

Clasquin Hold

Baptiste de Leudeville
Equity Research Analyst
+33 1 53 65 36 55

France | Support services

Beta Profile:


MCap: EUR284.4m

Target Price: EUR132.00
Current Price: EUR124.50
Up/downside: 6.0%
Market data: 21 February 2024

Bloomberg: ALCLA FP Reuters: ALCLA.PA
Free float 45%
Avg. daily volume (EURm) 0.2
YTD abs performance 0.8%
52-week high/low (EUR) 130.00/56.80

Very strong Q4. Audit for tender offer is in progress

Key points:

- Very robust Q4 (gross profit up 22%, well above expectations as we anticipated YOY stability) marked by double-digit growth in shipments both in air and sea freight, a slight increase in volumes and a rebound in yields (GP/volume).
- Full-year gross profit of EUR143m is a new record for Clasquin surpassing 2022 (EUR140m), a year characterised by exceptional market conditions (booming freight rates, restricted supply). This demonstrates the group's capacity to grow organically and perform better than peers (once again).
- Yves Revol has entered into negotiations with SAS Shipping Agencies Services with a view to sell his shares (42% of the capital). If this goes through due diligence, a bid on the remaining shares will follow. The EV mentioned (EUR325m) constitutes a very attractive offer for minority shareholders (estimated EUR132 per share).

Sea freight

- In sea freight, the number of shipments increased by a solid 11% YOY and volumes were practically stable. The positive point is yields (GP/volume), which came in at EUR291/TEU for the period, the same as in Q4 2022 and significantly above the previous quarter (EUR253/TEU). This pick-up in yields enables GP to slightly increase by 1% in Q4.
- Volume in sea freight is down 1% for the year 2023. As a comparison, DSV reported -5%.

Air freight

- In air freight, the number of shipments increased by a solid 15% YOY and volumes were practically stable (+2%). Yields bounced at EUR574/T for the period, a level that the company had not reached since Q3 2022, driving a strong +24% increase in GP.
- The company mentions a slight rebound in activity for Asian outflows of goods in relation to the Christmas period, higher rates and a favourable comparison basis.
- Volume in sea freight is up 2% for the year 2023. As a comparison, DSV reported -16%.

Table 1: Quarterly and FY Gross Profit

	Q1	Q2	Q3	Q4	FY
AIR	8.6	9.6	9.7	10.7	38.6
%Growth	-20%	-6%	-1%	24%	-2%
SEA	16.6	16.7	17.0	18.6	68.9
%Growth	-12%	-20%	-19%	1%	-13%
RO/RO	3.9	8.2	7.0	8.4	27.5
%Growth	15%	105%	106%	115%	87%
Other	1.0	2.8	2.1	2.2	8.1
Group	30.1	37.3	35.8	39.9	143.1
%Growth	-14%	1%	1%	22%	2%

Source: Kepler Cheuvreux

Positive take on the potential tender offer

- Implied multiples based on 2023 estimates come out at 11x EBITDA, 14x EBIT, and 2023 P/E (vs. ten-year average multiples of 10x, 15x, and 25x respectively).
- Implied equity value per share of EUR138 on 2022 reported net debt and EUR125 on 2023 expected net debt (including IFRS 16 debt and pensions). We have set our TP at EUR132 (averaging 2022 and 2023).
- The purchase price represents roughly 50% upside versus the closing price prior to the announcement.
- We will advise shareholders to accept the tender offer if it occurs.

Appendix 1: Research framework

Last model update: 06 December 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 powerful recovery in global demand and 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.

