

# Clasquin

France | Support services | MCAP EUR 79.2m

03 October 2019

# Hold

**Target Price** EUR 36.00  
**Current Price** EUR 34.40  
**Up/downside** 4.7%  
**Change in TP** none  
**Change in EPS** -1.1% 19E / -1.1% 20E

## Acquisition in Canada finalised

The acquisition of Cargosolution in Canada is now official.

### A good fit at first sight

As expected, Clasquin finalised the acquisition of Cargosolution, a regional freight forwarder with offices in Montreal and Toronto. The company employs 90 people and reports gross profit of EUR7m (nearly 10% of Clasquin's 2019 expected GP). Without going too much into numbers, management revealed during its HY results presentation last week that the target was healthy and financially profitable. The remaining 20% stake will be left in the hands of the two founders/managers as an incentive policy. This acquisition fits with Clasquin's disclosed strategy to expand into North America ("only" 6% of its business pre-acquisition) and rebalance its global footprint, which has been very much geared towards Asia and Europe until now. Cargosolution will contribute to strengthening the North American activities, which shows renewed dynamism (+24% at constant scope in H1) and exciting prospects on the recent win of a major US client, although the trade war with China and Europe are posing a threat. We add that Cargosolution operates global freight forwarding (air, sea, road, and rail) and logistics solutions from the simplest to the most complex, to and from Canada. Besides, it boasts expertise in niche verticals (perishable foods, pharmaceuticals, fine arts, live animals, etc.). The transaction price was not disclosed but a range of EUR4m to EUR8m seems to be a reasonable guess, in our view. We note that the last acquisition of Clasquin in North America (ECS US in 2014) was not a success as the subsidiary was deconsolidated in 2018 with a limited financial impact at the group level (non-recurring charges of EUR0.5m). We understand that incompatibility with the local manager was to blame. We assume that Clasquin drew lessons from that failure. We adjust our estimates for EUR7m of additional GP at a lower margin and a cash outflow of EUR5m. Our valuation is changed. We derive a target price of EUR36 through a DCF based on a 7.5% WACC, 2.5% terminal growth and an 11% terminal conversion ratio. At 16x EBIT 2019E, Clasquin is trading at a 20% discount to market leaders.

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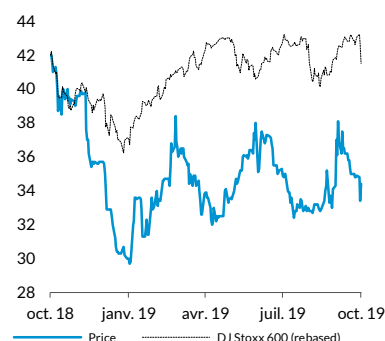
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### Market data

Bloomberg: ALCLAFP	Reuters: ALCLAPA
Market cap (EURm)	79
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume (EURm)	0,0
YTD abs performance	14,7%
52-week high/low (EUR)	0.42/0.30

FY to 31/12 (EUR)	12/19E	12/20E	12/21E
Sales (m)	332,6	354,9	343,9
EBITDA adj (m)	9,7	10,5	10,4
EBIT adj (m)	6,9	7,6	7,5
Net profit adj (m)	3,6	4,0	3,9
Net debt (m)	28,8	28,3	25,7
FCF (m)	-2,0	3,4	5,7
EPS adj. and fully dil.	1,57	1,73	1,69
Consensus EPS	1,74	2,11	2,38
Net dividend	0,83	0,92	0,90

FY to 31/12 (EUR)	12/19E	12/20E	12/21E
P/E adj and ful. dil.	22,0	19,9	20,4
EV/EBITDA	11,5	10,6	10,6
EV/EBIT	16,1	14,7	14,6
FCF yield	-2,5%	4,3%	7,2%
Dividend yield	2,4%	2,7%	2,6%
Net debt/EBITDA	3,0	2,7	2,5
Gearing	107,5%	98,6%	84,7%
ROIC	9,6%	9,6%	9,3%
EV/IC	2,3	2,2	2,2



