

Clasquin

France | Support services | MCAP EUR 86.6m

20 September 2018

Hold

Target Price	EUR 37.00
Current Price	EUR 37.60
Up/downside	-1.6%
Change in TP	none
Change in EPS	none 18E / none 19E

Strong half-year earnings

Clasquin is capitalising on robust commercial performance and smart management, which largely offset the extensive deployment of IT tools across the network. Hold, TP of EUR37.

Makes the best of business growth

Half-year earnings came in very strong, with +35% in current EBIT and +46% in net profit and a corresponding increase in margins (+160bps to 10.2% and +100bps to 4.5%, respectively). The results came in stronger than we expected (see table below). There are several drivers for these good results: 1) operational leverage, resulting from dynamic top-line growth (gross profit up 14% in H1 after +9% in 2017); 2) undergoing restructuring at international subsidiaries (primarily Clasquin Germany and the United States); 3) the ramp-up of recently-opened international offices (ex: Portugal, Chili); and 4) the development of high-margin niche segments (Art Shipping in fine arts). Although it is difficult to assess from the outside, we believe Clasquin is being rewarded for its recruitment efforts in 2016, with some key hirings at the top management level. In our view, the risk to earnings development resides in potential cost overruns in relation with IT systems, namely the rolling out of the CargoWise one transport management software and the deployment of the next generation of finance software. The solid performance indicates that those costs are being largely offset and cause no significant disturbances to operations.

Half-year results versus forecasts

EURm	H1-18 reported	H1-18 KECH est.	H1-17 reported
Current EBIT	3,5	3,1	2,6
Growth	35,1%	20,8%	2,6%
% GP	10,2%	9,2%	8,6%
Net profit group share	1,5	1,4	1,1
Growth	46,2%	30,0%	30,5%
% GP	4,5%	4,2%	3,50%

Source: Kepler Cheuvreux

Investor meeting today

Clasquin aims at continuing to grow significantly higher than market growth in H2. We derive our EUR37 TP through a DCF (8% WACC, g=2%, 12% EBIT/GP long term). Clasquin will hold an analyst meeting this morning in Paris. We are not changing our estimates/TP at this stage. Hold, TP of EUR37.

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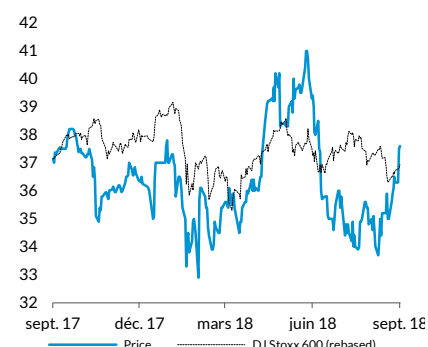
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Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	87
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume (EURm)	0,0
YTD abs performance	4,5%
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	1,68	1,96	2,39
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.	22,1	18,3	16,8
EV/EBITDA	12,1	10,5	9,9
EV/EBIT	15,0	13,1	12,3
FCF yield	2,9%	1,7%	4,5%
Dividend yield	3,6%	4,4%	4,8%
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	2,7	2,5	2,4



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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	22,1	18,3	16,8
P/E adjusted and fully diluted	21,9	27,8	20,3	32,2	32,1	22,1	18,3	16,8
P/BV	2,3	2,8	3,1	3,3	3,9	4,0	3,8	3,6
P/CF	9,5	9,0	8,2	36,4	33,3	13,8	15,4	10,9
Dividend yield (%)	3,6%	3,1%	4,2%	2,7%	2,6%	3,6%	4,4%	4,8%
FCF yield (%)	4,8%	6,2%	8,6%	-2,5%	-1,7%	2,9%	1,7%	4,5%
EV/Sales	1,1	1,4	1,4	1,4	1,5	1,5	1,3	1,3
EV/EBITDA	7,9	13,7	9,2	11,7	13,1	12,1	10,5	9,9
EV/EBIT	11,1	20,3	12,1	18,1	16,4	15,0	13,1	12,3

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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	37,60

Source: Factset closing prices of 19/09/2018

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Rating ratio Kepler Cheuvreux Q2 2018

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)	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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Buy: The minimum expected upside is 10% over next 12 months (the minimum required upside could be higher in light of the company's risk profile).

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Reduce: There is an expected downside.

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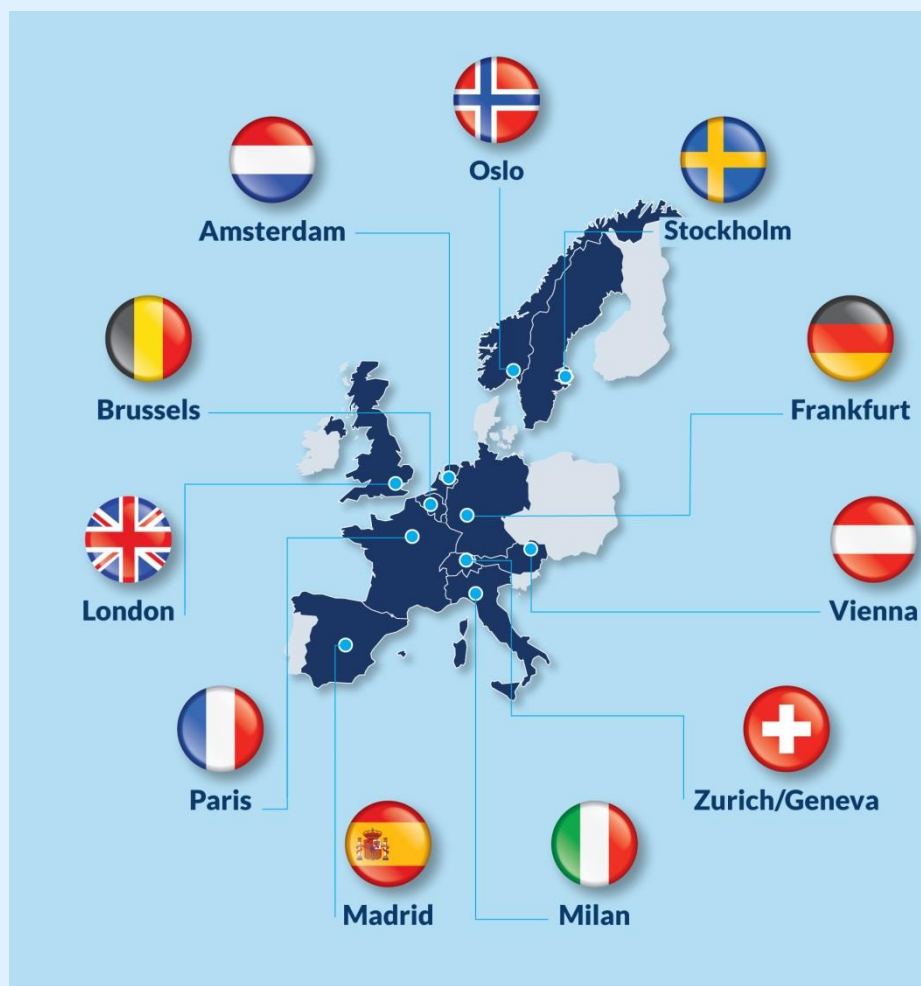
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