

# Clasquin

France | Support services | MCAP EUR 60.1m

04 May 2020

# Hold

<b>Target Price</b>	<b>EUR 28.00</b>
Current Price	EUR 26.10
Up/downside	7.3%
Change in TP	none
Change in EPS	down nm 20E / -17.6% 21E

## First reaction to Q1 2020

Q1 was resilient to some extent but the low point in activity will occur in Q2. The strong fundamentals of the company as well as the mid- and long-term prospects are not jeopardised. COVID-19 looks correctly priced. We see limited downside risk despite a tough environment. **Hold**.

### Shipping operations drop 10%, resilience in gross profit

The COVID-19 pandemic and the lockdown measures adversely impacted Clasquin in China from late January and then in Europe/world from the second half of March. In order to reduce capacity and increase freight rates, carriers implemented blank sailings (i.e. omitting sailings that were previously scheduled). The company reports that Air freight is the most impacted due to the cancellation of almost all long-haul passenger flights, which normally carry around 75% of global air freight. In this context, Clasquin recorded declining volume on an LFL basis (-3% in air freight, -9% in sea freight) and a 10% drop in the number of operations. It was more than offset at GP level (up 2%) thanks to: 1) higher GP/volume ratio (+10% in Air freight, +6% in Sea freight) as a result of an increasing number of all-cargo charter flights and the transformation of passenger aircraft into all-cargo flights; and 2) scope effects (consolidation of Cargolution from Oct. 2019).

### Activity will reach a bottom in Q2

Q1 numbers only capture a share of the expected drop in activity. Q2, especially April and the first half of May, is expected to be the lowest point in activity as indicated by a 40% drop in volume in late March, post lockdown measures in Europe and America. The China to Europe operations will gradually resume from mid-May while it may take more time for the China-US route to recover.

### Change in estimates

We refresh our estimates to keep up with the changing global context. WTO expects global trade to decrease anywhere between 13% and 32%. We model an 18% organic decline in GP (-13% reported). We assume that the loss in GP (EUR10m) will be half compensated by cost savings measures (short-time work, salary cuts, renegotiating rents and opex), therefore resulting in a EUR5m decrease in EBIT (2020E: EUR2.5m). Net profit is expected close to breakeven this year.

### Touchy environment, bottomish valuation

We see the current share price as a good entry point in a normalised context. We use a DCF (8.4% WACC, 2% LTG, 10.5% LT EBIT conversion).

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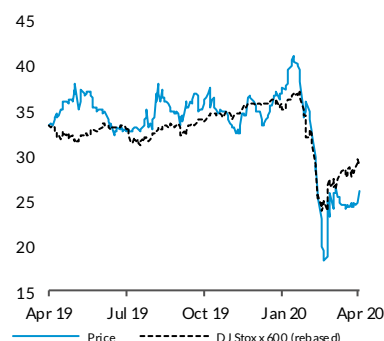
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#### Market data

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Market cap (EURm)	60
Free float	39%
No. of shares outstanding (m)	2
Avg. daily volume (EURm)	0.0
YTD abs performance	-25.4%
52-week high/low (EUR)	41.20/18.50

FY to 31/12 (EUR)	12/20E	12/21E	12/22E
Sales (m)	289.5	308.5	347.6
EBITDA adj (m)	9.0	12.5	14.5
EBIT adj (m)	2.5	5.9	7.5
Net profit adj (m)	0.6	2.8	3.8
Net debt (m)	23.5	19.4	15.7
FCF (m)	1.2	5.1	5.4
EPS adj. and fully dil.	0.26	1.20	1.65
Consensus EPS	-0.14	1.85	2.05
Net dividend	0.30	0.60	0.65

FY to 31/12 (EUR)	12/20E	12/21E	12/22E
P/E adj and ful. dil.	98.6	21.7	15.8
EV/EBITDA	9.8	6.8	5.7
EV/EBIT	35.4	14.4	10.9
FCF yield	2.1%	8.6%	9.1%
Dividend yield	1.1%	2.3%	2.5%
Net debt/EBITDA	2.6	1.6	1.1
Gearing	45.5%	28.2%	14.6%
ROIC	3.2%	7.6%	9.9%
EV/IC	1.8	1.8	1.7



