

17 February 2021

CLIQ Digital AG

Rating Buy
Share price (EUR) 25.00
Target price (EUR) 45.00

Bloomberg Sector CLIQ GY Consumer Services

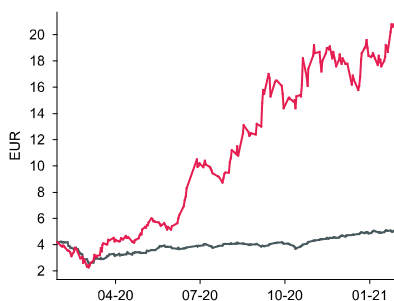
Share data

Shares out (m) 6.2
Daily volume shs (m) 0.6
Free float (%) 83.00
Market cap (EUR m) 129
EV (EUR m) 114
DPS (EUR) 0.47
Dividend yield (%) 5.5
Payout ratio (%) 40.0

Performance

ytd (%) 25.3
12 months (%) 420.0
12 months rel. (%) 399.4
Index SDAX

Share price performance



— CLIQ Digital
— Price rel. to SDAX - Price Index

Source: Bloomberg

Next triggers

17 March 2021: FY 2020 Report
29 April 2021: AGM

Analysts

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Feedback from virtual Roadshow

Quirin Privatbank organized a virtual Roadshow with CLIQ Digital. We believe that the company remains on a profitable growth path. We therefore confirm our Buy recommendation and the EUR 45.00 TP.

Future targets

Member of the Management Board, Ben Bos, explained that CLIQ's All-in-One content portals are globally rolled out to additional countries in future and CLIQ sees potential to improve its portfolio by adding additional categories and increased content, such as games and other content areas which could be for instance podcasts and mini TV series. In the short-term, Hollywood blockbusters are to be added. All steps taken aim at increasing customer satisfaction. Another goal of its portfolio is to increase the share of localized content, e.g. Italian movies primarily for the Italian market. In addition, dynamic billing models will continue to be deployed in order to optimally market its All-in-One concept in different countries.

Direct media buying a success story

Mr Bos explained that the strong growth in FY 2020 is a result of smart direct marketing instead of benefitting from Covid-19 pandemic. We share this view as CLIQ delivered strong results in Q3-20 although public life was basically normal in this quarter. Own media buying spend amounted to approximately 60% of total marketing expenditures (EUR 34m) in FY 2020. The remainder was attributable to affiliate marketing. We assume the share of own media buying to rise over the next years which paves the way for further additional growth. Furthermore, as a consequence of its content strategy, CLIQ can simply and efficiently manage its content cost levels. The management is targeting gross revenue of ~ EUR 250m within the next 2-3 years. However, this is not an official guidance. In our view this is ambitious but achievable.

Buy recommendation and TP confirmed

CLIQ is focusing on new and attractive content to increase its customer base. As a result the company is able to grow dynamically. **We feel comfortable with our estimates that are far from being aggressive and confirm the EUR 45.00 TP and Buy recommendation.**

Key figures		2018	2019	2020e	2021e	2022e
Sales	EUR m	58	63	107	132	149
EBITDA	EUR m	4	6	16	20	24
EBIT	EUR m	3	5	15	19	23
EPS	EUR	0.35	0.36	1.17	1.59	1.94
Sales growth	%	-17.5	8.5	69.9	23.4	12.9
EBIT growth	%	-42.3	59.9	216.7	26.3	20.2
EPS growth	%	-34.4	2.6	228.1	35.6	22.3
EBITDA margin	%	6.6	9.1	15.0	15.2	16.0
EBIT margin	%	5.1	7.6	14.1	14.4	15.3
Net margin	%	3.7	3.5	6.8	7.4	8.0
EV/Sales	ratio	2.33	2.18	1.18	0.86	0.68
EV/EBITDA	ratio	35.1	24.0	7.9	5.7	4.3
EV/EBIT	ratio	45.4	28.9	8.4	6.0	4.5
P/E	ratio	4.9	8.1	7.3	13.1	10.7
P/BV	ratio	0.2	0.4	1.0	2.2	1.9
Dividend yield	%	0.0	9.7	5.5	3.1	3.7

