

Clasquin

France | Support services | MCAP EUR 79.2m

31 August 2018

Hold

Target Price	EUR 37.00
Current Price	EUR 34.40
Up/downside	7.6%
Change in TP	none
Change in EPS	3.6% 18E / 9.2% 19E

Above the tide line

Clasquin continued to deliver outstanding growth in Q2, thus outperforming the overall market notably. This should pursue through the rest of the year. No change to TP/rating.

Up in the air

Volumes shipped in Q2 continued to be strong (+13% in Sea freight, +19% in Air freight). As such, Clasquin is again outperforming overall market growth significantly by a factor of roughly 4x. Gross profit growth remains in double-digit territory at +12% after 15% in Q1, above our forecasts (KECH: +8.5%). The performance is notable in Air freight (GP up 20%), where Clasquin is capitalising on a higher tonnage per shipment enabling the company to negotiate historically high margins (EUR292 per shipment in H1, i.e. 15% YOY increase). In Sea freight, increase in gross profit is more moderate (+ 3% after +6% in Q1). Unlike in Air freight, GP/shipment was down compared to last year. An outcome that is partly due to the integration of the new Transport Management Systems and that must be seen as a short-term effect. Clasquin performed better than global freight forwarders in Q2: Panalpina and DSV's volumes were growing in the single digit area while K+N performance was pretty close (+11% in Sea freight, +16% in Air freight).

US-China dispute has marginal impact, CFO says

Like in previous quarters, Clasquin intends to significantly outperform the market in H2, which we are confident it will. After contact with the CFO, we can affirm that the risks related to the US-China dispute are marginal at this stage for Clasquin given its relatively low exposure to the US-Asia route. That said, it may deprive Clasquin from potential opportunities on that route, which is considered a development axis for the group.

TP/rating unchanged

We increase our GP estimates for 2018 by 3% to account for higher volume growth in Air freight. We derive our EUR37 TP via a DCF (8% WACC, g=2%, 12% EBIT/GP long term). Current P/E of 20x for 2018E stands 20% below the average for the largest names in the sector (25x P/E). That said, the fact that Clasquin is consistently outperforming peers on top-line growth can justify a reduction of the discount, even despite the lower liquidity. Clasquin will be publishing its half-year results on 19 September after market closure.

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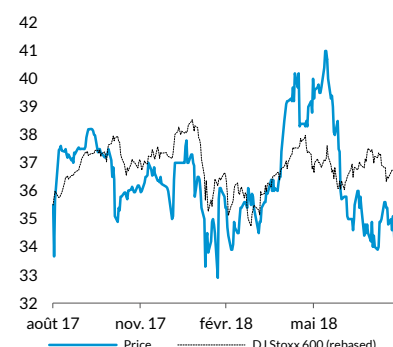
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Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	79
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume (EURm)	0,0
YTD abs performance	-4,4%
52-week high/low (EUR)	0.41/0.33

FY to 31/12 (EUR)	12/18E	12/19E	12/20E
Sales (m)	71,0	83,0	85,3
EBITDA adj (m)	8,8	10,4	11,1
EBIT adj (m)	7,1	8,3	9,0
Net profit adj (m)	3,9	4,7	5,2
Net fin. debt (m)	15,7	17,7	17,8
FCF (m)	2,5	1,5	3,9
EPS adj. and fully dil.	1,70	2,05	2,24
Consensus EPS	1,85	2,27	2,55
Net dividend	1,36	1,64	1,79

FY to 31/12 (EUR)	12/18E	12/19E	12/20E
P/E adj and ful. dil.	20,2	16,8	15,4
EV/EBITDA	11,3	9,8	9,2
EV/EBIT	14,0	12,3	11,4
FCF yield	3,2%	1,9%	4,9%
Dividend yield	4,0%	4,8%	5,2%
Net fin. debt/EBITDA	1,8	1,7	1,6
Gearing	62,5%	65,3%	62,1%
ROIC	12,3%	13,4%	13,5%
EV/IC	2,5	2,4	2,3