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# Key financials

FY to 31/12 (EUR)	12/15	12/16	12/17	12/18	12/19	12/20E	12/21E	12/22E
<b>Income Statement (EURm)</b>								
Sales	234.2	235.0	290.6	308.3	331.3	289.5	308.5	347.6
% Change	16.1%	0.3%	23.6%	6.1%	7.4%	-12.6%	6.6%	12.6%
EBITDA adjusted	8.2	7.1	7.4	9.3	13.9	9.0	12.5	14.5
EBITDA margin adj. (%)	3.5%	3.0%	2.5%	3.0%	4.2%	3.1%	4.1%	4.2%
EBIT adjusted	6.3	4.0	5.4	5.8	8.3	2.5	5.9	7.5
EBIT margin adj. (%)	2.7%	1.7%	1.9%	1.9%	2.5%	0.9%	1.9%	2.2%
Net financial items & associates	-0.1	-0.5	-0.6	-0.2	-0.6	-0.6	-0.6	-0.6
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	-1.9	-1.5	-1.9	-2.1	-3.2	-0.7	-1.9	-2.5
Net profit from continuing operations	4.2	2.0	2.9	3.4	4.5	1.2	3.4	4.4
Net profit from discontinuing activities	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	4.0	2.0	2.9	3.4	4.5	1.2	3.4	4.4
Net profit reported	3.3	1.6	2.5	2.8	3.9	0.6	2.8	3.8
Net profit adjusted	3.3	1.6	2.5	2.8	3.9	0.6	2.8	3.8
<b>Cash Flow Statement (EURm)</b>								
Levered post tax CF before capex	7.8	1.3	2.4	4.5	16.1	4.9	9.1	9.9
Capex	-2.4	-3.6	-3.6	-3.6	-2.5	-3.7	-3.9	-4.4
Free cash flow	5.4	-2.2	-1.2	0.9	13.6	1.2	5.1	5.4
Acquisitions & divestments	-8.5	-0.6	0.1	-1.8	-7.1	0.0	0.0	0.0
Dividend paid	-2.1	-2.9	-1.9	-2.6	-1.6	-0.1	-0.8	-1.5
Others	1.5	-0.1	-1.5	0.0	0.0	-0.2	-0.2	-0.2
Change in net financial debt	3.6	5.9	4.6	3.6	-4.9	-0.9	-4.1	-3.7
<b>Balance Sheet (EURm)</b>								
Intangible assets	17.3	19.1	19.6	22.0	30.6	29.5	28.4	27.4
Tangible assets	3.8	5.2	5.1	5.7	13.2	12.1	11.0	10.0
Financial & other non-current assets	2.9	2.8	2.8	2.6	2.2	2.2	2.2	2.2
Total shareholders' equity	23.8	23.2	22.9	24.5	26.8	27.9	30.4	33.3
Pension provisions	1.1	1.2	3.6	3.3	10.8	10.8	10.8	10.8
Liabilities and provisions	85.4	93.4	100.2	112.4	134.9	172.5	181.1	198.5
Net debt	6.3	12.8	16.4	19.3	24.4	23.5	19.4	15.7
Net financial debt	5.2	11.6	12.7	16.0	13.6	12.7	8.6	4.9
IFRS 16 debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net working capital	6.3	9.2	12.7	14.3	6.2	8.7	9.3	10.4
Invested capital	27.3	33.5	37.4	42.0	50.0	50.2	48.6	47.8
<b>Per share data (EUR)</b>								
EPS adjusted	1.45	0.69	1.08	1.23	1.69	0.27	1.21	1.65
EPS adj and fully diluted	1.45	0.69	1.08	1.23	1.69	0.26	1.20	1.65
% Change	57.0%	-52.5%	56.6%	13.9%	37.0%	-84.3%	354.2%	37.0%
EPS reported	1.45	0.69	1.08	1.23	1.69	0.27	1.21	1.65
Cash flow per share	3.39	0.58	1.04	1.94	7.01	2.14	3.94	4.29
Book value per share	9.42	8.78	8.57	9.31	9.54	9.74	10.59	11.58
Dividend per share	1.25	0.80	0.80	0.65	0.00	0.30	0.60	0.65
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 (%)	15.6%	7.6%	12.5%	13.8%	18.0%	2.8%	11.9%	14.9%
ROIC (%)	16.9%	7.6%	9.2%	9.2%	11.4%	3.2%	7.6%	9.9%
Net debt / EBITDA (x)	0.8	1.8	2.2	2.1	1.8	2.6	1.6	1.1
Gearing (%)	21.9%	50.0%	55.7%	65.2%	50.6%	45.5%	28.2%	14.6%
<b>Valuation</b>								
P/E adjusted	20.3	42.9	30.7	29.7	20.4	98.3	21.6	15.8
P/E adjusted and fully diluted	20.3	42.9	30.7	29.7	20.5	98.6	21.7	15.8
P/BV	3.1	3.4	3.9	3.9	3.6	2.7	2.5	2.3
P/CF	8.7	50.8	31.9	18.8	4.9	12.2	6.6	6.1
Dividend yield (%)	4.2%	2.7%	2.4%	1.8%	0.0%	1.1%	2.3%	2.5%
FCF yield (%)	8.0%	-3.2%	-1.6%	1.0%	17.1%	2.1%	8.6%	9.1%
EV/Sales	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.2
EV/EBITDA adj.	9.2	11.8	13.0	11.5	7.8	9.8	6.8	5.7
EV/EBIT adj.	12.1	20.9	17.6	18.4	13.2	35.4	14.4	10.9

