


Clasquin Buy

France | Support services

Beta Profile:  MOMENTUM

MCap: EUR152.1m

Target Price: EUR 65.00
Current Price: EUR 66.00
Up/downside: -1.5%
Market data: 22 September 2021

Bloomberg: ALCLA FP Reuters: ALCLA.PA
Free float 44%
Avg. daily volume 0.1 (EURm)
YTD abs performance 79.8%
52-week high/low (EUR) 66.00/25.30

Extreme freight market conditions drive record earnings

Key points:

- Exceptional activity in H1, driven by solid demand recovery and the surge in global freight rates, is reflected in sharp YOY earnings growth (+270% in EBIT, adj.).
- In line with expectations. No change in estimates.
- The outlook on demand and supply conditions looks positive for Clasquin, suggesting another strong H2.

EBITDA doubles, EBIT/GP ratio near 20%

- Clasquin took advantage of exceptional market conditions in the first six months of 2021. The market is experiencing a major disruption in supply chains (port and airport congestion, shortage of containers). Clasquin took advantage of the volatility seen in freight rates.
- Opex was up 31% YOY in H1, lower than GP growth (+43%), resulting in a much higher EBIT conversion ratio (c. 20% vs c. 8%). The increase in opex was driven by an important hiring effort to keep client supply chains up and running in extreme market conditions and to deploy strengthened resources and solutions to make up for market operator shortcomings (hiring containers, cross-continental route offerings, chartering, etc.). Besides, the base effect was particularly demanding given the multiple temporary expense relief measures taken in H1-20 at the peak of the first pandemic wave.

Table 1: H1 results

	H1-21	H1-20	Change
Gross Profit	51.8	36.2	43%
EBITDA	13.7	7.0	96%
EBIT, adj.	10.3	2.8	268%
% of GP	19.9%	7.7%	
Net profit	6.5	0.7	829%

Source: Kepler Cheuvreux

Solid H2 outlook

The outlook on demand and supply conditions looks positive for Clasquin, suggesting another strong H2. Industry sources say there is a positive outlook for demand to remain strong at least until Q2-2022 and the Chinese New Year. The normalisation on the freight rates front seems unlikely to come soon, as conditions in the global supply chain remain tight to this day.

Bolt-on acquisitions and product development

- Clasquin completed three acquisitions in the first half for a total of EUR4m additional gross profit: 1) **Colombus Transit** in Spain (5-member team managing EUR0.7m GP); 2) **Transports Petit International** (55.6% stake) in France, a company managing EUR1.8m of GP specialised in charter flights carrying sensitive, high-value goods to African markets (coherent with Clasquin's growth strategy to expand in niche market segments); and 3) assets linked to the international business of **Interlines** in Belgium (20 people, EUR1.5m GP).
- Clasquin is pursuing the deployment of its collaborative digital platform "Live by Clasquin". The platform covers a scope of 160 clients generating 24% of GP.

Appendix 1: Research framework

Last model update: 02 September 2021

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, revenue at Clasquin usually have grown faster than that of competitors. Growth at Clasquin is balanced well and diversified.
- In 2021, the demand and supply conditions looks very supportive for the freight forwarding industry, including Clasquin. We expect strong double digit growth in volume and gross profit, as well EBIT margin expansion.

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 (7.4% WACC, 3.4% terminal growth, 13.4% EBIT/GP margin).

Risks to our rating

- Lower freight rates due to overcapacity.

Appendix 2: Company description

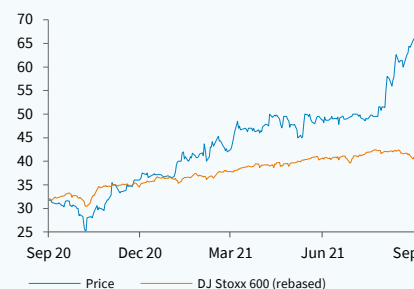
Clasquin is an air and sea freight forwarder with a focus on Asia/Europe, Asia/US and Europe/Latam flows. Thanks to external growth operation managed in 2008 Clasquin also operates road transport and logistics in France under the name Gueppe-Clasquin.

