



News comment

Equity Research from Kepler Cheuvreux 

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# Clasquin Buy

France | Support services

**MCap: EUR58.3m**

**Target Price:** EUR 36.00  
**Current Price:** EUR 25.30  
**Up/downside:** 42.3%  
**Market data:** 29 October 2020

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Free float	39%
Avg. daily volume (EURm)	0.0
YTD abs performance	-27.7%
52-week high/low (EUR)	41.20/18.50

## Q3 trading update

### Key points:

- Stable gross profit in Q3.
- Robust performance in sea freight with volume and GP both increasing.
- Volumes are recovering in air freight but are far from 2019 level. They are mitigated by high freight rates.
- Launch of Clasquin's digital platform.

### Q3 takeaways

- The gross profit was stable in the third quarter at EUR55.6m. GP in Sea freight was stable. GP in air freight increased by 9%. Those numbers include the contribution of Cargolution acquired last year. On a like-for-like basis, GP is down 6% after nine months this year, which we see as a strong performance in the context of the pandemic.
- Q3 was particularly satisfactory in sea freight, where shipments (+6%) and volume (+4%) as well as gross profit (+10%) have progressed well on the back of a higher GP/volume ratio than last year at the same period (+6% at 149EUR/t).
- In air freight, shipments and volume are gradually recovering after the low experienced in Q2 without however reaching 2019 levels (shipments down 18.0%, volume down 8%) due to the contraction of the offering (long haul passenger flights still very limited) and the reorientation of shipments towards sea freight. In this context, Clasquin manages to keep gross profit stable YOY on the back of high GP/volume ratio (EUR427/t) and positive contribution from Cargolution. The freight rates have remained high in Q3 indeed although significantly down compared to Q2 in exceptional times.
- The performance described above was largely offset by a weak roll-on/roll-off activity (-16%).
- Clasquin still targets to do better than overall market in 2020 (-5/-6% in sea freight, -13/14% in air freight).
- Clasquin has launched its digital platform "Live by Clasquin" open to customers. The platform aims to provide customers with a reliable and predictive set of real-time data for tracking of shipments in real time and decision-making (financial, flow analysis, exception handling, personalised reports, etc.). We see this platform as a valuable addition to Clasquin's exiting offering and an instrument to increase customer loyalty.

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**Appendix 1: Research framework**

Last model update: 25 September 2020

**Investment case**

- Clasquin capitalises on its differentiating profile in the freight forwarding industry (medium-sized global player), which enables it to offer end-to-end solutions like industry giants do, but with higher degrees of customisation and flexibility.
- Growth at Clasquin is balanced (the largest customer does not exceed 3% of gross profit) and diversified (a mix of new clients and growing market shares at existing clients).
- In a somewhat moderate and uncertain context for trade, we see Clasquin as capable of continued growth that is faster than market benchmarks, while returning to low double-digit profitability.

**Catalysts**

- Development of niche expertise and verticals (wine and spirits, events, fine arts).
- Broadening of offering (logistics, supply chain, digital offer).
- Business ramp-up in fast-growing regions for trade.

**Valuation methodology**

- DCF (8% WACC, 2% terminal growth, 12% terminal conversion ratio).

**Risks to our rating**

- Long-lasting impact of COVID pandemic on global trade.
- Overcapacity in freight.

**Appendix 2: Company description**

Clasquin is an air and sea freight forwarder with a focus on Asia/Europe, Asia/US and Europe/Latam flows. Thanks to external growth operation managed in 2008 Clasquin also operates road transport and logistics in France under the name Gueppe-Clasquin.

**Management** Yves Revol, CEO | Philippe Lons, CFO

**Key shareholders** Yves Revol: 47.20% | Zenlor: 6.60% | Staff: 7.80% | Others: 1.80%

**Appendix 3: share price perf.****Appendix 4: SWOT analysis****Strengths**

- International integrated network (US, Europe, Asia)
- Differentiated profile (family-owned business, medium-size company)
- Diversified and balanced customer base (first customer <3% of GP)
- Strong presence in China

**Opportunities**

- Development of niche expertise /verticals (e.g. wine, fairs, fine arts, etc.)
- New TMS deployed (2018) to boost productivity in the medium term
- Broadening of offering (overseas logistics, supply chain consulting, etc.)

**Weaknesses**

- Limited presence in the US
- Lower volume shipped, GP/volume, and conversion rate than competitors