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# Key financials

FY to 31/12 (EUR)	12/14	12/15	12/16	12/17	12/18	12/19E	12/20E	12/21E
<b>Income Statement (EURm)</b>								
Sales	201,7	234,2	235,0	290,6	308,3	332,6	354,9	343,9
% Change	1,8%	16,1%	0,3%	23,6%	6,1%	7,9%	6,7%	-3,1%
EBITDA adjusted	4,6	8,2	7,1	7,4	9,3	9,7	10,5	10,4
EBITDA margin (%)	2,3%	3,5%	3,0%	2,5%	3,0%	2,9%	3,0%	3,0%
EBIT adjusted	3,1	6,3	3,8	5,4	5,8	6,9	7,6	7,5
EBIT margin (%)	1,5%	2,7%	1,6%	1,9%	1,9%	2,1%	2,1%	2,2%
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	-2,5	-2,7	-2,7
Net profit from continuing operations	1,8	4,2	1,8	2,4	3,4	4,2	4,6	4,5
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	1,8	2,4	3,4	4,2	4,6	4,5
Net profit reported	2,1	3,3	1,3	2,0	2,8	3,6	4,0	3,9
Net profit adjusted	2,1	3,3	1,3	2,0	2,8	3,6	4,0	3,9
<b>Cash Flow Statement (EURm)</b>								
Levered post tax CF before capex	na	na	1,1	1,9	4,5	1,3	6,6	8,4
Capex	-2,9	-2,4	-3,6	-3,6	-3,6	-3,3	-3,2	-2,7
Free cash flow	na	na	-2,5	-1,7	0,9	-2,0	3,4	5,7
Acquisitions & Divestments	-1,8	-8,5	-0,6	0,1	-1,8	-5,0	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	6,2	5,1	3,6	9,5	-0,5	-2,6
<b>Balance Sheet (EURm)</b>								
Intangible assets	11,4	17,3	19,1	19,6	22,0	22,4	22,6	22,6
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	23,0	22,9	24,5	26,4	28,3	29,9
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	13,1	16,4	19,3	28,8	28,3	25,7
Net financial debt	0,7	5,2	11,8	16,0	18,9	28,4	27,9	25,3
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	20,0	20,9	20,9
Invested Capital	23,8	27,3	33,5	37,4	42,0	48,4	49,8	49,8
<b>Per share data</b>								
EPS adjusted	0,92	1,45	0,57	0,85	1,23	1,57	1,73	1,69
EPS adj and fully diluted	0,92	1,45	0,57	0,85	1,23	1,57	1,73	1,69
% Change	-3,9%	57,8%	-60,9%	49,7%	44,8%	27,1%	10,4%	-2,5%
EPS reported	0,92	1,45	0,57	0,85	1,23	1,57	1,73	1,69
Cash flow per share	na	na	0,46	0,81	1,94	0,58	2,85	3,63
Book value per share	9,22	9,42	8,68	8,57	9,31	9,90	10,47	10,91
Dividend per share	0,80	1,25	0,80	0,80	0,65	0,83	0,92	0,90
Number of shares, YE (m)	2,30	2,30	2,30	2,30	2,30	2,30	2,30	2,30
<b>Ratios</b>								
ROE (%)	10,0%	15,6%	6,3%	9,9%	13,8%	16,3%	17,0%	15,8%
ROIC (%)	8,9%	16,9%	6,8%	9,2%	9,1%	9,6%	9,6%	9,3%
Net debt / EBITDA (x)	0,5	0,8	1,8	2,2	2,1	3,0	2,7	2,5
Gearing (%)	3,0%	21,9%	51,5%	69,7%	77,4%	107,5%	98,6%	84,7%
<b>Valuation</b>								
P/E adjusted	27,8	20,3	52,1	39,0	29,7	22,0	19,9	20,4
P/E adjusted and fully diluted	27,8	20,3	52,1	39,0	29,7	22,0	19,9	20,4
P/BV	2,8	3,1	3,4	3,9	3,9	3,5	3,3	3,2
P/CF	na	na	64,3	40,9	18,8	59,4	12,1	9,5
Dividend yield (%)	3,1%	4,2%	2,7%	2,4%	1,8%	2,4%	2,7%	2,6%
FCF yield (%)	na	na	-3,6%	-2,3%	1,0%	-2,5%	4,3%	7,2%
EV/Sales	0,3	0,3	0,4	0,3	0,3	0,3	0,3	0,3
EV/EBITDA	13,8	9,2	11,9	13,0	11,5	11,5	10,6	10,6
EV/EBIT	20,4	12,1	22,2	17,6	18,4	16,1	14,7	14,6

