

Clasquin

France | Support services | MCAPEUR 75.9m

30 August 2019

Hold

Target Price	EUR 36.00
Current Price	EUR 33.00
Up/downside	9.1%
Change in TP	none
Change in EPS	1.3% 19E / 0.9% 20E

Resilient in a challenging landscape

It was a tough quarter again for global trade. In this context, Clasquin displayed good resilience as indicated by a 7% YOY increase in GP, which was supported by all businesses (Air, ocean, RO/RO and other activities). Volume should remain under pressure in H2, especially in air freight, according to WTO and market leaders. We make no change to our estimates, TP and rating.

Q2 at a glance

Global trade remained tense in Q2. Market estimations suggest further deterioration of volume growth in air freight market (-5%), which is substantiated by global freight forwarders reported figures (K+N: -8%, DSV: -2%). The ocean freight was said to be stable (K+N: +3%, DSV: +6%). In this context, Clasquin reported 7% LFL growth in GP to EUR18.8m (1.5% above our estimates). Air freight volumes declined sharply again, below market growth rates (-18.4% LFL after -17.3% LFL in Q1) but this was offset by 39% jump in GP/tonne, such that GP came up 2.2% LFL. Sea freight gross profit was up 9.5 LFL% on the back of healthy volume (+3.4% LFL) and a 5.2% rise in GP/TEU. Last but not least, the RORO business between France and Maghreb (c. 10% of total revenues) is still performing well in the double-digit area, as well as other activities (supply chain consulting and others). Key Q2 metrics are regrouped in tables on next page.

Hold

Clasquin is handling global trade slowdown in a satisfactory way, therefore confirming the resilience of its model. That said, poor trading conditions are likely to persist over the next quarters, which justifies a Hold recommendation. We make no change to our estimates, still aiming for 4.5% growth in GP this year. We derive a target price of CHF36 through a DCF based on a 7.5% WACC (based on adjusted 2019 Kepler Cheuvreux 2019 guidelines), 2.5% terminal growth (corresponding more or less to long term global trade growth forecasts) and 11% terminal conversion ratio (+1pt assuming productivity gains and improved product- and business-mix). From a multiple standpoint, TP looks rather generous though in the light of current valuation (18.9x earnings 2020E) in comparison with market leaders (K+N: 20x, DSV: 28x and Expeditors: 19.0x), which also support our Hold rating.

Baptiste de Leuville

Equity Research Analyst

bdeleuville@keplercheuvreux.com

+33 1 53 65 36 55

Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	76
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume (EURm)	0.0
YTD abs performance	10.0%
52-week high/low (EUR)	0.43/0.30

FY to 31/12 (EUR)	12/19E	12/20E	12/21E
Sales (m)	322,1	334,1	343,9
EBITDA adj (m)	9,5	10,2	10,8
EBIT adj (m)	6,8	7,4	7,9
Net profit adj (m)	3,6	4,0	4,3
Net debt (m)	23,1	21,9	20,2
FCF (m)	-1,3	4,1	4,9
EPS adj. and fully dil.	1,58	1,75	1,87
Consensus EPS	1,74	2,02	2,44
Net dividend	0,84	0,93	1,00

FY to 31/12 (EUR)	12/19E	12/20E	12/21E
P/E adj and ful. dil.	20,8	18,9	17,7
EV/EBITDA	10,8	10,0	9,4
EV/EBIT	15,1	13,8	12,8
FCF yield	-1,7%	5,4%	6,4%
Dividend yield	2,6%	2,8%	3,0%
Net debt/EBITDA	2,4	2,1	1,9
Gearing	85,9%	76,0%	65,3%
ROIC	9,8%	9,9%	10,3%
EV/IC	2,1	2,1	2,0



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Tables

Table 1: Volume

	2018					2019		
	Q1	Q2	H1	Q3	Q4	Q1	Q2	H1
AIR (T)	14 427	21 104	35 531	17 930	16 005	13 567	15 598	29 165
%Growth	9,1%	19,3%	21,5%	17,3%	-15,4%	-6,0%	-26,1%	-17,9%
SEA (TEUs)	47 003	50 727	97 730	50 560	51 183	47 725	52 373	100 098
%Growth	18,2%	13,3%	15,6%	3,6%	21,8%	1,5%	3,2%	2,4%

