


Clasquin Buy

France | Support services

Beta Profile:  MOMENTUM

MCap: EUR159.4m

Target Price: EUR 76.00
Current Price: EUR 69.20
Up/downside: 9.8%
Market data: 22 March 2022

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Free float	39%
Avg. daily volume (EURm)	0.2
YTD abs performance	-8.9%
52-week high/low (EUR)	76.00/42.90

2021 results beat expectations

Key points:

- 2021 was an exceptional year for Clasquin, as shown by the 60% increase in GP, the 190% rise in EBIT, the 240% jump in net profit and the 140% hike in gross operating cash flow.
- 2021 results beat our forecasts explained by a mix of stronger top-line activity and more moderate opex growth than expected.
- Clasquin continued to outperform overall freight market and grab market share.
- Clasquin is taking advantage of increasing complexity in processing shipments in the context of a disruption of logistics chains worldwide.
- Generous dividend payout of EUR3.70 per share on 2021 results (2020: EUR1.30).

Exceptional 2021 results: key takeaways

- Current EBIT almost tripled versus last year to EUR27.5m (2020: EUR9.5m). Net profit more than tripled to EUR17.4m (2020: EUR5.1m).
- 2021 results were significantly higher than expected (KECH: EUR21.5m in current EBIT, EUR12.1m in net profit). This is due to stronger top line and a strong, but more moderate than expected increase in opex (a 40% increase in opex, up 33% vs. 2019 pre-Covid level).
- Earlier that year, Clasquin had reported a 60% increase in GP driven by a sharp increase in volume (+16% in sea freight, +23% in air freight) and soaring freight rates. Overall, Clasquin took advantage of the increasing complexity in processing shipments in the context of disruption of logistics chain worldwide (congestion at port entrances, extended delivery times, lack of handling staff and truck drivers, shortage of containers and a lack of space on vessels and aircraft).
- EBIT/GP ratio reached an all-time high (22.6% vs. 12.5% one year ago), 300bps above our expectations (KECH: 19.6%).
- Clasquin keeps doing better than the overall market in 2021 both in sea freight (+16% in volume vs. 6% est. for the market) and air freight (+23% vs. +17% est. for the market).
- The sharp increase in working capital (+93%) in direct relation with soaring activity was totally offset by strong cash flow generation, resulting in the stability of net debt at EUR22m (excluding IFRS 16).
- Clasquin will pay out a generous dividend of EUR3.70 per share, significantly higher than the previous year (2020: EUR1.30) and our estimates (EUR2.60).
- The company is due to hold a digital presentation this morning at 1100 CET.

Appendix 1: Research framework

Last model update: 29 October 2021

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.
- In recent history, revenue at Clasquin usually have grown faster than that of competitors. Growth at Clasquin is balanced well and diversified.
- In 2021, the demand and supply conditions looks very supportive for the freight forwarding industry, including Clasquin. We expect strong double digit growth in volume and gross profit, as well EBIT margin expansion.

Catalysts

- Surge in freight rates due to high demand and tight supply chain conditions.
- Broadening of offering (logistics, supply chain, digital offer).
- Business ramp-up in fast-growing regions for trade.

Valuation methodology

- DCF (7.4% WACC, 3.4% terminal growth, 13.4% EBIT/GP margin).

Risks to our rating

- Lower freight rates due to overcapacity.

Appendix 2: Company description

Clasquin is an air and sea freight forwarder with a focus on Asia/Europe flows

Appendix 3: share price perf.

Management	Hugues Morin, CEO Philippe Lons, CFO
Key shareholders	Free float: 39.00% Yves Revol: 43.20% Hugues Morin: 5.04% Other employees: 12.60%

**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, fine arts).
- New TMS deployed (2018) to boost productivity in the medium term
- Broadening of offering (overseas logistics, 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: 29 October 2021

