



News comment

Equity Research from Kepler Cheuvreux 

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Clasquin Hold

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Beta Profile:  MOMENTUM  QUALITY

MCap: EUR181.3m

Target Price: EUR88.00
Current Price: EUR79.40
Up/downside: 10.8%
Market data: 07 November 2023

Bloomberg: ALCLA FP	Reuters: ALCLA.PA
Free float	45%
Avg. daily volume (EURm)	0.1
YTD abs performance	33.2%
52-week high/low (EUR)	91.60/49.70

Good Q3 activity in the context of market normalisation

Key points:

- Q3 activity was solid, as reflected in an increase in volume (both in air and ocean freight) and a more limited deterioration of unit margin than expected.
- Share price expected to be supported by Q3 activity, we believe.
- Investment case unchanged: we like the company very much fundamentally. In the context of normalisation, we argue that valuation leaves limited upside.

Volume up in Q3, both in air and ocean freight

- Gross profit came up 1% in Q3 (EUR35.8m), while we expected a -4% decline (EUR34.2m).
- The beat was on stronger-than-expected volume (+7% in air freight, +2% in ocean freight), while we were looking at flat volume in air freight and a -5% YoY decline in ocean freight.
- The yields (GP/volume) also surprised positively.
- The unit margin in air freight amounted to EUR537/T, only down -6% from last year and -1% down from previous quarter, while we expected a more pronounced deterioration in the context of the normalisation of freight rates (EUR515/T).
- The unit margin in ocean freight amounted to EUR253/T, down -21% from last year and up 7% from the previous quarter, while we expected a more pronounced deterioration in the context of the normalisation of freight rates (EUR235/T).
- As a result, GP in air freight was only down 1% YoY (-10% expected) and GP in ocean freight came down -19% YoY (-30% expected).

Update on market conditions and commercial momentum

- Demand is softening (more challenging consumer environment, destocking).
- Supply is growing (new ships, normalisation of air traffic).
- As a result, freight rates are normalising (charts overleaf). Ocean freight rates are back to pre-pandemic levels, while air freight rates remain higher.
- Company continues to report new contract wins and the expansion of key existing accounts.

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Appendix 1: Research framework

Last model update: 14 September 2023

Investment case

- Clasquin is a top-quality company that primarily bases its success on differentiated and highly attractive positioning in the freight forwarding industry. Clasquin has been implementing a well-functioning growth model with success, as evidenced by a robust 14% gross profit CAGR since 2015.
- Successful strategy execution: 1) well-led international expansion, 2) development of niche expertise and verticals (wine & spirits, art shipping, etc.) 3) smart M&A, 4) addition of value-added services for customers.
- In 2021-22, Clasquin took advantage of the powerful recovery in global demand and the massive disruption of supply chains. We expect some kind of normalisation in 2023-24.

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

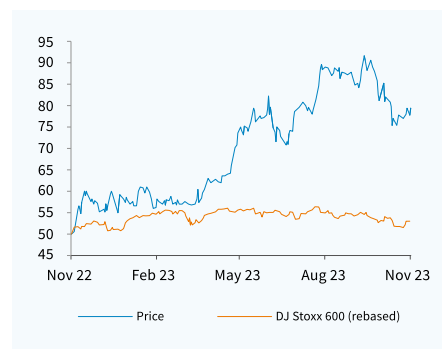
- DCF (9.0% WACC, 3% terminal growth, 16% LT EBIT/GP).

Risk to our rating

- Improving supply chain conditions create less favourable pricing environment.
- Freight capacity exceeding demand.
- Decreasing consumption and world trade.

Appendix 2: Company description

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

Appendix 3: share price perf.**Mgmt**

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

Ownership

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

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

- Slowdown in global consumption and world trade.
- Collapse in freight rates.
- Relocation of production in Europe.