Management

Yves Revol, CEO | Philippe Lons, CFO

Key shareholders

Free float: 44.47% | REVOL YVES: 46.16% | Edmond de Rothschild Asset Management (F...): 5.66% | MORIN HUGUES: 5.06%

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

- Development of niche expertise /verticals (e.g. wine, fine arts).
- New TMS deployed (2018) to boost productivity in the medium term
- Broadening of offering (overseas logistics, consulting, etc.).

Weaknesses

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

Threats

- Slowing worldwide trade (2018-19).
- High volatility of sea freight rates

Appendix 5: Key financials

Last model update: 02 September 2021

Market data date: 22 September 2021

FY to 31/12 (EUR)	12/14	12/15	12/16	12/17	12/18	12/19	12/20	12/21E	12/22E	12/23E
Income Statement (EURm)										
Sales	201.7	234.2	235.0	290.6	308.3	331.3	392.0	508.9	490.8	494.9
% Change	1.8%	16.1%	0.3%	23.6%	6.1%	7.4%	18.3%	29.8%	-3.5%	0.8%
EBITDA adjusted	4.6	8.2	7.1	7.4	9.3	13.9	16.7	27.5	21.7	20.1
EBITDA adj. margin (%)	2.3%	3.5%	3.0%	2.5%	3.0%	4.2%	4.3%	5.4%	4.4%	4.1%
EBIT adjusted	3.1	6.3	4.0	5.4	5.8	8.3	9.6	20.0	14.1	12.4
EBIT adj. margin (%)	1.5%	2.7%	1.7%	1.9%	1.9%	2.5%	2.5%	3.9%	2.9%	2.5%
Net financial items & associates	0.7	1.4	0.7	0.8	0.8	1.1	-0.4	-0.5	-0.5	-0.5
Others	-1.0	-1.5	-1.1	-1.4	-1.1	-1.7	-1.2	-1.5	-1.5	-1.5
Tax	-0.9	-1.9	-1.5	-1.9	-2.1	-3.2	-2.6	-6.5	-4.3	-3.7
Net profit from continuing operations	1.8	4.2	2.0	2.9	3.4	4.5	5.4	11.5	7.7	6.6
Net profit from discontinuing activities	0.7	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	2.5	4.0	2.0	2.9	3.4	4.5	5.4	11.5	7.7	6.6
Net profit reported	2.1	3.3	1.6	2.5	2.8	3.9	5.1	11.2	7.4	6.3
Net profit adjusted	2.1	3.3	1.6	2.5	2.8	3.9	5.1	11.2	7.4	6.3
Cash Flow Statement (EURm)										
Levered post tax CF before capex	6.5	8.2	1.3	2.4	4.4	16.2	2.1	6.0	23.2	20.1
Capex	-2.9	-2.4	-3.6	-3.6	-3.6	-2.5	-1.5	-3.0	-2.9	-2.9
Free cash flow	3.7	5.8	-2.2	-1.2	0.8	13.7	0.6	3.0	20.4	17.2
Acquisitions & divestments	-1.8	-8.5	-0.6	0.1	-1.8	-7.1	0.3	0.0	0.0	0.0
Dividend paid	-2.2	-2.1	-2.9	-1.9	-2.6	-1.7	-0.6	-3.6	-6.3	-4.4
Others	-0.4	1.5	-0.1	-1.5	0.0	-0.1	-1.7	-1.0	-1.0	0.0
Change in net financial debt	0.6	3.2	5.9	4.6	3.6	-4.8	1.5	1.6	-13.1	-12.9
Balance Sheet (EURm)										
Intangible assets	11.4	17.3	19.1	19.6	22.0	30.6	29.6	28.9	28.0	27.2
Tangible assets	6.2	3.8	5.2	5.1	5.7	14.9	13.5	12.7	11.9	11.1
