Clasquin

Sponsored Research

France | Industrial Goods & Services

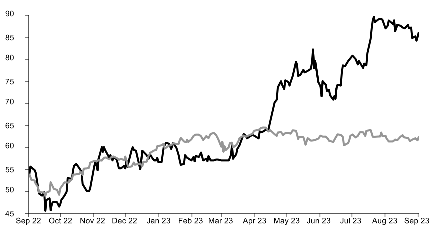
Analyser — *15 September 2023*

Buy	
Recommendation unchanged	
Share price: EUR	**86.00**
closing price as of 14/09/2023	
Target price: EUR	**97.00**
from Target Price: EUR	*92.00*
Upside/Downside Potential	**12.8%**
Reuters/Bloomberg	ALCLA.PA/ALCLA FP
Market capitalisation (EURm)	**198**
Current N° of shares (m)	2
Free float	**44%**
Daily avg. no. trad. sh. 12 mth (k)	1
Daily avg. trad. vol. 12 mth (k)	545.91
Price high/low 12 months	89.60 / 45.60
Abs Perfs 1/3/12 mths (%)	-1.15/16.53/59.85

Key financials (EUR)	12/22	12/23e	12/24e
Sales (m)	877	793	846
EBITDA (m)	42	29	32
EBITDA margin	*4.8%*	*3.6%*	*3.8%*
EBIT (m)	34	21	23
EBIT margin	*3.9%*	*2.6%*	*2.7%*
Net Profit (adj.)(m)	22	13	14
ROCE	55.6%	20.2%	19.6%
Net debt/(cash) (m)	(21)	16	18
Net Debt/Equity	*-0.3*	*0.3*	*0.3*
Debt/EBITDA	-0.5	0.6	0.6
Int. cover(EBITDA/Fin. int)	64.3	46.7	24.8
EV/Sales	0.1	0.3	0.3
EV/EBITDA	3.0	7.8	7.1
EV/EBITDA (adj.)	3.2	7.8	7.1
EV/EBIT	3.7	10.9	9.9
P/E (adj.)	6.3	15.2	13.7
P/BV	2.6	3.9	3.4
OpFCF yield	*44.6%*	*1.2%*	*5.1%*
Dividend yield	*7.6%*	*2.6%*	*2.9%*
EPS (adj.)	9.45	5.66	6.26
BVPS	22.75	21.78	25.65
DPS	6.50	2.27	2.50

Shareholders

Yves Revol 41%; Staff 15%;



Source: FactSet

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Ongoing investments in growth engines

The facts: The disruptions to transport plans resulting from the health crisis have enabled the group to generate exceptional business and, above all, margins over the past two years (gross margin x1.8 between 2019 and 2022 and EBIT x4). In a more normative environment, and against a backdrop of transported volumes under pressure and falling freight rates, despite the scope effect linked to the integration of Timar (+8% on the gross margin and +70bps on EBIT/gross margin ratio), the gross margin was down 6% in H1 2023 and EBIT fell -44%. The gross margin /sales ratio, at 16.3%, lost a little over 10 points, but was still well above 2019's pre-Covid performance (10.8%), as was EBIT, which at €11m is almost 3x higher than H1 2019. The company reiterated its full-year target: market expected at +1.0% in vol. (WTO forecasts on world trade), -4.3% for air and -2.5% to -5% for sea; management expects to generate higher business (lower volumes offset by customer conquest and higher value added services), with a return to normative margins on an annual basis, higher, however, than historically, as the group has evolved both in terms of size, business mix / country mix / customer mix, and in terms of structure (productivity gains thanks to IT investments in particular).

Our analysis: With H1 performance in line with our forecasts, and H2 offering more favourable comps, we are maintaining our full-year scenario: 2023 gross margin expected down by -4.6%, of which -14% organic, EBIT/ gross margin ratio at 15.5%, i.e. EBIT of €20.6m for the year, -39%. The group's sound financial position (net worth of €3m excluding IFRS 16 at the end of June 2023) should enable it to continue investing in both organic and external growth (integration of Timar well underway), which should enable the group to rapidly return to growth (gross margin expected at +7.9% in 2024, of which +5.0% organic).

Conclusion & Action: *In a market under pressure, the group should continue to strengthen its market positions. Our Buy rating is confirmed. To take account of the change in comparables, we are raising our target price from €92 to €97.*