**Threats**

- Slowing worldwide trade (2018-19)
- High volatility of sea freight rates

## Appendix 5: Key financials

Last model update: 25 September 2020

Market data date: 29 October 2020

FY to 31/12 (EUR)	12/13	12/14	12/15	12/16	12/17	12/18	12/19	12/20E	12/21E	12/22E
<b>Income Statement (EURm)</b>										
Sales	198.1	201.7	234.2	235.0	290.6	308.3	331.3	336.6	343.2	358.8
% Change	7.3%	1.8%	16.1%	0.3%	23.6%	6.1%	7.4%	1.6%	1.9%	4.5%
EBITDA adjusted	6.3	4.6	8.2	7.1	7.4	9.3	13.9	13.6	14.3	15.6
EBITDA adj. margin (%)	3.2%	2.3%	3.5%	3.0%	2.5%	3.0%	4.2%	4.1%	4.2%	4.3%
EBIT adjusted	4.5	3.1	6.3	4.0	5.4	5.8	8.3	6.6	8.9	9.4
EBIT adj. margin (%)	2.3%	1.5%	2.7%	1.7%	1.9%	1.9%	2.5%	2.0%	2.6%	2.6%
Net financial items & associates	-0.4	-0.4	-0.1	-0.5	-0.6	-0.2	-0.6	-0.9	-0.9	-0.9
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	-1.6	-0.9	-1.9	-1.5	-1.9	-2.1	-3.2	-3.4	-2.9	-3.1
Net profit from continuing operations	2.5	1.8	4.2	2.0	2.9	3.4	4.5	2.3	5.1	5.4
Net profit from discontinuing activities	0.0	0.7	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	2.5	2.5	4.0	2.0	2.9	3.4	4.5	2.3	5.1	5.4
Net profit reported	2.2	2.1	3.3	1.6	2.5	2.8	3.9	1.3	3.9	4.0
Net profit adjusted	2.2	2.1	3.3	1.6	2.5	2.8	3.9	1.3	3.9	4.0
<b>Cash Flow Statement (EURm)</b>										
Levered post tax CF before capex	5.1	6.1	7.8	1.3	2.4	4.5	16.1	4.5	9.2	11.2
Capex	-2.8	-2.9	-2.4	-3.6	-3.6	-3.6	-2.5	-5.5	-5.6	-5.8
Free cash flow	2.3	3.2	5.4	-2.2	-1.2	0.9	13.6	-0.9	3.7	5.3
Acquisitions & divestments	0.0	-1.8	-8.5	-0.6	0.1	-1.8	-7.1	0.0	0.0	0.0
Dividend paid	-2.0	-2.2	-2.1	-2.9	-1.9	-2.6	-1.6	-0.1	-0.8	-1.5
Others	-0.5	-0.4	1.5	-0.1	-1.5	0.0	0.0	-0.5	-0.5	-0.5
Change in net financial debt	0.1	1.1	3.6	5.9	4.6	3.6	-4.9	1.6	-2.3	-3.3
<b>Balance Sheet (EURm)</b>										
Intangible assets	8.4	11.4	17.3	19.1	19.6	22.0	30.6	30.5	30.5	30.5
Tangible assets	5.5	6.2	3.8	5.2	5.1	5.7	13.2	13.1	13.1	13.1
Financial & other non-current assets	1.5	1.8	2.9	2.8	2.8	2.6	2.2	2.2	2.2	2.2
Total shareholders' equity	22.2	23.3	23.8	23.2	22.9	24.5	26.8	29.0	33.2	37.1
Pension provisions	1.0	1.4	1.1	1.2	3.6	3.3	10.8	10.8	10.8	10.8
Liabilities and provisions	na	73.0	85.4	93.4	100.2	112.4	134.9	193.6	222.1	230.3
Net debt	0.9	2.1	6.3	12.8	16.4	19.3	24.4	26.0	23.7	20.3
Net financial debt	-0.1	0.7	5.2	11.6	12.7	16.0	13.6	15.2	12.9	9.5
IFRS 16 debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net working capital	na	6.2	6.3	9.2	12.7	14.3	6.2	10.1	12.0	12.6
Invested capital	na	23.8	27.3	33.5	37.4	42.0	50.0	53.8	55.7	56.2
<b>Per share data (EUR)</b>										
EPS adjusted	0.96	0.93	1.45	0.69	1.08	1.23	1.69	0.56	1.68	1.73
EPS adj and fully diluted	0.96	0.93	1.45	0.69	1.08	1.23	1.69	0.56	1.67	1.73
% Change	4.8%	-3.4%	57.0%	-52.5%	56.6%	13.9%	37.0%	-67.1%	201.1%	3.4%
EPS reported	0.96	0.93	1.45	0.69	1.08	1.23	1.69	0.56	1.68	1.73
Cash flow per share	2.20	2.65	3.39	0.58	1.04	1.94	7.01	1.96	4.00	4.85
Book value per share	9.14	9.22	9.42	8.78	8.57	9.31	9.54	10.03	11.35	12.42
Dividend per share	0.75	0.80	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	2.30	2.30
<b>Ratios</b>										
ROE (%)	10.4%	10.1%	15.6%	7.6%	12.5%	13.8%	18.0%	5.7%	15.7%	14.6%
ROIC (%)	na	na	16.9%	7.6%	9.2%	9.2%	11.4%	5.1%	10.3%	10.7%
ND(F+IFRS16) / EBITDA (x)	0.0	0.2	0.6	1.6	1.7	1.7	1.0	1.1	0.9	0.6
Gearing (%)	-0.5%	3.0%	21.9%	50.0%	55.7%	65.2%	50.6%	52.4%	38.7%	25.7%
<b>Valuation</b>										
P/E adjusted	21.9	27.7	20.3	42.9	30.7	29.7	20.4	45.4	15.1	14.6
P/E adjusted and fully diluted	21.9	27.7	20.3	42.9	30.7	29.7	20.5	45.5	15.1	14.6
P/BV	2.3	2.8	3.1	3.4	3.9	3.9	3.6	2.5	2.2	2.0
P/CF	9.5	9.6	8.7	50.8	31.9	18.8	4.9	12.9	6.3	5.2
Dividend yield (%)	3.6%	3.1%	4.2%	2.7%	2.4%	1.8%	0.0%	1.2%	2.4%	2.6%
FCF yield (%)	4.8%	5.5%	8.0%	-3.2%	-1.6%	1.0%	17.1%	-1.6%	6.3%	9.2%
EV/Sales	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.2
EV/EBITDA adj.	7.9	13.8	9.2	11.8	13.0	11.5	7.8	6.6	6.2	5.6
EV/EBIT adj.	11.1	20.3	12.1	20.9	17.6	18.4	13.2	13.6	10.0	9.3

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	21/02/2020 08:39	Equity Research	Hold	36.00	39.50
	19/03/2020 07:20	Equity Research	Hold	28.00	20.00
	25/09/2020 06:58	Equity Research	Buy	36.00	31.90

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