Source: Bloomberg, Company data, Quirin Privatbank estimates

Profit & loss statement

Profit & loss statement (EUR m)	2018	YOY	2019	YOY	2020e	YOY	2021e	YOY	2022e	YOY
Sales	58.2	-17.5 %	63.1	8.5 %	107.2	69.9 %	132.4	23.4 %	149.5	12.9 %
Cost of sales	42.1		44.3		75.3		93.0		105.0	
Gross profit	16.2		18.8		31.9		39.4		44.5	
Personnel expenses	8.4		8.5		11.6		13.9		14.8	
Other operating income	0.0		0.0		0.0		0.0		0.0	
Other operating expenses	3.7		3.9		5.3		6.4		6.8	
EBITDA	3.9	-85.3 %	5.8	49.1 %	16.1	179.8 %	20.1	24.7 %	23.9	19.2 %
EBITDA margin (%)	6.62		9.11		15.00		15.16		16.01	
EBIT	3.0	-42.3 %	4.8	59.9 %	15.1	216.7 %	19.1	26.3 %	22.9	20.2 %
EBIT margin (%)	5.13		7.56		14.09		14.42		15.35	
Net interest	0.4		-0.9		-0.6		-0.1		0.1	
Income from Participations	n.a.		n.a.		n.a.		n.a.		n.a.	
Net financial result	0.4		-0.9		-0.6		-0.1		0.1	
Exceptional items	n.a.		n.a.		n.a.		n.a.		n.a.	
Pretax profit	3.4	-25.7 %	3.9	15.0 %	14.5	275.1 %	19.0	31.1 %	23.0	21.3 %
Pretax margin (%)	5.77		6.12		13.51		14.36		15.42	
Taxes	0.4		0.0		3.8		4.9		5.8	
Tax rate (%)	10.95		-0.71		25.88		25.67		25.06	
Earnings after taxes	3.0		3.9		10.7		14.1		17.3	
Minorities	0.8		1.7		3.5		4.3		5.2	
Group attributable income	2.2	-34.4 %	2.2	2.6 %	7.3	228.1 %	9.8	35.6 %	12.0	22.3 %
No. of shares (m)	6.2		6.2		6.2		6.2		6.2	
Earnings per share (EUR)	0.35	-34.4 %	0.36	2.6 %	1.17	228.1 %	1.59	35.6 %	1.94	22.3 %

Source: Company data, Quirin Privatbank estimates

Balance sheet

Balance sheet (EUR m)	2018	YOY	2019	YOY	2020e	YOY	2021e	YOY	2022e	YOY
Assets										
Cash and cash equivalents	1.3		0.7		5.4		14.3		26.5	
Accounts receivables	6.5		8.2		8.9		9.5		10.3	
Inventories	3.9		5.6		6.0		6.4		6.7	
Other current assets	0.8		0.6		0.6		0.6		0.6	
Tax claims	0.4		0.1		0.1		0.1		0.1	
Total current assets	12.9	16.1 %	15.2	17.7 %	21.0	37.8 %	30.9	47.3 %	44.2	43.0 %
Fixed assets	1.3		0.7		0.2		0.1		0.1	
Goodwill	47.9		48.1		48.1		48.1		48.1	
Other intangible assets	0.9		0.7		0.7		0.7		0.7	
Financial assets	0.0		0.0		0.0		0.0		0.0	
Deferred taxes	1.8		3.1		3.1		3.1		3.1	
Other fixed assets	1.0		0.3		0.3		0.3		0.3	
Total fixed assets	52.8	-3.9 %	52.9	0.2 %	52.4	-1.0 %	52.3	-0.1 %	52.3	-0.1 %
Total assets	65.7	-0.5 %	68.1	3.6 %	73.3	7.7 %	83.2	13.5 %	96.4	15.9 %
Equity & Liabilities										
Subscribed capital	6.2		6.2		6.2		6.2		6.2	
Reserves & other	46.6		46.6		46.6		46.6		46.6	
Revenue reserves	-5.6		-8.2		-3.9		2.0		9.2	
Accumulated other comprehensive	-0.2		0.1		1.3		2.3		3.2	
Shareholder's equity	47.8	2.6 %	46.7	-2.3 %	52.2	11.8 %	59.2	13.3 %	67.3	13.7 %
Minorities	0.8		2.0		2.0		2.0		2.0	
Shareholder's equity incl. minorities	47.8	2.6 %	46.7	90.7 %	52.2	11.8 %	59.2	13.3 %	67.3	13.7 %
Long-term liabilities										
Pension provisions	0.0		0.0		0.0		0.0		0.0	
Financial liabilities	0.0		9.9		3.6		0.0		0.0	
Tax liabilities	0.9		1.2		2.1		2.6		2.9	
Other liabilities	0.9		1.5		2.6		3.2		3.6	
Total long-term debt	1.8	10.4 %	12.7	595.2 %	8.4	-34.2 %	5.8	-30.3 %	6.6	12.9 %
Short-term debt										
Other provisions	0.0		0.0		0.0		0.0		0.0	
Trade payables	2.3		2.0		4.4		7.9		11.0	
Financial debt	8.1		0.0		0.0		0.0		0.0	
Other liabilities	4.6		5.6		5.5		6.8		7.7	
Total short-term debt	16.1	-9.7 %	8.7	-46.1 %	12.8	46.8 %	18.2	43.0 %	22.6	23.9 %
Total equity & liabilities	65.7	-0.5 %	68.1	3.6 %	73.3	7.7 %	83.2	13.5 %	96.4	15.9 %

