Clasquin

Sponsored Research

France | Industrial Transportation

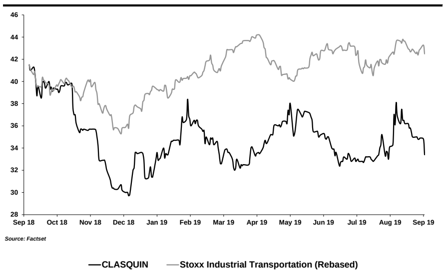
Analyser — *2 October 2019*

Accumulate	
from	
Share price: EUR	**33.40**
closing price as of 01/10/2019	
Target price: EUR	**39.20**
from Target Price: EUR	*37.30*
Upside/Downside Potential	**17.4%**
Reuters/Bloomberg	ALCLA.PA/ALCLA FP
Market capitalisation (EURm)	**77**
Current N° of shares (m)	2
Free float	**42%**
Daily avg. no. trad. sh. 12 mth	1
Daily avg. trad. vol. 12 mth (m)	35.31
Price high/low 12 months	42.00 / 29.70
Abs Perfs 1/3/12 mths (%)	-2.05/-5.38/-21.41

Key financials (EUR)	**12/18**	**12/19e**	**12/20e**
Sales (m)	308	327	359
EBITDA (m)	9	10	12
EBITDA margin	*2.8%*	*3.2%*	*3.5%*
EBIT (m)	6	8	10
EBIT margin	*1.9%*	*2.5%*	*2.8%*
Net Profit (adj.)(m)	3	4	5
ROCE	8.6%	9.2%	10.7%
Net debt/(cash) (m)	19	25	23
Net Debt/Equity	*0.8*	*0.9*	*0.8*
Debt/EBITDA	2.2	2.4	1.9
Int. cover(EBITDA/Fin. int)	26.3	23.7	25.6
EV/Sales	0.3	0.3	0.3
EV/EBITDA	10.7	10.2	8.4
EV/EBITDA (adj.)	9.8	10.0	8.4
EV/EBIT	15.9	12.9	10.3
P/E (adj.)	24.7	17.5	14.0
P/BV	3.2	3.2	2.9
OpFCF yield	*1.2%*	*2.8%*	*6.0%*
Dividend yield	*1.9%*	*2.9%*	*3.6%*
EPS (adj.)	1.22	1.90	2.38
BVPS	9.29	10.42	11.72
DPS	0.65	0.95	1.19

Shareholders

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



Analyst(s)

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Confirmation of the acquisition in Canada

The facts: In July the company had announced plans to acquire 80% of a Canadian company that specialises in international transport. This deal has been confirmed. The remainder of the share capital remains in the hands of the historical shareholders. Business continuity will be ensured as the current CEO remains in place. With staff of 90, Cargolution has offices in Montréal and Toronto, and generates revenues of EUR33m and a gross margin of EUR6-7m.

Our analysis: A key priority is building the business in the Americas area (organic revenue growth of 24% in H1 2019). This deal should make it possible to double the size of the revenues generated in North America (post ECS disposal). We factor in Cargolution over three months in 2019 and over the FY from 2020. No information was released on margin levels. We take an EBIT/MB level of 9% for 2019 followed by an increase in margins in two years. We assume an outlay of EUR7m to finance the acquisition of 80% of the capital and transaction costs to be borne in H2 2019. We have raised our net profit forecasts by 5% on average over the next few years thanks to this deal.

Conclusion & Action: *This acquisition should allow Clasquin to sustain its growth in North America. The news supports our positive stance on the company, which should prove its ability to maintain brisk organic growth (+7% estimated for 2019) and make more acquisitions. The results should also benefit from the non-recurrence of costs (e.g. deployment of a new software tool), the decrease of loss-making businesses (Germany and Australia), and productivity gains related to the rise of Cargowise, leading to strong growth in 2019. We have adjusted our valuation: Prospective Value EUR48 (vs EUR45), Present Value EUR39 (vs EUR37.3) and Entry Point EUR33 (vs EUR31.3).*