Source: Kepler Cheuvreux

Table 2: GP/Volume

	2018				2019	
	Q1	Q2	Q3	Q4	Q1	Q2
AIR (GT/ton)	395	284	335	362	398	395
%Growth	13,6%	-10,7%	0,3%	16,1%	0,7%	38,9%
SEA (GP/TEU)	157	156	150	148	155	164
%Growth	-16,7%	-13,8%	-9,2%	-19,0%	-1,5%	5,2%

Source: Kepler Cheuvreux

Table 3: Gross profit

Quarterly GP EURm	2018					2019		
	Q1	Q2	H1	Q3	Q4	Q1	Q2	H1
AIR	5,7	6,0	11,7	6,0	5,8	5,4	6,2	11,6
%Growth	23,9%	16,7%	20,6%	17,6%	-1,7%	-5,3%	2,7%	-1,2%
SEA	7,4	7,9	15,3	7,6	7,6	7,4	8,6	16,0
%Growth	5,7%	3,9%	4,8%	-3,8%	-1,3%	0,0%	8,6%	4,4%
RO/RO	1,9	1,8	3,7	1,5	2,0	2,4	2,0	4,4
%Growth	11,8%	20,0%	15,6%	7,1%	0,0%	26,3%	11,9%	19,3%
Other overseas activities	1,3	1,4	2,7	1,4	1,8	1,6	1,6	3,2
%Growth	30,0%	40,0%	35,0%	27,3%	57,9%	23,1%	12,1%	17,4%
Log System + Intragroup	0,4	0,5	0,9	0,4	0,5	0,5	0,5	1,0
Growth	100,0%	25,0%	50,0%	33,3%	108,3%	25,0%	0,0%	11,1%
Gross Profit	16,7	17,6	34,3	16,9	17,7	17,3	18,8	36,1
Growth	15,2%	12,8%	14,0%	7,0%	4,2%	3,6%	7,0%	5,3%
Organic growth	19,8%	12,8%	14,0%	7,0%	4,2%	3,6%	7,0%	5,3%