Source: Company data, Quirin Privatbank estimates

Financial key ratios

Key ratios	2018	2019	2020e	2021e	2022e
Per share data (EUR)					
EPS	0.35	0.36	1.17	1.59	1.94
Book value per share	7.7	7.5	8.4	9.6	10.9
Free cash flow per share	0.4	0.3	1.6	1.7	1.8
Dividend per share	0.00	0.28	0.47	0.64	0.78
Valuation ratios					
EV/Sales	2.33	2.18	1.18	0.86	0.68
EV/EBITDA	35.1	24.0	7.9	5.7	4.3
EV/EBIT	45.4	28.9	8.4	6.0	4.5
P/E	4.9	8.1	7.3	13.1	10.7
P/B	0.2	0.4	1.0	2.2	1.9
Dividend yield (%)	0.0	9.7	5.5	3.1	3.7
Growth					
Sales growth (%)	-17.5	8.5	69.9	23.4	12.9
EBITDA growth (%)	-85.3	49.1	179.8	24.7	19.2
EBIT growth (%)	-42.3	59.9	216.7	26.3	20.2
EPS growth (%)	-34.4	2.6	228.1	35.6	22.3
Profitability ratios					
EBITDA margin (%)	6.6	9.1	15.0	15.2	16.0
EBIT margin (%)	5.1	7.6	14.1	14.4	15.3
Net margin (%)	3.7	3.5	6.8	7.4	8.0
ROCE (%)	6.1	6.8	14.8	23.1	25.9
Financial ratios					
Total equity (EUR m)	47.8	46.7	52.2	59.2	67.3
Equity ratio (%)	72.7	68.6	71.2	71.1	69.7
Net financial debt (EUR m)	6.8	9.2	-1.7	-14.3	-26.5
Net debt/Equity	0.7	0.7	0.7	0.7	0.7
Net debt/EBITDA	1.8	1.6	-0.1	-0.7	-1.1
Payout ratio (%)	0.0	78.4	40.0	40.0	40.0
Working Capital (EUR m)	-3.2	6.5	8.2	12.6	21.6
Working capital/Sales	-0.05	0.10	0.08	0.10	0.14

Source: Company data, Quirin Privatbank estimates

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HOLD <=-10% and < = +10%

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Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
17.02.2021	45.00	Buy	
10.02.2021	45.00	Buy	
04.11.2020	33.00	Buy	
24.09.2020	28.70	Buy	
24.08.2020	21.00	Buy	
07.07.2020	16.00	Buy	
16.06.2020	10.00	Buy	16.06.2020

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Competent supervisory authority

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