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# Clasquin Buy

France | Support services

**Beta Profile:**  **MOMENTUM**

**MCap: EUR127.3m**

**Target Price:** EUR 79.00  
**Current Price:** EUR 55.60  
**Up/downside:** 42.1%  
**Market data:** 27 October 2022

Bloomberg: ALCLA FP      Reuters: ALCLA.PA  
Free float      45%  
Avg. daily volume (EURm)      0.1  
YTD abs performance      -26.8%  
52-week high/low (EUR)      76.00/45.60

## Robust activity amid market slowdown

### Key points:

- Solid Q3 overall.
- Gross profit up 12% yoy, 10% above KECH estimates.
- Decreasing volume and freight rates visible in Q3 as expected...
- ...albeit at still high levels compared to last year at the same period (which explains the double-digit yoy growth in GP).
- With respect to the volume shipped in Q3, Clasquin performed better than overall market in air freight and similar in sea freight.
- Quality growth. Commercial momentum is dynamic. About one third of the growth that was generated since the beginning of the year is coming from new customers.
- We reiterate our Buy rating.

### Strong performance amid a tougher business environment

- The tensions on supply chains have continued to ease in Q3 as a result of a slowdown of demand and the high level of inventory.

### Sea freight

- Volume in sea freight have decreased 4% YOY in Q3 (after -1% YOY in Q2) in a market that declined in a similar extent (-4/-6%).
- Freight rates are gradually normalising causing yields to consolidate on a QOQ basis (6% decrease in GP per shipments versus Q2).
- Yields remain however higher than a year ago, which explains the 13% YOY increase in GP in sea freight.

### Air freight

- Volume in air freight have decreased 2% YOY in Q3 (after +3% YOY in Q2) in a market that declined at a stronger pace (-11/-13%).
- Freight rates also eased as a result of lower demand and increasing freight capacities, although the surge in oil price is providing support for the rates to maintain at high levels. In this context, yields have consolidated on a QOQ basis (14% decrease in GP per shipments versus Q2).
- Yields remain however much higher than a year ago, which result in GP increasing by 23% from a year ago.

**Table 1: Gross profit - Q3**

EURm	Q3-22	Q3-21	change yoy	Q3 estimates KECH	change vs. estimates
Air	9.8	8.0	23%	9.2	7%
Sea	21.1	18.7	13%	18.7	13%
Road brokerage	3.4	2.2	55%	2.5	34%
Other	1.3	2.8	-54%	1.8	-29%
Total	35.6	31.7	12%	32.3	10%

Source: Kepler Cheuvreux

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**Appendix 1: Research framework**

Last model update: 28 July 2022

**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, revenues at Clasquin have usually grown faster than those of competitors.
- In 2021, as well as in the first half of 2022, the disrupted supply conditions appear supportive for Clasquin (and the freight forwarding industry in general). Clasquin is able to reap bigger profits per load as a result of a shortage of options for shippers. We anticipate a normalisation of gross profit yields from H2 2022.

**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 (7.7% WACC, 3% terminal growth, 13% conversion ratio).
- Target multiple: 25x P/E on 2026E, corresponding to ten-year average multiple (7.7% discount rate).

**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.

**Management** Hugues Morin, CEO | Philippe Lons, CFO | Laurence Ilhe, General Secretary

**Key shareholders** Free float: 45.00% | Yves Revol: 41.90% | Employees: 12.60% | Others: 0.50%

**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**

- Disruption of global supply chain.
- Development of niche expertise /verticals (e.g. wine, fine arts).
- Broadening of offering (overseas logistics, consulting, etc.).

**Weaknesses**

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

**Threats**

- Ukraine war/inflation and potential impact on consumption.
- High volatility of sea freight rates.

