

Clasquin

France | Support services | MCAP EUR 81.5m

23 March 2018

Hold

Target Price	EUR 35.00
Current Price	EUR 35.40
Up/downside	-1.1%
Change in TP	none
Change in EPS	-29.5% 17E / -8.6% 18E

Will outperform again in 2018

2018 financials will be supported by sustained commercial momentum and the expected reduction/deletion of identified areas of losses. Clasquin should confirm its outperformer status while accelerating on earnings growth.

2017 was a good vintage, although a bit disappointing

Full-year growth in earnings (EBIT up 13%, net profit up 14%) exceeded growth in gross profit (+9%) thus leading to a slight improvement in margins (EBIT margin up 30bps to 9.3%, net margin up +30bps to 5.2%). Reported EBIT of EUR5.9m is in line with market consensus, yet below ours, as we underestimated start-up losses in the Portuguese and Chilean subsidiaries (EUR-350K) and losses in German operations (-EUR800K). In light of this, we cut our EBIT estimates for 2018E and 2019E by 7% and 4% respectively but still account for solid current EBIT growth (+18% expected in 2018) and higher EBIT margin (+60bp to 10%) thanks notably to the ramp-up of newly-created subsidiaries and the downsizing of German operations for estimated total savings of EUR700k.

Expects to grow twice as fast as the market in 2018... again

Clasquin is confident in outperforming the freight market in 2018 like it did constantly in recent years. That would suggest gross profit growing at high-single digit rates based on market expectations for the freight industry (>5% in Sea and >4% in Air in volume terms). Our upgraded GP estimates match this guidance (respectively +8% and +9% in Air and Sea respectively). In our view, the commercial momentum is set to remain strong on the back of 1) multiple opportunities in highly-profitable niche verticals (fine arts, wine & spirits, fairs & events); 2) the group's proven track record in growing shares at existing accounts; and 3) the fresh hiring of experienced head-offs in the US and South-East Asia that could trigger a new commercial impetus in those regions.

TP/rating unchanged

DCF method is based on a WACC of 8.4%, long term GP growth of 2% and long-term EBIT margin of 12.5%, suggesting Clasquin will manage to lift profitability margin by 3pp in the medium run. This assumption is supported by: 1) expected productivity gains from the new TMS (Transportation Management System) being rolled-out; 2) the increasing share of high-margin products in the mix; and, 3) further scale/volume effects. We stick to our Hold rating and TP of EUR35. Current valuation multiples for 2018E (22x P/E, 14x EV/EBIT) look fair versus sector peers.

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Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	82
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume (EURm)	0.0
YTD abs performance	-1.6%
52-week high/low (EUR)	38.21/27.32

FY to 31/12 (EUR)	12/17E	12/18E	12/19E
Sales (m)	290.6	314.1	334.9
EBITDA adj (m)	7.4	9.0	9.9
EBIT adj (m)	5.9	7.0	7.8
Net profit adj (m)	2.5	3.7	4.2
Net fin. debt (m)	13.8	12.5	12.4
FCF (m)	-0.7	3.5	3.3
EPS adj. and fully dil.	1.08	1.61	1.84
Consensus EPS	1.16	1.65	2.00
Net dividend	0.87	1.29	1.47

FY to 31/12 (EUR)	12/17E	12/18E	12/19E
P/E adj and ful. dil.	32.6	22.0	19.3
EV/EBITDA	13.5	11.0	10.0
EV/EBIT	17.0	14.2	12.7
FCF yield	-0.8%	4.3%	4.0%
Dividend yield	2.5%	3.6%	4.2%
Net fin. debt/EBITDA	1.9	1.4	1.3
Gearing	55.6%	46.3%	43.2%
ROIC	10.0%	11.6%	12.3%
EV/IC	2.7	2.5	2.4