Financial & other non-current assets	1.8	2.9	2.8	2.8	2.6	2.3	2.8	2.8	2.8	2.8
Total shareholders' equity	23.3	23.8	23.2	22.9	24.5	26.8	30.9	38.8	40.3	42.6
Pension provisions	0.0	0.0	0.0	0.9	0.8	1.1	1.3	1.3	1.3	1.3
Liabilities and provisions	67.4	80.5	89.6	99.0	111.9	144.4	161.9	196.8	181.1	170.5
Net debt	0.7	5.2	11.6	13.6	16.8	40.0	47.8	52.4	42.4	33.7
Net financial debt	0.7	5.2	11.6	12.7	16.0	29.3	37.5	41.9	31.7	22.8
IFRS 16 debt	0.0	0.0	0.0	0.0	0.0	9.7	9.0	9.2	9.4	9.6
Net working capital	-1.1	0.2	4.0	8.7	11.3	22.1	35.7	50.9	44.2	39.6
Invested capital	16.6	21.3	28.3	33.3	39.0	67.7	78.8	92.5	84.1	78.9
Per share data (EUR)										
EPS adjusted	0.93	1.45	0.69	1.08	1.21	1.68	2.22	4.86	3.22	2.74
EPS adj and fully diluted	0.93	1.45	0.69	1.08	1.21	1.68	2.21	4.83	3.20	2.72
% Change	-3.4%	57.0%	-52.4%	56.5%	12.3%	38.1%	31.8%	118.8%	-33.9%	-14.8%
EPS reported	0.93	1.45	0.69	1.08	1.21	1.68	2.22	4.86	3.22	2.74
Cash flow per share	2.85	3.57	0.58	1.04	1.92	7.01	0.91	2.61	10.09	8.73
Book value per share	9.22	9.42	8.78	8.57	9.31	9.53	11.68	14.96	15.46	16.32
Dividend per share	0.80	1.25	0.80	0.80	0.65	0.00	1.30	2.43	1.61	1.37
Number of shares, YE (m)	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Ratios										
ROE (%)	10.1%	15.6%	7.6%	12.5%	13.6%	17.9%	21.0%	36.5%	21.1%	17.3%
ROIC (%)	na	22.8%	9.3%	10.6%	9.8%	9.1%	8.9%	14.9%	10.2%	9.7%
ND(F+IFRS16) / EBITDA (x)	0.2	0.6	1.6	1.7	1.7	2.8	2.8	1.9	1.9	1.6
Gearing (%)	3.0%	21.9%	50.0%	55.7%	65.2%	109.2%	121.3%	108.1%	78.7%	53.6%
Valuation										
P/E adjusted	27.7	20.3	42.9	30.7	30.1	20.6	13.8	13.6	20.5	24.1
P/E adjusted and fully diluted	27.7	20.3	42.9	30.7	30.1	20.6	13.9	13.7	20.6	24.2
P/BV	2.8	3.1	3.4	3.9	3.9	3.6	2.6	4.4	4.3	4.0
P/CF	9.0	8.2	50.8	31.9	19.0	4.9	33.6	25.3	6.5	7.6
Dividend yield (%)	3.1%	4.2%	2.7%	2.4%	1.8%	0.0%	4.2%	3.7%	2.4%	2.1%
FCF yield (%)	6.2%	8.6%	-3.2%	-1.6%	1.0%	17.1%	0.8%	2.0%	13.4%	11.3%
EV/Sales	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.4	0.4	0.4
EV/EBITDA adj.	13.5	9.1	11.7	12.6	11.2	9.0	7.4	7.6	9.2	9.5
EV/EBIT adj.	19.9	11.9	20.6	17.1	18.0	15.1	12.7	10.4	14.2	15.4

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Source: Kepler Cheuvreux

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Clasquin (EUR)	25/09/2020 07:58	Equity Research	Buy	36.00	31.90
	25/02/2021 09:05	Equity Research	Buy	49.00	43.70
	02/09/2021 10:45	Equity Research	Buy	65.00	57.80

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