Source: Kepler Cheuvreux

Key financials

FY to 31/12 (EUR)	12/14	12/15	12/16	12/17	12/18	12/19E	12/20E	12/21E
Income Statement (EURm)								
Sales	201,7	234,2	235,0	290,6	308,3	322,1	334,1	343,9
% Change	1,8%	16,1%	0,3%	23,6%	6,1%	4,5%	3,7%	2,9%
EBITDA adjusted	4,6	8,2	7,1	7,4	9,3	9,5	10,2	10,8
EBITDA margin (%)	2,3%	3,5%	3,0%	2,5%	3,0%	3,0%	3,1%	3,1%
EBIT adjusted	3,1	6,3	4,6	5,4	5,8	6,8	7,4	7,9
EBIT margin (%)	1,5%	2,7%	2,0%	1,9%	1,9%	2,1%	2,2%	2,3%
Net financial items & associates	-0,4	-0,1	-0,5	-0,7	-0,2	-0,3	-0,3	-0,3
Others	0,0	0,0	0,0	-0,4	0,0	0,0	0,0	0,0
Tax	-0,9	-1,9	-1,5	-1,9	-2,1	-2,3	-2,5	-2,7
Net profit from continuing operations	1,8	4,2	2,6	2,4	3,4	4,2	4,6	4,9
Net profit from discontinuing activities	0,7	-0,3	0,0	0,0	0,0	0,0	0,0	0,0
Net profit before minorities	2,5	4,0	2,6	2,4	3,4	4,2	4,6	4,9
Net profit reported	2,1	3,3	2,1	2,0	2,8	3,6	4,0	4,3
Net profit adjusted	2,1	3,3	2,1	2,0	2,8	3,6	4,0	4,3
Cash Flow Statement (EURm)								
Levered post tax CF before capex	na	na	1,9	1,9	4,5	1,9	7,0	7,5
Capex	-2,9	-2,4	-3,6	-3,6	-3,6	-3,2	-3,0	-2,7
Free cash flow	na	na	-1,7	-1,7	0,9	-1,3	4,1	4,9
Acquisitions & Divestments	-1,8	-8,5	-0,6	0,1	-1,8	0,0	0,0	0,0
Dividend paid	-2,2	-2,1	-2,9	-1,9	-2,6	-2,2	-2,7	-2,9
Others	-0,4	1,5	-0,1	-1,5	0,0	-0,2	-0,2	-0,2
Change in net financial debt	na	na	-5,4	-5,1	-3,6	-3,8	1,2	1,7
Balance Sheet (EURm)								
Intangible assets	11,4	17,3	19,1	19,6	22,0	22,3	22,5	22,5
Tangible assets	6,2	3,8	5,2	5,1	5,7	6,1	6,3	6,3
Financial & other non-current assets	1,8	2,9	2,8	2,8	2,6	2,6	2,6	2,6
Total shareholders' equity	23,3	23,8	23,8	22,9	24,5	26,5	28,4	30,4
Pension provisions	1,4	1,1	1,2	0,4	0,4	0,4	0,4	0,4
Liabilities and provisions	na	na	na	na	na	na	na	na
Net debt	2,1	6,3	12,3	16,4	19,3	23,1	21,9	20,2
Net financial debt	0,7	5,2	11,0	16,0	18,9	22,7	21,6	19,8
IFRS 16 debt	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Working capital requirement	6,2	6,3	9,2	12,7	14,3	19,3	19,7	20,9
Invested Capital	23,8	27,3	33,5	37,4	42,0	47,8	48,5	49,8
Per share data								
EPS adjusted	0,92	1,45	0,92	0,85	1,23	1,58	1,75	1,87
EPS adj and fully diluted	0,92	1,45	0,92	0,85	1,23	1,58	1,75	1,87
% Change	-3,9%	57,8%	-36,6%	-7,6%	44,8%	28,5%	10,4%	6,8%
EPS reported	0,92	1,45	0,92	0,85	1,23	1,58	1,75	1,87
Cash flow per share	na	na	0,81	0,81	1,94	0,83	3,06	3,28
Book value per share	9,22	9,42	9,03	8,57	9,31	9,92	10,50	11,10
Dividend per share	0,80	1,25	0,80	0,80	0,65	0,84	0,93	1,00
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%	15,6%	10,0%	9,7%	13,8%	16,5%	17,1%	17,3%
ROIC (%)	8,9%	16,9%	9,6%	9,2%	9,4%	9,8%	9,9%	10,3%
Net debt / EBITDA (x)	0,5	0,8	1,7	2,2	2,1	2,4	2,1	1,9
Gearing (%)	3,0%	21,9%	46,3%	69,7%	77,4%	85,9%	76,0%	65,3%
Valuation								
P/E adjusted	27,8	20,3	32,2	39,0	29,7	20,8	18,9	17,7
P/E adjusted and fully diluted	27,8	20,3	32,2	39,0	29,7	20,8	18,9	17,7
P/BV	2,8	3,1	3,3	3,9	3,9	3,3	3,1	3,0
P/CF	na	na	36,4	40,9	18,8	39,6	10,8	10,1
Dividend yield (%)	3,1%	4,2%	2,7%	2,4%	1,8%	2,6%	2,8%	3,0%
FCF yield (%)	na	na	-2,5%	-2,3%	1,0%	-1,7%	5,4%	6,4%
EV/Sales	0,3	0,3	0,4	0,3	0,3	0,3	0,3	0,3
EV/EBITDA	13,8	9,2	11,7	13,0	11,5	10,8	10,0	9,4
EV/EBIT	20,4	12,1	18,1	17,6	18,4	15,1	13,8	12,8

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Companies mentioned

Stock	ISIN	Currency	Price
Clasquin	FR0004152882	EUR	33,00

Source: Factset closing prices of 29/08/2019

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Rating Breakdown	A	B
Buy	50%	56%
Hold	33%	30%
Reduce	14%	9%
Not Rated/Under Review/Accept Offer	3%	5%
Total	100%	100%

Source: KEPLER CHEUVREUX

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	26/10/2018 07:20	Equity Research	Hold	39.00	39.10
	22/03/2019 09:17	Equity Research	Hold	36.00	34.90

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Amsterdam

Kepler Cheuvreux Benelux
Johannes Vermeerstraat 9
1071 DK Amsterdam
+31 20 573 06 66

Brussels

Kepler Cheuvreux
Rogier Tower
Place Rogier 11
1210 Brussels, Belgium
+32 11 491460

Frankfurt

Kepler Cheuvreux Germany
Taunusanlage 18
60325 Frankfurt
+49 69 756 960

Geneva

Kepler Cheuvreux SA
Route de Crassier 11
1262 - Eysins
Switzerland
+41 22361 5151