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Key financials

FY to 31/12 (EUR)	12/13	12/14	12/15	12/16	12/17	12/18E	12/19E	12/20E
Income Statement (EURm)								
Sales	47,4	43,6	55,5	57,5	62,9	71,0	83,0	85,3
% Change	5,1%	-8,0%	27,3%	3,6%	9,4%	12,8%	17,0%	2,7%
EBITDA adjusted	6,3	4,6	8,2	7,1	7,4	8,8	10,4	11,1
EBITDA margin (%)	13,3%	10,5%	14,8%	12,4%	11,7%	12,4%	12,5%	13,0%
EBIT adjusted	4,5	3,1	6,3	4,6	5,9	7,1	8,3	9,0
EBIT margin (%)	9,5%	7,1%	11,3%	8,0%	9,3%	10,0%	10,0%	10,5%
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	-2,2	-2,6	-2,8
Net profit from continuing operations	2,5	1,8	4,2	2,6	2,8	4,3	5,1	5,6
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	4,3	5,1	5,6
Net profit reported	2,2	2,1	3,3	2,1	2,4	3,9	4,7	5,2
Net profit adjusted	2,2	2,1	3,3	2,1	2,4	3,9	4,7	5,2
Cash Flow Statement (EURm)								
Cash flow from operating activities	5,1	6,5	8,2	1,9	2,3	6,3	5,6	7,9
Capex	-2,8	-2,9	-2,4	-3,6	-3,6	-3,7	-4,2	-4,0
Free cash flow	2,3	3,7	5,8	-1,7	-1,3	2,5	1,5	3,9
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	-3,2	-3,9
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	0,3	-2,0	-0,2
Balance Sheet (EURm)								
Intangible assets	8,4	11,4	17,3	19,1	19,6	20,4	21,2	21,9
Tangible assets	5,5	6,2	3,8	5,2	5,1	5,9	6,7	7,4
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	25,1	27,0	28,7
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	105,1	116,7	118,9
Net financial debt	-0,1	0,7	5,2	11,0	16,0	15,7	17,7	17,8
Working capital requirement	8,0	6,2	6,3	9,2	12,7	13,1	15,3	15,7
Invested Capital	21,9	23,8	27,3	33,5	37,4	39,4	43,2	45,1
Per share data								
EPS adjusted	0,96	0,92	1,45	0,92	1,03	1,70	2,05	2,24
EPS adj and fully diluted	0,96	0,92	1,45	0,92	1,03	1,70	2,05	2,24
% Change	4,8%	-3,9%	57,8%	-36,6%	12,5%	64,3%	20,6%	9,2%
EPS reported	0,96	0,92	1,45	0,92	1,03	1,70	2,05	2,24
Cash flow per share	2,20	2,84	3,57	0,81	0,99	2,72	2,44	3,45
Book value per share	9,15	9,22	9,42	9,03	8,57	9,36	10,01	10,57
Dividend per share	0,75	0,80	1,25	0,80	0,86	1,36	1,64	1,79
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%	19,0%	21,2%	21,7%
ROIC (%)	12,7%	8,9%	16,9%	9,6%	9,9%	12,3%	13,4%	13,5%
Net fin. debt / EBITDA (x)	0,0	0,2	0,6	1,5	2,2	1,8	1,7	1,6
Gearing (%)	-0,5%	3,0%	21,9%	46,3%	69,7%	62,5%	65,3%	62,1%
Valuation								
P/E adjusted	21,9	27,8	20,3	32,2	32,1	20,2	16,8	15,4
P/E adjusted and fully diluted	21,9	27,8	20,3	32,2	32,1	20,2	16,8	15,4
P/BV	2,3	2,8	3,1	3,3	3,9	3,7	3,4	3,3
P/CF	9,5	9,0	8,2	36,4	33,3	12,6	14,1	10,0
Dividend yield (%)	3,6%	3,1%	4,2%	2,7%	2,6%	4,0%	4,8%	5,2%
FCF yield (%)	4,8%	6,2%	8,6%	-2,5%	-1,7%	3,2%	1,9%	4,9%
EV/Sales	1,1	1,4	1,4	1,4	1,5	1,4	1,2	1,2
EV/EBITDA	7,9	13,7	9,2	11,7	13,1	11,3	9,8	9,2
EV/EBIT	11,1	20,3	12,1	18,1	16,4	14,0	12,3	11,4