Market data date: 22 March 2022

FY to 31/12 (EUR)	12/14	12/15	12/16	12/17	12/18	12/19	12/20	12/21E	12/22E	12/23E
Income Statement (EURm)										
Sales	201.7	234.2	235.0	290.6	308.3	331.3	392.0	568.5	540.4	530.5
% Change	1.8%	16.1%	0.3%	23.6%	6.1%	7.4%	18.3%	45.0%	-4.9%	-1.8%
EBITDA adjusted	4.6	8.2	7.1	7.4	9.3	13.9	16.7	29.0	22.7	20.8
EBITDA adj. margin (%)	2.3%	3.5%	3.0%	2.5%	3.0%	4.2%	4.3%	5.1%	4.2%	3.9%
EBIT adjusted	3.1	6.3	4.0	5.4	5.8	8.3	9.6	21.5	15.1	13.1
EBIT adj. margin (%)	1.5%	2.7%	1.7%	1.9%	1.9%	2.5%	2.5%	3.8%	2.8%	2.5%
Net financial items & associates	0.7	1.4	0.7	0.8	0.8	1.1	-0.4	-0.5	-0.5	-0.5
Others	-1.0	-1.5	-1.1	-1.4	-1.1	-1.7	-1.2	-1.5	-1.5	-1.5
Tax	-0.9	-1.9	-1.5	-1.9	-2.1	-3.2	-2.6	-7.0	-4.7	-4.0
Net profit from continuing operations	1.8	4.2	2.0	2.9	3.4	4.5	5.4	12.4	8.4	7.1
Net profit from discontinuing activities	0.7	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	2.5	4.0	2.0	2.9	3.4	4.5	5.4	12.4	8.4	7.1
Net profit reported	2.1	3.3	1.6	2.5	2.8	3.9	5.1	12.1	8.1	6.8
Net profit adjusted	2.1	3.3	1.6	2.5	2.8	3.9	5.1	12.1	8.1	6.8
Cash Flow Statement (EURm)										
Levered post tax CF before capex	6.5	8.2	1.3	2.4	4.4	16.2	2.1	1.0	25.4	22.2
Capex	-2.9	-2.4	-3.6	-3.6	-3.6	-2.5	-1.5	-3.3	-3.2	-3.1
Free cash flow	3.7	5.8	-2.2	-1.2	0.8	13.7	0.6	-2.3	22.2	19.1
Acquisitions & divestments	-1.8	-8.5	-0.6	0.1	-1.8	-7.1	0.3	0.0	0.0	0.0
Dividend paid	-2.2	-2.1	-2.9	-1.9	-2.6	-1.7	-0.6	-3.6	-6.7	-4.7
Others	-0.4	1.5	-0.1	-1.5	0.0	-0.1	-1.7	-1.0	-1.0	0.0
Change in net financial debt	0.6	3.2	5.9	4.6	3.6	-4.8	1.5	7.0	-14.5	-14.4
Balance Sheet (EURm)										
Intangible assets	11.4	17.3	19.1	19.6	22.0	30.6	29.6	29.0	28.4	27.6
Tangible assets	6.2	3.8	5.2	5.1	5.7	14.9	13.5	12.9	12.2	11.5
Financial & other non-current assets	1.8	2.9	2.8	2.8	2.6	2.3	2.8	2.8	2.8	2.8
Total shareholders' equity	23.3	23.8	23.2	22.9	24.5	26.8	30.9	39.7	41.4	43.8
Pension provisions	0.0	0.0	0.0	0.9	0.8	1.1	1.3	1.3	1.3	1.3
Liabilities and provisions	67.4	80.5	89.6	99.0	111.9	144.4	161.9	210.9	191.7	177.2
Net debt	0.7	5.2	11.6	13.6	16.8	40.0	47.8	57.8	46.4	36.2
Net financial debt	0.7	5.2	11.6	12.7	16.0	29.3	37.5	47.3	35.7	25.3
IFRS 16 debt	0.0	0.0	0.0	0.0	0.0	9.7	9.0	9.2	9.4	9.6
Net working capital	-1.1	0.2	4.0	8.7	11.3	22.1	35.7	56.8	48.6	42.4
Invested capital	16.6	21.3	28.3	33.3	39.0	67.7	78.8	98.8	89.2	82.6
Per share data (EUR)										
EPS adjusted	0.93	1.45	0.69	1.08	1.21	1.68	2.22	5.27	3.50	2.93
EPS adj and fully diluted	0.93	1.45	0.69	1.08	1.21	1.68	2.21	5.24	3.48	2.92
% Change	-3.4%	57.0%	-52.4%	56.5%	12.3%	38.1%	31.8%	137.1%	-33.5%	-16.2%
EPS reported	0.93	1.45	0.69	1.08	1.21	1.68	2.22	5.27	3.50	2.93
Cash flow per share	2.85	3.57	0.58	1.04	1.92	7.01	0.91	0.43	11.02	9.63
Book value per share	9.22	9.42	8.78	8.57	9.31	9.53	11.68	15.37	15.95	16.85
Dividend per share	0.80	1.25	0.80	0.80	0.65	0.00	1.30	2.63	1.75	1.47
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
Ratios										
ROE (%)	10.1%	15.6%	7.6%	12.5%	13.6%	17.9%	21.0%	38.9%	22.4%	17.9%
ROIC (%)	na	22.8%	9.3%	10.6%	9.8%	9.1%	8.9%	15.5%	10.3%	9.7%
ND(F+IFRS16) / EBITDA (x)	0.2	0.6	1.6	1.7	1.7	2.8	2.8	2.0	2.0	1.7
Gearing (%)	3.0%	21.9%	50.0%	55.7%	65.2%	109.2%	121.3%	119.0%	86.2%	57.7%
Valuation										
P/E adjusted	27.7	20.3	42.9	30.7	30.1	20.6	13.8	13.1	19.8	23.6
P/E adjusted and fully diluted	27.7	20.3	42.9	30.7	30.1	20.6	13.9	13.2	19.9	23.7
P/BV	2.8	3.1	3.4	3.9	3.9	3.6	2.6	4.5	4.3	4.1
P/CF	9.0	8.2	50.8	31.9	19.0	4.9	33.6	na	6.3	7.2
Dividend yield (%)	3.1%	4.2%	2.7%	2.4%	1.8%	0.0%	4.2%	3.8%	2.5%	2.1%
FCF yield (%)	6.2%	8.6%	-3.2%	-1.6%	1.0%	17.1%	0.8%	-1.5%	14.0%	12.0%
EV/Sales	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.4	0.4	0.4
EV/EBITDA adj.	13.5	9.1	11.7	12.6	11.2	9.0	7.4	7.7	9.3	9.7
EV/EBIT adj.	19.9	11.9	20.6	17.1	18.0	15.1	12.7	10.3	13.9	15.4

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Clasquin (EUR)	02/09/2021 08:45	Equity Research	Buy	65.00	57.80
	29/10/2021 07:02	Equity Research	Buy	76.00	71.00

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Europe

 **Amsterdam**
Kepler Cheuvreux Benelux
Johannes Vermeerstraat 9
1071 DK Amsterdam
+31 20 563 2365

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

 **Frankfurt**
Kepler Cheuvreux Germany
Taunusanlage 19
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 Milan
+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
Malmskillnadsgatan 23
11157 Stockholm
+46 8 723 51 00

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

 **Zurich**
Kepler Cheuvreux Switzerland
Stadelhoferstrasse 22
8001 Zurich
+41 43 333 66 66

North America

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