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Key financials

FY to 31/12 (EUR)	2012	2013	2014	2015	2016	2017E	2018E	2019E
Income Statement (EURm)								
Sales	184.6	198.1	201.7	234.2	235.0	290.6	314.1	334.9
% Change	7.7%	7.3%	1.8%	16.1%	0.3%	23.6%	8.1%	6.6%
EBITDA adjusted	6.0	6.3	4.6	8.2	7.1	7.4	9.0	9.9
EBITDA margin (%)	3.3%	3.2%	2.3%	3.5%	3.0%	2.5%	2.9%	3.0%
EBIT adjusted	4.1	4.5	3.1	6.3	4.6	5.9	7.0	7.8
EBIT margin (%)	2.2%	2.3%	1.5%	2.7%	2.0%	2.0%	2.2%	2.3%
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	-0.4	0.0	0.0
Tax	-1.4	-1.6	-0.9	-1.9	-1.5	-1.9	-2.3	-2.6
Net profit from continuing operations	2.3	2.5	1.8	4.2	2.6	3.0	4.2	4.7
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	3.0	4.2	4.7
Net profit reported	2.1	2.2	2.1	3.3	2.1	2.5	3.7	4.2
Net profit adjusted	2.1	2.2	2.1	3.3	2.1	2.5	3.7	4.2
Cash Flow Statement (EURm)								
Cash flow from operating activities	1.8	5.1	6.5	8.2	1.9	3.0	6.8	6.4
Capex	-2.8	-2.8	-2.9	-2.4	-3.6	-3.6	-3.2	-3.1
Free cash flow	-1.0	2.3	3.7	5.8	-1.7	-0.7	3.5	3.3
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	-2.0	-3.0
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	-2.7	1.3	0.1
Balance Sheet (EURm)								
Intangible assets	7.7	8.4	11.4	17.3	19.1	19.9	20.5	21.0
Tangible assets	5.8	5.5	6.2	3.8	5.2	6.0	6.6	7.1
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	24.9	27.0	28.7
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	107.4	105.2	109.9
Net financial debt	-0.2	-0.1	0.7	5.2	11.0	13.8	12.5	12.4
Working capital requirement	8.6	8.0	6.2	6.3	9.2	11.3	11.0	11.7
Invested Capital	22.0	21.9	23.8	27.3	33.5	37.3	39.1	41.8
Per share data								
EPS adjusted	0.91	0.96	0.92	1.45	0.92	1.08	1.61	1.84
EPS adj and fully diluted	0.91	0.96	0.92	1.45	0.92	1.08	1.61	1.84
% Change	-31.4%	4.8%	-3.9%	57.8%	-36.6%	17.8%	48.4%	14.2%
EPS reported	0.91	0.96	0.92	1.45	0.92	1.08	1.61	1.84
Cash flow per share	0.80	2.20	2.84	3.57	0.81	1.28	2.94	2.76
Book value per share	9.17	9.15	9.22	9.42	9.03	9.31	10.04	10.58
Dividend per share	0.75	0.75	0.80	1.25	0.80	0.87	1.29	1.47
Number of shares, YE (m)	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Ratios								
ROE (%)	10.0%	10.4%	10.0%	15.6%	10.0%	11.8%	16.6%	17.8%
ROIC (%)	13.6%	12.7%	8.9%	16.9%	9.6%	10.0%	11.6%	12.3%
Net fin. debt / EBITDA (x)	0.0	0.0	0.2	0.6	1.5	1.9	1.4	1.3
Gearing (%)	-0.8%	-0.5%	3.0%	21.9%	46.3%	55.6%	46.3%	43.2%
Valuation								
P/E adjusted	21.4	21.9	27.8	20.3	32.2	32.6	22.0	19.3
P/E adjusted and fully diluted	21.4	21.9	27.8	20.3	32.2	32.6	22.0	19.3
P/BV	2.1	2.3	2.8	3.1	3.3	3.8	3.5	3.3
P/CF	24.4	9.5	9.0	8.2	36.4	27.6	12.1	12.8
Dividend yield (%)	3.8%	3.6%	3.1%	4.2%	2.7%	2.5%	3.6%	4.2%
FCF yield (%)	-2.2%	4.8%	6.2%	8.6%	-2.5%	-0.8%	4.3%	4.0%
EV/Sales	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.3
EV/EBITDA	7.7	7.9	13.7	9.2	11.7	13.5	11.0	10.0
EV/EBIT	11.4	11.1	20.3	12.1	18.1	17.0	14.2	12.7