London

Kepler Cheuvreux UK
5th Floor
95 Gresham Street
London EC2V 7NA
+44 20 7621 5100

Madrid

Kepler Cheuvreux Espana
Paseo de la Castellana, 52
28046 Madrid
+34 914 36 5100

Milan

Kepler Cheuvreux Italia
Via C. Cornaggia 10
20123 Milano
+39 02 8550 7201

Oslo

Kepler Cheuvreux Norway
Filipstad Brygge 1
Pb. 1671 Vika
0120 Oslo
+47 23 13 9080

Paris

Kepler Cheuvreux France
112 Avenue Kleber
75016 Paris
+33 1 53 65 35 00

Stockholm

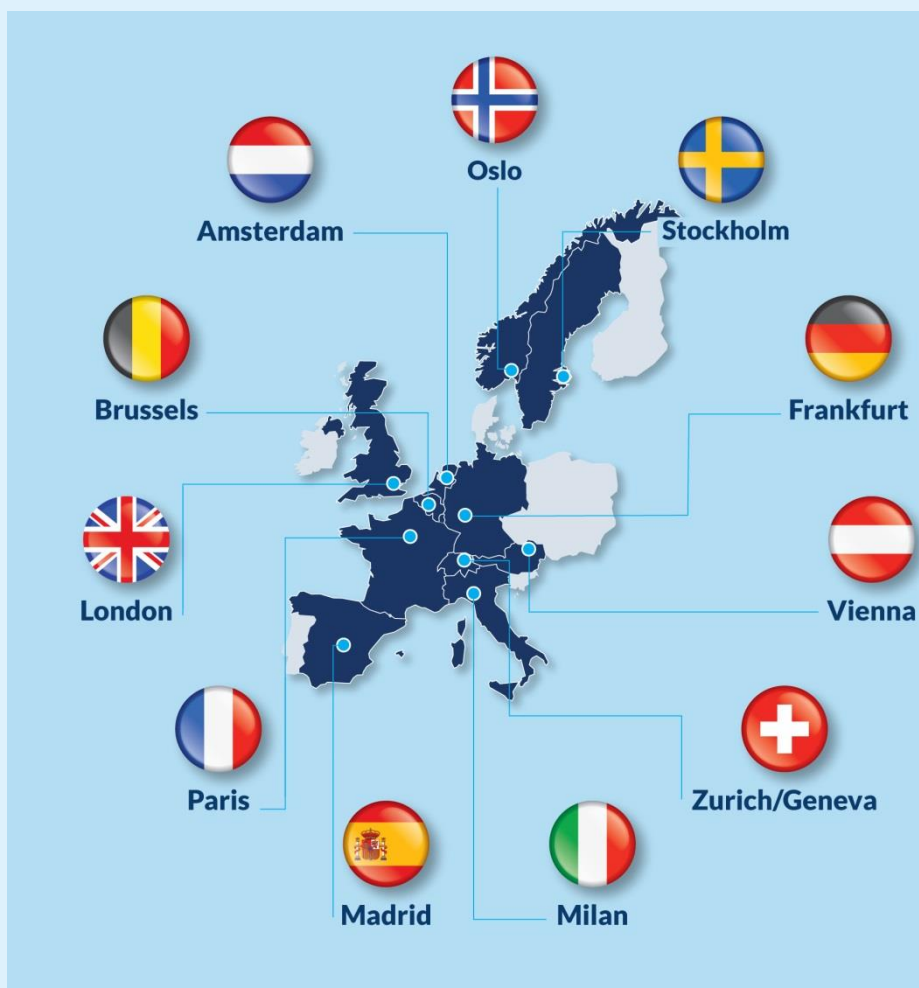
Kepler Cheuvreux Sweden
Malmkillnadsgatan 23
11157 Stockholm
+468 723 51 00

Vienna

Kepler Cheuvreux Vienna
Schottenring 16/2
Vienna 1010
+43 1 537 124 147

Zurich

Kepler Cheuvreux Switzerland
Stadelhoferstrasse 22
Postfach
8024 Zurich
+41 43 333 66 66



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North America

Boston

Kepler Capital Markets, Inc.
225 Franklin Street, Floor 26
Boston, MA 02110
+1 617 217 2615

New York

Kepler Capital Markets, Inc.
Tower 49
12 East 49th Street, Floor 36
10017 New York, NY USA
+1 212 710 7600