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## Companies mentioned

Stock	ISIN	Currency	Price
Clasquin	FR0004152882	EUR	34,40

Source: Factset closing prices of 02/10/2019

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Reduce	14%	9%
Not Rated/Under Review/Accept Offer	3%	5%
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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Clasquin (EUR)	26/10/2018 07:20	Equity Research	Hold	39.00	39.10
	22/03/2019 09:17	Equity Research	Hold	36.00	34.90

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

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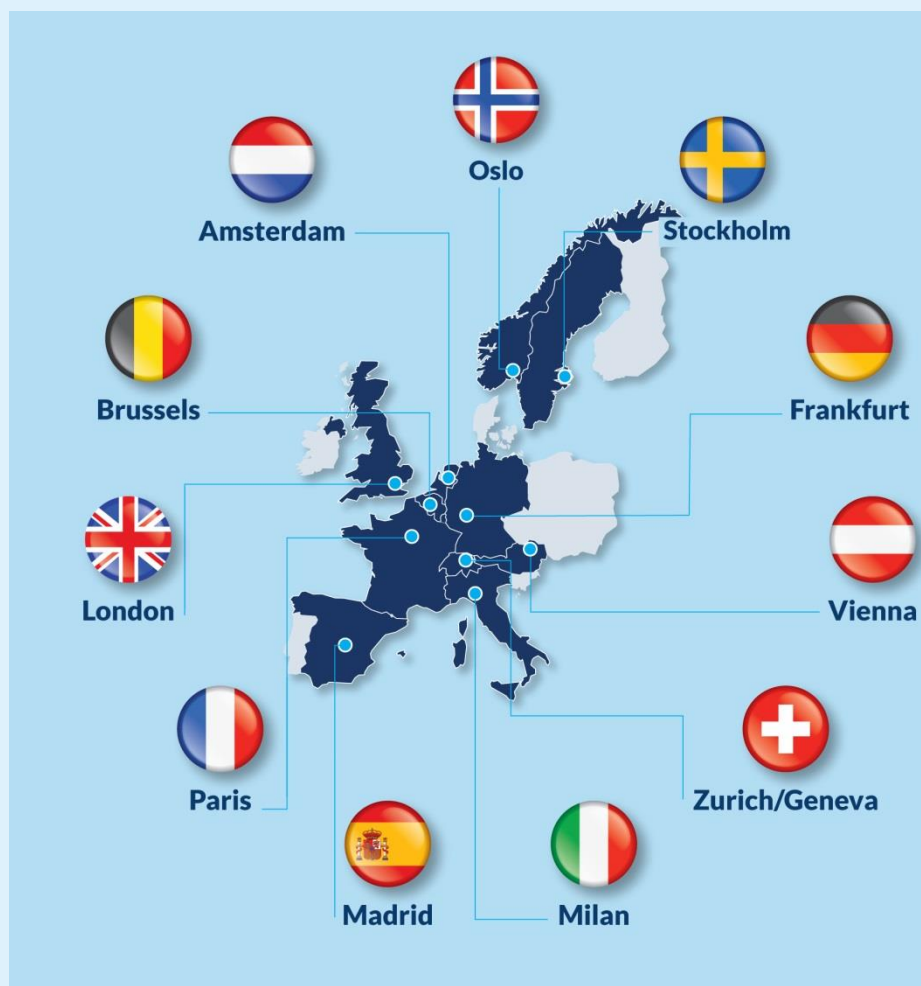
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