Mgmt

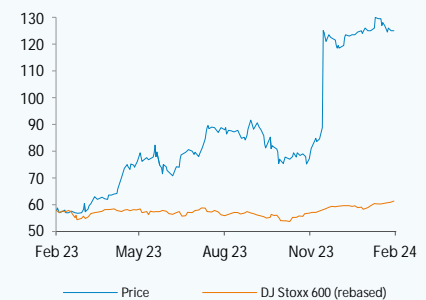


Hugues Morin, CEO | Philippe Lons, CFO | Laurence Ilhe, General Secretary

Ownership

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

Appendix 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

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

Appendix 5: Key financials

Last model update: 06 December 2023

Market data date: 21 February 2024

FY to 31/12 (EUR)	12/16	12/17	12/18	12/19	12/20	12/21	12/22	12/23E	12/24E	12/25E
Income Statement (EURm)										
Sales	235.0	290.6	308.3	331.3	392.0	752.2	877.1	844.0	855.1	886.7
% Change	0.3%	23.6%	6.1%	7.4%	18.3%	91.9%	16.6%	-3.8%	1.3%	3.7%
EBITDA adjusted	7.1	7.4	9.3	13.9	16.7	38.2	40.3	30.9	28.6	29.0
EBITDA adj. margin (%)	3.0%	2.5%	3.0%	4.2%	4.3%	5.1%	4.6%	3.7%	3.3%	3.3%
EBIT adjusted	4.0	5.4	5.8	8.3	9.6	27.3	34.0	23.2	20.9	21.3
EBIT adj. margin (%)	1.7%	1.9%	1.9%	2.5%	2.5%	3.6%	3.9%	2.8%	2.4%	2.4%
Net financial items & associates	0.7	0.8	0.8	1.1	-0.4	-0.3	1.6	1.6	1.6	1.6
Others	-1.1	-1.4	-1.1	-1.7	-1.2	-1.9	-3.0	-3.0	-3.0	-3.0
Tax	-1.5	-1.9	-2.1	-3.2	-2.6	-6.1	-8.9	-6.0	-5.3	-5.4
Net profit from continuing operations	2.0	2.9	3.4	4.5	5.4	18.9	23.7	15.9	14.2	14.5
Net profit from discontinuing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	2.0	2.9	3.4	4.5	5.4	18.9	23.7	15.9	14.2	14.5
Net profit reported	1.6	2.5	2.8	3.9	5.1	17.4	21.8	13.9	12.3	12.6
Net profit adjusted	1.6	2.5	2.8	3.9	5.1	17.4	21.8	13.9	12.3	12.6
Cash Flow Statement (EURm)										
Levered post tax CF before capex	1.3	2.4	4.4	16.2	2.1	15.5	66.9	3.8	13.8	13.0
Capex	-3.6	-3.6	-3.6	-2.5	-1.5	-1.9	-5.6	-3.0	-3.0	-3.0
Free cash flow	-2.2	-1.2	0.8	13.7	0.6	13.6	61.3	0.8	10.8	10.0
Acquisitions & divestments	-0.6	0.1	-1.8	-7.1	0.3	-0.1	-2.2	-15.0	0.0	0.0
Dividend paid	-2.9	-1.9	-2.6	-1.7	-0.6	-3.2	-9.0	-15.1	-7.1	-6.3
Others	-4.1	-3.4	-2.1	-1.2	-2.5	-1.2	-1.1	-0.6	-0.6	-0.6
Change in net financial debt	9.9	6.5	5.7	-3.7	2.2	-9.2	-49.0	30.0	-3.0	-3.1
Balance Sheet (EURm)										
Intangible assets	19.1	19.6	22.0	30.6	29.6	32.2	34.9	48.3	46.7	45.2
Tangible assets	5.2	5.1	5.7	14.9	13.5	16.9	28.6	25.4	22.3	19.2
Financial & other non-current assets	2.8	2.8	2.6	2.3	2.8	2.5	3.9	3.9	3.9	3.9
Total shareholders' equity	23.2	22.9	24.5	26.8	30.9	45.4	59.9	60.6	67.7	76.0
Pension provisions	0.0	0.9	0.8	1.1	1.3	1.2	1.1	1.1	1.1	1.1
Liabilities and provisions	89.6	99.0	111.9	144.4	161.9	241.4	187.5	187.5	254.4	329.3
Net debt	11.6	13.6	16.8	49.7	39.0	39.0	12.5	42.4	39.4	36.3
Net financial debt	11.6	12.7	16.0	29.3	19.8	15.5	-28.9	1.1	-1.9	-5.0
IFRS 16 debt	0.0	0.0	0.0	9.7	9.0	11.1	20.1	20.1	20.1	20.1
Net working capital	4.0	8.7	11.3	22.1	17.9	31.6	-3.5	16.9	25.7	35.5
Invested capital	28.3	33.3	39.0	67.7	61.0	80.7	59.9	90.6	94.7	99.8
Per share data (EUR)										
EPS adjusted	0.69	1.08	1.21	1.68	2.22	7.60	9.55	6.10	5.37	5.50
EPS adj and fully diluted	0.69	1.08	1.21	1.68	2.21	7.53	9.45	6.04	5.31	5.44
% Change	-52.4%	56.5%	12.3%	38.1%	31.8%	240.8%	25.5%	-36.1%	-12.0%	2.4%
EPS reported	0.69	1.08	1.21	1.68	2.22	7.60	9.55	6.10	5.37	5.50
Cash flow per share	0.58	1.04	1.92	7.01	0.91	6.79	29.29	1.67	6.03	5.70
Book value per share	8.78	8.57	9.31	9.53	11.68	17.07	22.97	23.29	26.39	30.00
Dividend per share	0.80	0.80	0.65	0.00	1.30	3.40	6.50	3.05	2.68	2.75
Number of shares, YE (m)	2.30	2.30	2.30	2.30	2.30	2.29	2.28	2.28	2.28	2.28
Ratios										
ROE (%)	7.6%	12.5%	13.6%	17.9%	21.0%	52.7%	47.6%	26.4%	21.6%	19.5%
ROIC (%)	9.3%	10.6%	9.8%	9.1%	10.1%	29.0%	35.2%	22.4%	16.4%	15.9%
ND(F+IFRS16) / EBITDA (x)	1.6	1.7	1.7	2.8	1.7	0.7	-0.2	0.7	0.6	0.5
Gearing (%)	50.0%	55.7%	65.2%	109.2%	63.9%	34.1%	-48.2%	1.8%	-2.8%	-6.6%
Valuation										
P/E adjusted	42.9	30.7	30.1	20.6	13.8	7.0	6.4	20.4	23.2	22.7
P/E adjusted and fully diluted	42.9	30.7	30.1	20.6	13.9	7.0	6.5	20.6	23.4	22.9
P/BV	3.4	3.9	3.9	3.6	2.6	3.1	2.7	5.3	4.7	4.2
P/CF	50.8	31.9	19.0	4.9	33.6	7.8	2.1	74.5	20.7	21.8
Dividend yield (%)	2.7%	2.4%	1.8%	0.0%	4.2%	6.4%	10.7%	2.5%	2.2%	2.2%
FCF yield (%)	-3.2%	-1.6%	1.0%	17.1%	0.8%	11.2%	44.0%	0.3%	3.8%	3.5%
EV/Sales	0.4	0.3	0.3	0.4	0.3	0.2	0.2	0.4	0.4	0.4
EV/EBITDA adj.	11.7	12.6	11.2	9.7	6.8	4.4	3.9	10.8	11.6	11.3
EV/EBIT adj.	20.6	17.1	18.0	16.3	11.8	6.1	4.7	14.4	15.8	15.4

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Reduce	10%	7%
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Total	100%	100%

Source: Kepler Cheuvreux

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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
Avenue Perdretemps 23,
1260 Nyon
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
Munkedamsveien 59B
0270 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