Clasquin

Sponsored Research

France | Industrial Transportation

Analyser *22 March 2019*

Accumulate

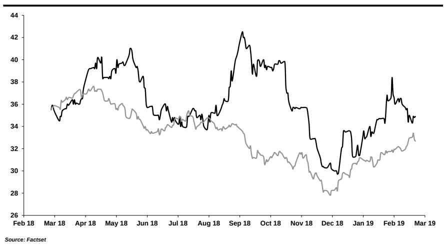
Share price: EUR	**34.90**
closing price as of 21/03/2019	
Target price: EUR	**37.30**
from Target Price: EUR	*34.20*
Upside/Downside Potential	**6.9%**
Reuters/Bloomberg	ALCLA.PA/ALCLA FP

Market capitalisation (EURm)	**80**
Current N° of shares (m)	2
Free float	**42%**
Daily avg. no. trad. sh. 12 mth	1
Daily avg. trad. vol. 12 mth (m)	15.17
Price high/low 12 months	29.70 / 42.50
Abs Perfs 1/3/12 mths (%)	-5.16/15.18/-1.69

Key financials (EUR)	**12/17**	**12/18e**	**12/19e**
Sales (m)	291	308	308
EBITDA (m)	7	9	10
EBITDA margin	*2.5%*	*2.8%*	*3.3%*
EBIT (m)	5	6	8
EBIT margin	*1.9%*	*1.9%*	*2.6%*
Net Profit (adj.)(m)	2	3	4
ROCE	9.4%	9.8%	11.7%
Net debt/(cash) (m)	16	18	17
Net Debt/Equity	*0.7*	*0.8*	*0.6*
Debt/EBITDA	2.2	2.1	1.7
Int. cover(EBITDA/Fin. int)	35.1	26.3	28.4
EV/Sales	0.4	0.3	0.3
EV/EBITDA	14.0	10.7	10.2
EV/EBITDA (adj.)	13.2	9.8	10.2
EV/EBIT	18.9	15.9	12.8
P/E (adj.)	33.3	24.7	18.8
P/BV	4.2	3.4	3.5
OpFCF yield	*-1.4%*	*1.6%*	*3.6%*
Dividend yield	*2.3%*	*1.9%*	*2.7%*
EPS (adj.)	1.08	1.22	1.85
BVPS	8.55	8.84	9.91
DPS	0.80	0.65	0.93

Shareholders

Yves Revol 46%; Zenlor 2%; Staff 10%;



Analyst(s)

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Double-digit growth in results on the cards

The facts: In 2018, the group benefitted from strong growth in activity (gross margin at +9.5% o/w +11.2% in organic), which combined with an upturn in the situation in Germany helped to offset the rise in payroll costs (strengthening of teams) and structural charges (opening of branches, implementation and deployment of new IS, etc.) enabling the generation of an adjusted EBIT margin of 9.4% (+0.1pts vs 2017), and thus support double-digit growth in results. For 2019, managers are aiming to significantly outperform a market expected at +2+3%.

Our analysis: Thanks to ongoing investments made to fuel growth (launch of new offers, recruitment, branch openings, etc.), we are confident in the group's ability to continue outperforming its market. However, given the high base effect, we have cautiously factored in a slowdown in organic growth to +4% in 2019 (scenario unchanged), which after the full-year effect of ECS' disposal in the US led to a forecast of virtual stability in the gross margin for the current FY. In terms of margins, the group should benefit from the ongoing recovery in Germany, deconsolidation of ECS and the non-recurrence of part of costs related to the rollout of a new operating IT tool, which we think should help to improve margins (2019 adjusted EBIT margin estimated at 11.6% i.e. +2.2pts) and thus maintain strong growth in results: +36% expected at the EBIT level (forecasts unchanged).

Conclusion & Action: *2018 was a good year for the group, and this in a context of a major rollout of a new IT tool, highlighting the quality of teams. This thus reinforces our positive opinion on the stock, which could also benefit from ongoing acquisitions. In order to take account of the time lag of our valuation (2023 vs 2022 previously), we adjust our prospective value from EUR40.9 to EUR45.2, our present value from EUR34.2 to EUR37.3 and our EP from EUR28.8 to EUR31.3.*