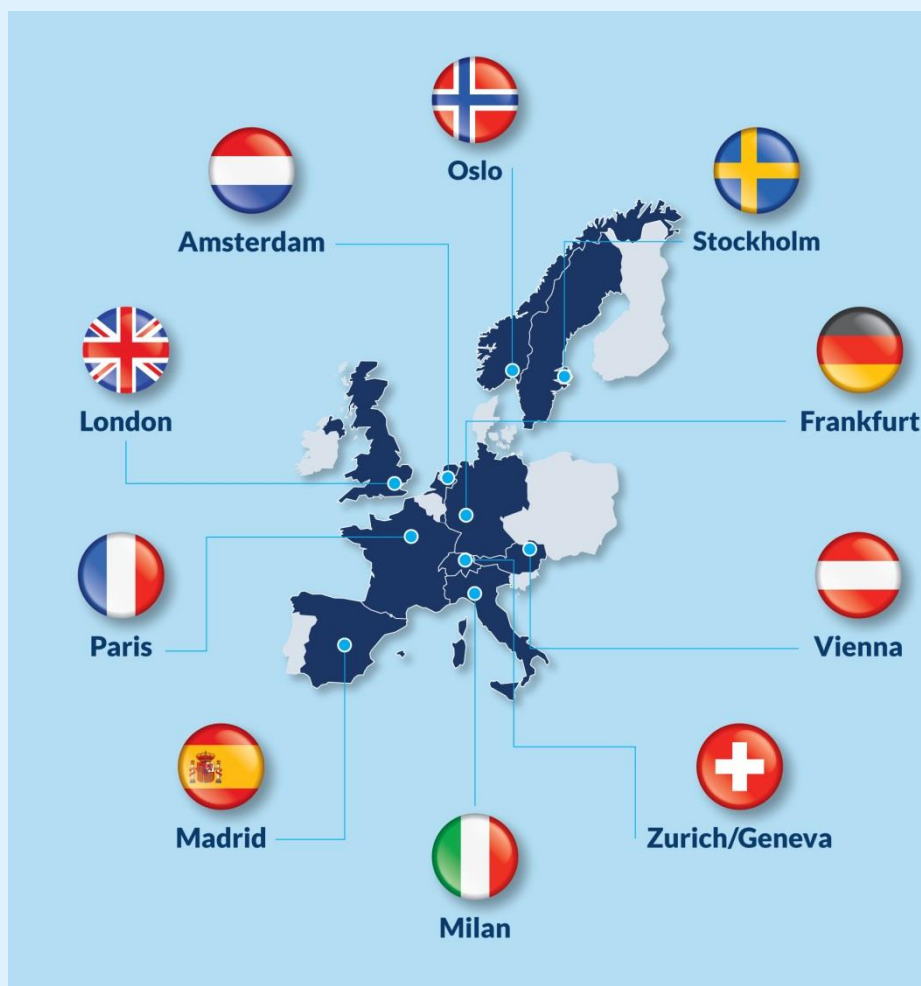
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