Appendix 5: Key financials

Last model update: 14 September 2023

Market data date: 07 November 2023

FY to 31/12 (EUR)	12/07	12/08	12/09	12/10	12/11	12/12	12/13	12/14	12/15	12/16
Income Statement (EURm)										
Sales	na	na	114.7	179.1	171.4	184.6	198.1	201.7	234.2	235.0
% Change	na	na	na	56.1%	-4.3%	7.7%	7.3%	1.8%	16.1%	0.3%
EBITDA adjusted	na	na	6.4	9.9	7.9	6.0	6.3	4.6	8.2	7.1
EBITDA adj. margin (%)	na	na	5.6%	5.5%	4.6%	3.3%	3.2%	2.3%	3.5%	3.0%
EBIT adjusted	na	na	4.5	6.5	5.7	4.1	4.5	3.1	6.3	4.0
EBIT adj. margin (%)	na	na	3.9%	3.6%	3.3%	2.2%	2.3%	1.5%	2.7%	1.7%
Net financial items & associates	na	na	-0.2	-0.7	-0.5	-0.4	-0.4	0.7	1.4	0.7
Others	na	na	0.0	0.0	0.0	0.0	0.0	-1.0	-1.5	-1.1
Tax	na	na	-1.5	-2.0	-1.9	-1.4	-1.6	-0.9	-1.9	-1.5
Net profit from continuing operations	na	na	2.8	3.8	3.3	2.3	2.5	1.8	4.2	2.0
Net profit from discontinuing activities	na	na	0.0	0.0	0.0	0.0	0.0	0.7	-0.3	0.0
Net profit before minorities	na	na	2.8	3.8	3.3	2.3	2.5	2.5	4.0	2.0
Net profit reported	na	na	2.4	3.4	3.1	2.1	2.2	2.1	3.3	1.6
Net profit adjusted	na	na	2.4	3.4	3.1	2.1	2.2	2.1	3.3	1.6
Cash Flow Statement (EURm)										
Levered post tax CF before capex	na	na	na	na	na	na	na	6.5	8.2	1.3
Capex	na	na	-1.0	-4.5	-2.7	-2.8	-2.8	-2.9	-2.4	-3.6
Free cash flow	na	na	na	na	na	na	na	3.7	5.8	-2.2
Acquisitions & divestments	na	na	0.1	0.8	0.2	-1.6	0.0	-1.8	-8.5	-0.6
Dividend paid	na	na	-1.5	-1.8	-2.9	-2.1	-2.0	-2.2	-2.1	-2.9
Others	na	na	0.6	0.2	0.0	-0.3	-0.5	-0.4	1.5	-4.1
Change in net financial debt	na	na	na	na	na	na	na	0.6	3.2	9.9
Balance Sheet (EURm)										
Intangible assets	na	na	5.7	5.7	6.1	7.7	8.4	11.4	17.3	19.1
Tangible assets	na	na	3.5	5.3	5.5	5.8	5.5	6.2	3.8	5.2
Financial & other non-current assets	na	na	na	na	na	na	na	1.8	2.9	2.8
Total shareholders' equity	na	na	19.0	21.9	22.3	22.3	22.2	23.3	23.8	23.2
Pension provisions	na	na	0.7	0.7	0.7	0.9	1.0	0.0	0.0	0.0
Liabilities and provisions	na	na	na	na	na	na	na	67.4	80.5	89.6
Net debt	na	na	-4.9	-4.7	-5.1	0.7	0.9	0.7	5.2	11.6
Net financial debt	na	na	-5.6	-5.4	-5.8	-0.2	-0.1	0.7	5.2	11.6
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	na	na	na	na	na	na	-1.1	0.2	4.0
Invested capital	na	na	na	na	na	na	na	16.6	21.3	28.3
Per share data (EUR)										
EPS adjusted	na	na	1.04	1.47	1.33	0.91	0.96	0.93	1.45	0.69
EPS adj and fully diluted	na	na	1.04	1.48	1.33	0.91	0.96	0.93	1.45	0.69
% Change	na	na	na	41.3%	-9.7%	-31.4%	4.8%	-3.4%	57.0%	-52.4%
EPS reported	na	na	1.04	1.47	1.33	0.91	0.96	0.93	1.45	0.69
Cash flow per share	na	na	na	na	na	na	na	2.85	3.57	0.58
Book value per share	na	na	7.55	8.71	9.12	9.17	9.14	9.22	9.42	8.78
Dividend per share	na	na	na	na	na	na	na	0.80	1.25	0.80
Number of shares, YE (m)	na	na	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Ratios										
ROE (%)	na	na	na	18.1%	14.9%	10.0%	10.4%	10.1%	15.6%	7.6%
ROIC (%)	na	na	na	na	na	na	na	na	22.8%	9.3%
ND(F+IFRS16) / EBITDA (x)	na	na	-0.9	-0.5	-0.7	0.0	0.0	0.2	0.6	1.6
Gearing (%)	na	na	-29.6%	-24.6%	-26.1%	-0.8%	-0.5%	3.0%	21.9%	50.0%
Valuation										
P/E adjusted	na	na	11.9	11.1	16.3	21.4	21.9	27.7	20.3	42.9
P/E adjusted and fully diluted	na	na	11.9	11.1	16.3	21.4	21.9	27.7	20.3	42.9
P/BV	na	na	1.6	1.9	2.4	2.1	2.3	2.8	3.1	3.4
P/CF	na	na	na	na	na	na	na	9.0	8.2	50.8
Dividend yield (%)	na	na	na	na	na	na	na	3.1%	4.2%	2.7%
FCF yield (%)	na	na	na	na	na	na	na	6.2%	8.6%	-3.2%
EV/Sales	na	na	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
EV/EBITDA adj.	na	na	3.9	3.5	5.8	7.8	7.9	13.5	9.1	11.5
EV/EBIT adj.	na	na	5.6	5.4	8.1	11.4	11.1	19.9	11.9	20.3

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Rating Breakdown	A	B
Buy	58%	57%
Hold	32%	32%
Reduce	8%	6%
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Total	100%	100%

Source: Kepler Cheuvreux

A: % of all research recommendations

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	04/05/2023 05:51	Equity Research	Hold	76.00	70.20
	28/07/2023 06:54	Equity Research	Hold	84.00	78.60
	14/09/2023 06:22	Equity Research	Hold	88.00	85.00

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Local insight, European scale.



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