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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	26.10

Source: Factset closing prices of 30/04/2020

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Rating Breakdown	A	B
Buy	50%	67%
Hold	35%	22%
Reduce	13%	5%
Not Rated/Under Review/Accept Offer	2%	6%
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)	31/10/2019 09:39	Equity Research	Hold	38.00	35.90
	21/02/2020 09:39	Equity Research	Hold	36.00	39.50
	19/03/2020 08:20	Equity Research	Hold	28.00	20.00

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

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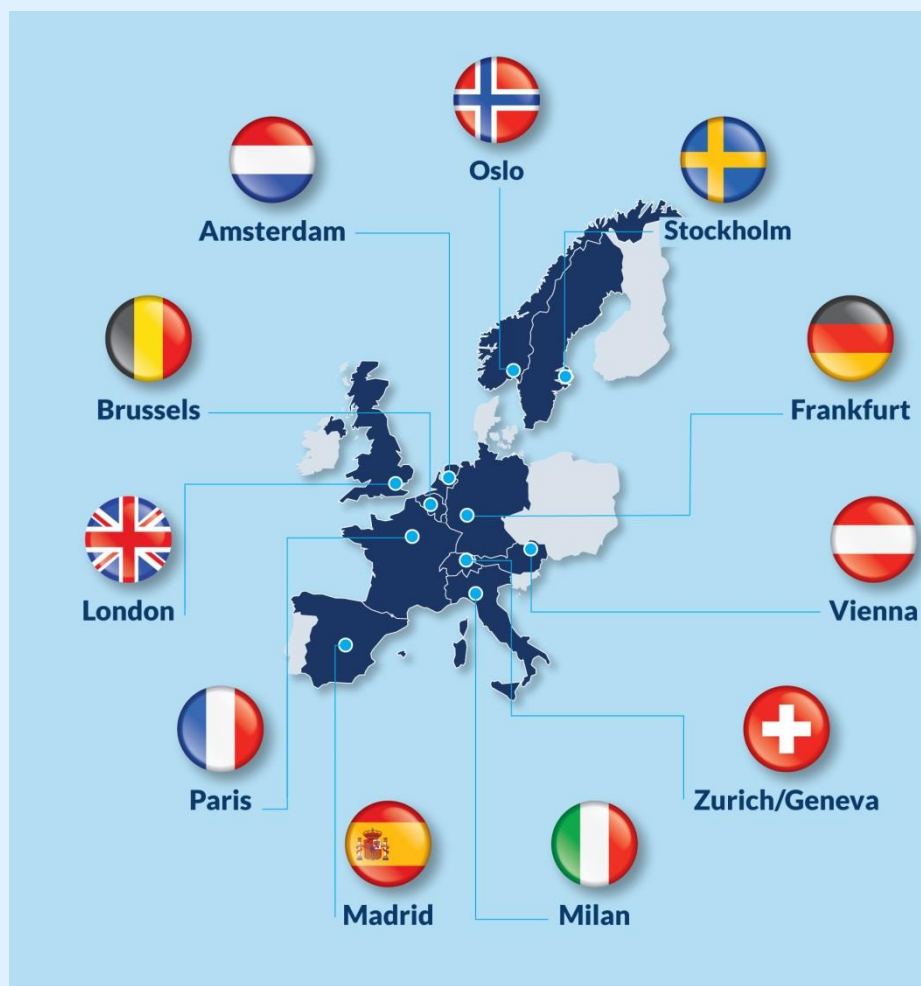
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