

Clasquin

France | Support services | MCAP EUR 84.0m

27 April 2018

Hold

Target Price	EUR 37.00 (35.00)
Current Price	EUR 36.50
Up/downside	1.4%
Change in TP	5.7%
Change in EPS	-4.6% 17E / 2.0% 18E

Lifting TP after strong Q1

Clasquin keeps outperforming the freight forwarding industry significantly. Very strong Q1 leads us to raise 2018 sales estimates by 3% and lift our TP from EUR35 to EUR37.

Clasquin keeps growing faster than the overall freight industry

Volume of operations and GP came stronger than expected in Q1 at +15% compared to 8% expected. This once again significantly outperforms reported growth in the freight industry (+5% in Air freight, +3% in Sea freight in volume terms). This also represents an acceleration of momentum compared to Q4 2017, which already established itself in the double-digit area. GP increased in the same proportion (+15% YOY), even stronger on a comparable FX base (+20%). Such level of growth had not been reported by Clasquin since 2008, which gives a better idea of the strength of current momentum. Detailed summary of Q1 sales on page 2.

It should continue that way in 2018

Clasquin is delivering on its ambition to continue to outperform the freight market in 2018. We upgrade our FY GP estimates by 3% (respectively +19% and +7% in Air and Sea respectively) in the light of this release. Solid elements support our bullish stance: first of all, the commercial momentum is generated by new accounts, which leaves the opportunity to grow that base further. In the medium-run, multiple opportunities exist in highly-profitable niche verticals (fine arts, wine & spirits, fairs & events). The fresh hiring of experienced head-offs in the US and South-East Asia could also trigger a new commercial impetus in those regions. In volume terms, we expect +12.5% and +7.5% respectively in Air and Sea this year (2.5x market average). By comparison, Panalpina is guiding for 5-6% volume growth in Air from here on and 2-3% volume growth in Sea. K+N expects to grow at 1.5x market growth rates volume-wise in Sea and 2x market rates in Air or 6% and 10%, respectively.

We lift TP to EUR37

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. In theory, valuation multiples for 2018E look fair (22x P/E, 14x EV/EBIT) compared to the largest names in the sector (average of 24x P/E). That said, the fact that Clasquin is consistently outperforming peers can justify a reduction of the liquidity discount in our view.

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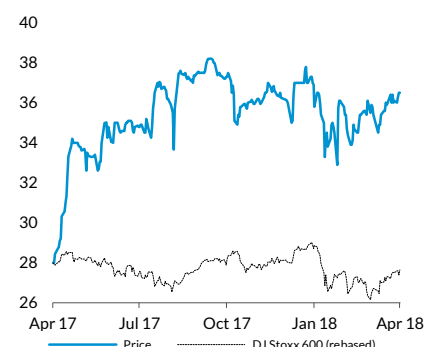
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Market data

Bloomberg: ALCLA.FP	Reuters: ALCLA.PA
Market cap (EURm)	84
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)	38.21/28.00

FY to 31/12 (EUR)	12/18E	12/19E	12/20E
Sales (m)	322.4	343.8	365.3
EBITDA adj (m)	8.9	9.8	10.9
EBIT adj (m)	7.2	8.0	8.9
Net profit adj (m)	3.8	4.3	5.9
Net fin. debt (m)	15.0	15.0	14.6
FCF (m)	3.2	3.3	4.2
EPS adj. and fully dil.	1.64	1.88	2.56
Consensus EPS	1.64	1.89	na
Net dividend	1.31	1.50	1.70

FY to 31/12 (EUR)	12/18E	12/19E	12/20E
P/E adj and ful. dil.	22.2	19.5	14.3
EV/EBITDA	11.7	10.6	9.6
EV/EBIT	14.5	13.0	11.7
FCF yield	3.9%	3.9%	5.0%
Dividend yield	3.6%	4.1%	4.7%
Net fin. debt/EBITDA	1.7	1.5	1.3
Gearing	60.0%	56.6%	51.6%
ROIC	12.1%	13.0%	13.9%
EV/IC	2.7	2.6	2.5



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Q1 activity - summary

	Shipments (units)		Gross profit (EURm)		GP/Shipments (EUR)	
	Q1-18A	Q1-18E	Q1-18A	Q1-18E	Q1-18A	Q1-18E
Air	18,930	18,878	5.7	5.0	301	264
%Growth	8%	8%	24%	8%	12%	0.2%
SEA	28,654	27,553	7.4	7.6	258	277
%Growth	14%	10%	6%	9%	-6%	-0.8%
RO/RO	10,766	10,070	1.9	1.8	176	174
%Growth	10%	3%	12%	3%	1%	0.0%
Others	5,582	3,517	1.7	1.3		
%Growth	63%	3%	42%	7%		
Total	63,932	60,019	16.7	15.7		
%Growth	15%	8%	15%	8%		