**Appendix 5: Key financials**

Last model update: 28 July 2022

Market data date: 27 October 2022

FY to 31/12 (EUR)	12/16	12/17	12/18	12/19	12/20	12/21	12/22E	12/23E	12/24E	na
<b>Income Statement (EURm)</b>										
Sales	235.0	290.6	308.3	331.3	392.0	752.2	847.8	795.1	776.1	na
% Change	0.3%	23.6%	6.1%	7.4%	18.3%	91.9%	12.7%	-6.2%	-2.4%	na
EBITDA adjusted	7.1	7.4	9.3	13.9	16.7	38.2	39.2	33.8	30.7	na
EBITDA adj. margin (%)	3.0%	2.5%	3.0%	4.2%	4.3%	5.1%	4.6%	4.2%	4.0%	na
EBIT adjusted	4.0	5.4	5.8	8.3	9.6	27.3	32.3	27.1	24.1	na
EBIT adj. margin (%)	1.7%	1.9%	1.9%	2.5%	2.5%	3.6%	3.8%	3.4%	3.1%	na
Net financial items & associates	0.7	0.8	0.8	1.1	-0.4	-0.3	-0.3	-0.3	-0.3	na
Others	-1.1	-1.4	-1.1	-1.7	-1.2	-1.9	-1.9	-1.9	-1.9	na
Tax	-1.5	-1.9	-2.1	-3.2	-2.6	-6.1	-9.9	-8.1	-7.2	na
Net profit from continuing operations	2.0	2.9	3.4	4.5	5.4	18.9	20.2	16.7	14.7	na
Net profit from discontinuing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	na
Net profit before minorities	2.0	2.9	3.4	4.5	5.4	18.9	20.2	16.7	14.7	na
Net profit reported	1.6	2.5	2.8	3.9	5.1	17.4	18.7	15.2	13.2	na
Net profit adjusted	1.6	2.5	2.8	3.9	5.1	17.4	18.7	15.2	13.2	na
<b>Cash Flow Statement (EURm)</b>										
Levered post tax CF before capex	1.3	2.4	4.4	16.2	2.1	15.5	23.7	26.2	22.7	na
Capex	-3.6	-3.6	-3.6	-2.5	-1.5	-1.9	-3.4	-3.2	-3.1	na
Free cash flow	-2.2	-1.2	0.8	13.7	0.6	13.6	20.3	23.0	19.6	na
Acquisitions & divestments	-0.6	0.1	-1.8	-7.1	0.3	-0.1	0.0	0.0	0.0	na
Dividend paid	-2.9	-1.9	-2.6	-1.7	-0.6	-3.2	-8.1	-8.1	-8.1	na
Others	-4.1	-3.4	-2.1	-1.2	-2.5	-1.2	-0.8	-0.8	-0.8	na
Change in net financial debt	9.9	6.5	5.7	-3.7	2.2	-9.2	-11.4	-14.1	-10.7	na
<b>Balance Sheet (EURm)</b>										
Intangible assets	19.1	19.6	22.0	30.6	29.6	32.2	31.2	30.1	29.0	na
Tangible assets	5.2	5.1	5.7	14.9	13.5	16.9	14.7	12.6	10.4	na
Financial & other non-current assets	2.8	2.8	2.6	2.3	2.8	2.5	2.5	2.5	2.5	na
Total shareholders' equity	23.2	22.9	24.5	26.8	30.9	45.4	57.6	66.2	72.9	na
Pension provisions	0.0	0.9	0.8	1.1	1.3	1.2	1.2	1.2	1.2	na
Liabilities and provisions	89.6	99.0	111.9	144.4	161.9	241.4	252.6	230.9	217.7	na
Net debt	11.6	13.6	16.8	40.0	30.0	27.8	16.4	2.3	-8.3	na
Net financial debt	11.6	12.7	16.0	29.3	19.8	15.5	4.1	-10.0	-20.7	na
IFRS 16 debt	0.0	0.0	0.0	9.7	9.0	11.1	11.1	11.1	11.1	na
Net working capital	4.0	8.7	11.3	22.1	17.9	31.6	35.6	33.4	33.6	na
Invested capital	28.3	33.3	39.0	67.7	61.0	80.7	81.5	76.1	73.1	na
<b>Per share data (EUR)</b>										
EPS adjusted	0.69	1.08	1.21	1.68	2.22	7.60	8.17	6.63	5.76	na
EPS adj and fully diluted	0.69	1.08	1.21	1.68	2.21	7.53	8.10	6.57	5.71	na
% Change	-52.4%	56.5%	12.3%	38.1%	31.8%	240.8%	7.6%	-18.8%	-13.2%	na
EPS reported	0.69	1.08	1.21	1.68	2.22	7.60	8.17	6.63	5.76	na
Cash flow per share	0.58	1.04	1.92	7.01	0.91	6.79	10.36	11.46	9.93	na
Book value per share	8.78	8.57	9.31	9.53	11.68	17.07	22.39	26.17	29.08	na
Dividend per share	0.80	0.80	0.65	0.00	1.30	3.40	3.40	3.40	3.40	na
Number of shares, YE (m)	2.30	2.30	2.30	2.30	2.30	2.29	2.29	2.29	2.29	na
<b>Ratios</b>										
ROE (%)	7.6%	12.5%	13.6%	17.9%	21.0%	52.7%	41.4%	27.3%	20.9%	na
ROIC (%)	9.3%	10.6%	9.8%	9.1%	10.1%	28.5%	26.8%	23.1%	21.7%	na
ND(F+IFRS16) / EBITDA (x)	1.6	1.7	1.7	2.8	1.7	0.7	0.4	0.0	-0.3	na
Gearing (%)	50.0%	55.7%	65.2%	109.2%	63.9%	34.1%	7.1%	-15.1%	-28.4%	na
<b>Valuation</b>										
P/E adjusted	42.9	30.7	30.1	20.6	13.8	7.0	6.8	8.4	9.7	na
P/E adjusted and fully diluted	42.9	30.7	30.1	20.6	13.9	7.0	6.9	8.5	9.7	na
P/BV	3.4	3.9	3.9	3.6	2.6	3.1	2.5	2.1	1.9	na
P/CF	50.8	31.9	19.0	4.9	33.6	7.8	5.4	4.9	5.6	na
Dividend yield (%)	2.7%	2.4%	1.8%	0.0%	4.2%	6.4%	6.1%	6.1%	6.1%	na
FCF yield (%)	-3.2%	-1.6%	1.0%	17.1%	0.8%	11.2%	15.9%	18.1%	15.4%	na
EV/Sales	0.3	0.3	0.3	0.4	0.3	0.2	0.2	0.2	0.2	na
EV/EBITDA adj.	11.5	12.8	11.3	9.2	6.4	4.3	4.0	4.2	4.3	na
EV/EBIT adj.	20.3	17.3	18.1	15.4	11.0	6.0	4.9	5.3	5.5	na

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Source: Kepler Cheuvreux

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