

Analysar

5 December 2022

Buy

Recommendation unchanged

Share price: EUR 57.80

closing price as of 02/12/2022

Target price: EUR 82.00

Target Price unchanged

Upside/Downside Potential 41.9%

Reuters/Bloomberg

ALCLA.PA/ALCLA.FP

Market capitalisation (EURm) 133

Current N° of shares (m) 2

Free float 45%

Daily avg. no. trad. sh. 12 mth (k) 1

Daily avg. trad. vol. 12 mth (k) 23.16

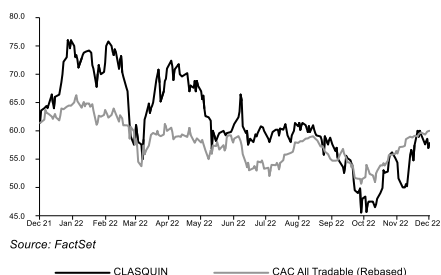
Price high/low 12 months 76.00 / 45.60

Abs Perfs 1/3/12 mths (%) 6.25/0.35/-5.86

Key financials (EUR)	12/21	12/22e	12/23e
Sales (m)	752	929	776
EBITDA (m)	38	42	24
EBITDA margin	5.1%	4.5%	3.2%
EBIT (m)	27	34	18
EBIT margin	3.6%	3.6%	2.3%
Net Profit (adj.)(m)	17	21	10
ROCE	29.6%	33.2%	18.8%
Net debt/(cash) (m)	22	14	7
Net Debt/Equity	0.5	0.2	0.1
Debt/EBITDA	0.6	0.3	0.3
Int. cover(EBITDA/Fin. int)	44.9	32.1	28.8
EV/Sales	0.3	0.2	0.2
EV/EBITDA	5.4	3.8	6.2
EV/EBITDA (adj.)	5.3	3.8	6.2
EV/EBIT	7.5	4.7	8.6
P/E (adj.)	10.1	6.3	13.1
P/BV	4.5	2.6	2.6
OpFCF yield	7.8%	18.5%	16.0%
Dividend yield	6.4%	7.9%	3.1%
EPS (adj.)	7.54	9.11	4.42
BVPS	16.94	22.21	21.95
DPS	3.70	4.55	1.77

Shareholders

Yves Revol 42%; Staff 14%;



Analyst(s)

Claire Deray

cd@sponsor-finance.com

+33 6 18 49 29 35

Time to hit new records

The facts: After an exceptional 2021, the group has demonstrated its ability to sustain the growth momentum into 2022 while further improving margins. The company's good financial health should enable it to continue investing. A drop in the share price offers a good entry point/Buy, TP €82.

Our analysis: Very strong rebound in 2021, confirmed early 2022: record activity and margins. The year 2020 was marked by the health crisis, and a year in which the group showed a certain resilience: the gross margin was down less than 1% (-4.8% on an organic basis) and margins widened slightly, i.e. EBIT grew 17%. However, 2021 was the year of all records: gross margin growth of 60%, of which more than +58% organic, and an EBIT/gross margin ratio that widened to 22.4% (+9.8pts), enabling a three-fold increase in net profit. The group benefited from the market recovery (volume effect) and the sharp rise in freight rates (shortage of means of transport on certain routes), combined with an acceleration in market share gains. The start of 2022 confirmed the 2021 trend, with the gross margin up 39% in H1, of which 32% organic growth (+29% and +26%, respectively, at end September), and an EBIT/gross margin ratio of 26.9%, i.e. EBIT up 88%. This heralded new records for the current FY: gross margin expected at €138m, +13.5%, and EBIT/gross margin at 24.6% (+2pts), i.e. EBIT of nearly €34m, +24%. **2023 set to be down, but performances are still higher than before Covid.** In our opinion, the performances illustrate the relevance of the strategy deployed: maintaining the productive workforce during the Covid episode, opening of agencies (reinforcement in Africa and China), recruitment of key talent (rebound in Germany and the US), commercial property acquisition (Spain and Belgium), external growth (CVL International in Africa and AMC Logistique in France), business diversification towards new segments (key account activity) or services/tools (Live by Clasquin, Live green), etc. The group is stronger from an operational point of view, but also financially (net debt reduced to €15.5m excluding IFRS 16 at the end of June 2022). In a tense market context (combination of lower volumes and lower freight rates), activity and margins are likely to be under pressure: the gross margin expected to be down by 15% in 2023 and gross margin/revenue ratio expected at 15.1%. However, the performance should remain well above pre-Covid levels: around 2x the 2019 level in terms of gross margin and EBIT.

Conclusion & Action: A stock under pressure, which provides a good entry point. In view of the group's good financial health, we think management has the means to continue investing in organic growth drivers and through acquisitions, which should enable further market share gains and fuel newsflow. We believe that the decline in the share price over the last few months (25% YTD) provides a good entry point for the stock. We confirm our Buy recommendation with a target price of €82, based on a combination of a DCF approach and stock market comparison.