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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	34,40

Source: Factset closing prices of 30/08/2018

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Rating Breakdown	A	B
Buy	47%	40%
Hold	37%	39%
Reduce	13%	12%
Not Rated/Under Review/Accept Offer	3%	9%
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
	27/04/2018 08:58	Equity Research	Hold	37.00	36.50

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

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Reduce: There is an expected downside.

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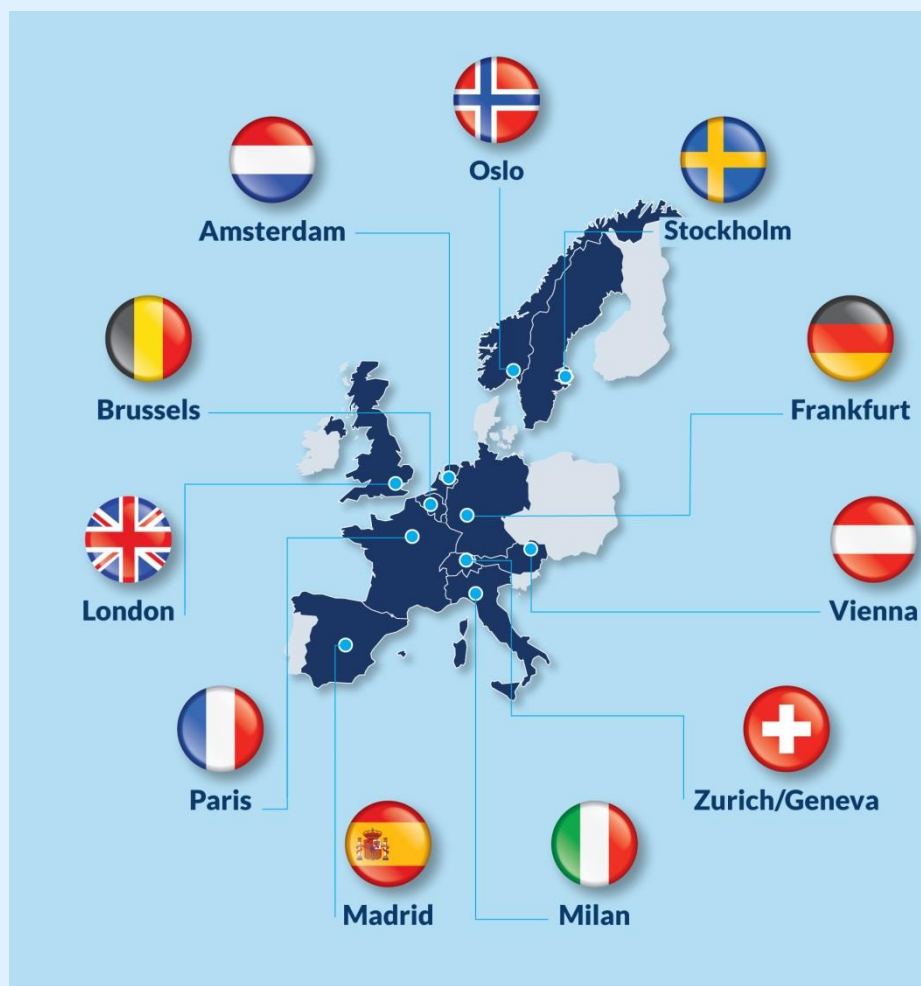
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