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Companies mentioned

Stock	ISIN	Currency	Price
Clasquin	FR0004152882	EUR	35.40

Source: Factset closing prices of 22/03/2018

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Rating ratio Kepler Cheuvreux Q4 2017

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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Company Name	Date	Business Line	Rating	Target Price	Closing Price
Clasquin (EUR)	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 analyst has a stable credit fundamental opinion on the issuer and/or performances of the debt securities over a 6 months period.

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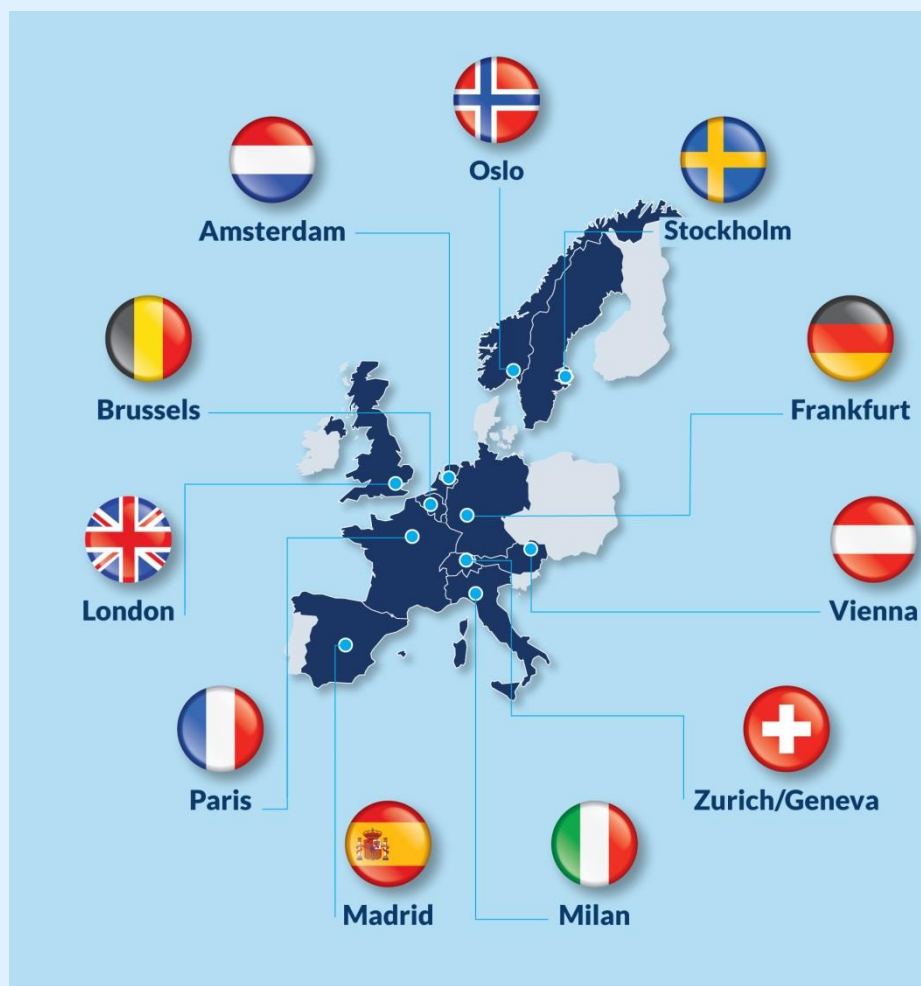
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