Source: Kepler Cheuvreux

Key financials

FY to 31/12 (EUR)	2013	2014	2015	2016	2017E	2018E	2019E	2020E
Income Statement (EURm)								
Sales	198.1	201.7	234.2	235.0	290.6	322.4	343.8	365.3
% Change	7.3%	1.8%	16.1%	0.3%	23.6%	11.0%	6.6%	6.3%
EBITDA adjusted	6.3	4.6	8.2	7.1	7.4	8.9	9.8	10.9
EBITDA margin (%)	3.2%	2.3%	3.5%	3.0%	2.5%	2.7%	2.9%	3.0%
EBIT adjusted	4.5	3.1	6.3	4.6	5.9	7.2	8.0	8.9
EBIT margin (%)	2.3%	1.5%	2.7%	2.0%	2.0%	2.2%	2.3%	2.4%
Net financial items & associates	-0.4	-0.4	-0.1	-0.5	-0.7	-0.6	-0.6	-0.6
Others	0.0	0.0	0.0	0.0	-0.4	0.0	0.0	0.0
Tax	-1.6	-0.9	-1.9	-1.5	-1.9	-2.4	-2.7	-3.0
Net profit from continuing operations	2.5	1.8	4.2	2.6	2.8	4.2	4.7	5.3
Net profit from discontinuing activities	0.0	0.7	-0.3	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	2.5	2.5	4.0	2.6	2.8	4.2	4.7	5.3
Net profit reported	2.2	2.1	3.3	2.1	2.4	3.8	4.3	4.9
Net profit adjusted	2.2	2.1	3.3	2.1	2.4	3.8	4.3	5.9
Cash Flow Statement (EURm)								
Cash flow from operating activities	5.1	6.5	8.2	1.9	2.3	6.6	6.4	7.2
Capex	-2.8	-2.9	-2.4	-3.6	-3.6	-3.3	-3.2	-3.0
Free cash flow	2.3	3.7	5.8	-1.7	-1.3	3.2	3.3	4.2
Acquisitions & Divestments	0.0	-1.8	-8.5	-0.6	0.1	0.0	0.0	0.0
Dividend paid	-2.0	-2.2	-2.1	-2.9	-1.9	-2.1	-3.1	-3.5
Others	-0.5	-0.4	1.5	-0.1	-1.5	-0.2	-0.2	-0.2
Change in net financial debt	-0.1	-0.7	-3.2	-5.4	-4.7	1.0	0.0	0.4
Balance Sheet (EURm)								
Intangible assets	8.4	11.4	17.3	19.1	19.6	20.2	20.6	20.9
Tangible assets	5.5	6.2	3.8	5.2	5.1	5.7	6.2	6.4
Financial & other non-current assets	1.5	1.8	2.9	2.8	2.8	2.8	2.8	2.8
Total shareholders' equity	22.2	23.3	23.8	23.8	22.9	25.0	26.6	28.4
Pension provisions	0.7	1.1	1.1	0.8	0.9	0.9	0.9	0.9
Liabilities and provisions	65.8	73.3	85.5	93.8	102.9	102.7	107.0	111.4
Net financial debt	-0.1	0.7	5.2	11.0	16.0	15.0	15.0	14.6
Working capital requirement	8.0	6.2	6.3	9.2	12.7	12.6	13.5	14.3
Invested Capital	21.9	23.8	27.3	33.5	37.4	38.5	40.3	41.7
Per share data								
EPS adjusted	0.96	0.92	1.45	0.92	1.03	1.64	1.88	2.56
EPS adj and fully diluted	0.96	0.92	1.45	0.92	1.03	1.64	1.88	2.56
% Change	4.8%	-3.9%	57.8%	-36.6%	12.5%	58.5%	14.3%	36.4%
EPS reported	0.96	0.92	1.45	0.92	1.03	1.64	1.88	2.13
Cash flow per share	2.20	2.84	3.57	0.81	0.99	2.85	2.80	3.11
Book value per share	9.15	9.22	9.42	9.03	8.57	9.30	9.83	10.41
Dividend per share	0.75	0.80	1.25	0.80	0.86	1.31	1.50	1.70
Number of shares, YE (m)	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Ratios								
ROE (%)	10.4%	10.0%	15.6%	10.0%	11.8%	18.4%	19.6%	25.3%
ROIC (%)	12.7%	8.9%	16.9%	9.6%	9.9%	12.1%	13.0%	13.9%
Net fin. debt / EBITDA (x)	0.0	0.2	0.6	1.5	2.2	1.7	1.5	1.3
Gearing (%)	-0.5%	3.0%	21.9%	46.3%	69.7%	60.0%	56.6%	51.6%
Valuation								
P/E adjusted	21.9	27.8	20.3	32.2	35.3	22.2	19.5	14.3
P/E adjusted and fully diluted	21.9	27.8	20.3	32.2	35.3	22.2	19.5	14.3
P/BV	2.3	2.8	3.1	3.3	4.3	3.9	3.7	3.5
P/CF	9.5	9.0	8.2	36.4	36.7	12.8	13.0	11.7
Dividend yield (%)	3.6%	3.1%	4.2%	2.7%	2.4%	3.6%	4.1%	4.7%
FCF yield (%)	4.8%	6.2%	8.6%	-2.5%	-1.5%	3.9%	3.9%	5.0%
EV/Sales	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.3
EV/EBITDA	7.9	13.7	9.2	11.7	14.1	11.7	10.6	9.6
EV/EBIT	11.1	20.3	12.1	18.1	17.7	14.5	13.0	11.7

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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	36.50

Source: Factset closing prices of 26/04/2018

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Rating Breakdown	A	B
Buy	46%	48%
Hold	36%	38%
Reduce	15%	10%
Not Rated/Under Review/Accept Offer	3%	4%
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 07:58	Equity Research	Buy	33.00	33.66
	21/09/2017 08:39	Equity Research	Hold	35.00	37.00

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

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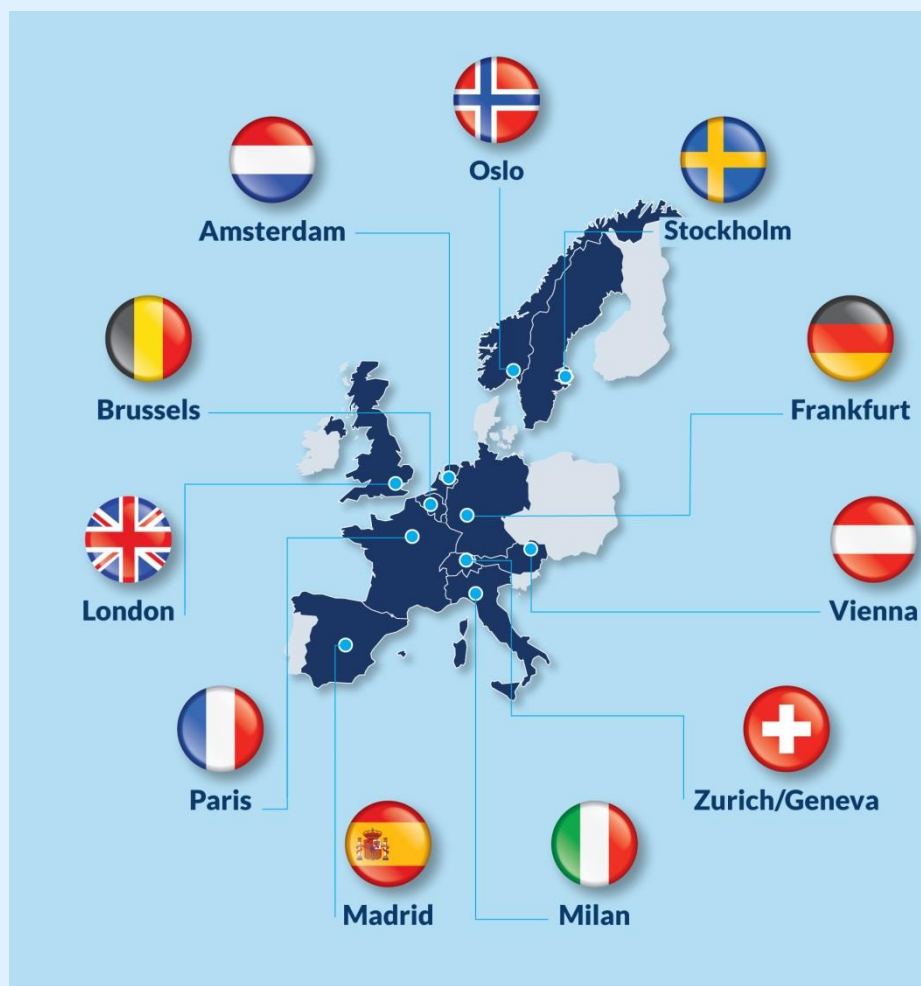
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