



Corporate News

CLIQ Digital AG: Quarterly Statement 3Q/9M 2020

29 October 2020

CLIQ Digital continues its profitable growth on the back of strong US sales

Quarterly Highlights:

- Gross revenue increases by 77% to €29.7 million
- EBITDA rises to €4.5 million (+137% against PY)
- 15% EBITDA margin (PY: 11%)
- €0.32 EPS (PY: €0.14)
- €2.6 million free cash flow generated (including €1.7 million dividend payout)

3Q:

In the third quarter 2020 (01/07-30/09/2020), CLIQ Digital generated gross revenue of €29.7 million (PY: €16.8 million). This corresponds to an increase of 77% compared to the third quarter of the previous year. Thus, the growth rate exceeded the full year target of more than 58% for 2020.

Payment service provider costs grew at a significantly slower pace than gross revenue mainly due to more credit card acceptance as the preferred member payment means.

CLIQ Digital's EBITDA grew by 137% to €4.5 million (PY: €1.9 million). Therein included are higher marketing expenses - one of CLIQ's important KPIs for further revenue growth - of €9.8 million (+51%, PY: €6.5 million), which underline CLIQ's accelerating focus on

direct media buying (via an own procurement team) and the corresponding fundamental shift from media buying via affiliated partners. In addition, improving the content offering to facilitate both new member acquisition as well as extend customer retention is reported in the higher cost for content. All in all, the 3Q 2020 EBITDA margin (in per cent of gross revenue) was 15% compared to 11% in last year's third quarter.

Net result came in 143% higher than in prior year's third quarter and totalled €2.9 million (PY: €1.2 million).

EPS was €0.32 in the third quarter and thus 133% higher year-on-year (PY: €0.14).

As at quarter-end closing, the CLIQ-Factor remained on the same high level as at 30/06/2020, namely at 1.65x (PY: 1.53x). The CLIQ-Factor is used as a key indicator for measuring the profitability of the new members and represents the ratio of the net revenue divided by the member acquisition cost.

The Customer Base Value (CBV) came in at €33.0 million (PY: €25.5 million) at the end of the third quarter of 2020. The CBV is based upon the number of members multiplied by each individual remaining lifetime net value (adjusted for payment service provider cost).

	3Q	3Q		9M	9M	
in millions of €	2019	2020	Δ in %	2019	2020	Δ in %
Gross revenue	16.8	29.7	+77%	45.0	76.8	+71%
Net revenue	11.9	22.8	+91%	31.6	58.1	+84%
Marketing spend	6.5	9.8	+51%	16.4	26.2	+60%
EBITDA	1.9	4.5	+137%	3.7	10.9	+190%
Net result	1.2	2.9	+143%	2.7	7.3	+170%
EPS (in €)	0.14	0.32	+133%	0.25	0.81	+226%

9M:

In the first nine months 2020 (01/01-30/09/2020), gross revenue increased by 71% to €76.8 million (PY: €45.0 million) and the share of European and North American revenue was equal at 46% each (PY: 81% and 11% respectively). This significant shift in

geographic weighting is due to the initial focus by the company's own media buying team on the North American market.

EBITDA was up in the first nine months 2020 by 190% to €10.9 million year-on-year (PY: €3.7 million) and came in at 14% of gross revenue. Marketing spend in the same period totalled €26.2 million - an increase of 60% year-on-year. EPS increased by 226% to €0.81 after €0.25 in 9M 2019.

Net debt & Cash flow:

The business development in the first nine months resulted in a free cash flow of €6.9 million.

After netting cash and cash equivalents with bank borrowings, net debt decreased to €2.7 million compared with €9.6 million as at 31/12/2019 and €5.3 million as at the 2020 half-year-end closing.

in millions of €	As at 30/06/2020		As at 30/09/2020
Cash and bank balances	4.8		3.8
Bank borrowings and overdraft facilities	10.2		6.5
Net debt	5.3		2.7

in millions of €	6M 2020	3Q 2020	9M 2020
Cash flow from operating activities	5.7	4.6	10.3
Cash flow from investment activities	-0.1	-0.1	-0.2
Cash flow from financing activities	-1.3	-1.9	-3.2
Free cash flow	4.3	2.6	6.9

A €10.3 million cash inflow from operating activities resulted during the first nine months of 2020, of which €4.6 million were contributed during the third quarter 2020 alone (cf. €5.7 million in 6M 2020).

Free cash flow generated during 3Q 2020 of €2.6 million included the dividend distribution of €1.7 million paid out in August. Excluding the dividend payment, the free cash flow would have amounted to €4.3 million during 3Q alone and on equal par with the free cash flow generated in the first six months of 2020.

Outlook 2020:

CLIQ Digital confirms its FY 2020 expectations as disclosed on 17 September 2020: I.e. to generate at least €100 million in gross revenue and at least €13 million in EBITDA; the marketing spend is expected to total around €33 million and the Customer Base Value to amount to approximately €34 million.

“We plan to consistently follow our profitable growth path,” said Ben Bos, member of the Management Board. “We intend to further strengthen our position as one of the leading digital lifestyle companies and shall continue to improve our content portfolio to further acquire new members and increase customer retention.”

Today, Thursday, 29 October 2020, at 11.00 a.m. CET, CLIQ Digital will host a 3Q/9M20 earnings audio call in English:

- Participants must register at:
https://us02web.zoom.us/webinar/register/WN_ij55FLnWQJqFvrelsk_A1g
- Questions to be submitted via email to investors@cliqdigital.com prior to the call.
- Webcast recording will be available following the call at:
<https://cliqdigital.ag/investors/financials>

Please note: The 3Q/9M 2020 financials are unaudited and not subject to review.

To provide a better overview in the tables, decimal places have been partly omitted. Therefore rounding differences can occur. In case of doubt, the English version shall prevail.

About CLIQ Digital:

CLIQ Digital (www.cliqdigital.com) is a leading digital lifestyle company, providing consumers worldwide with streaming entertainment services. Members get unlimited access to music, audiobooks, games, sports and movie content. The core business of the Group is the online direct marketing of its streaming entertainment services to consumers globally. In 2019 CLIQ Digital realized over 90% of its sales in Europe and North America. CLIQ Digital's headquarter is based in Dusseldorf and has offices in Amsterdam, London, Paris, Barcelona and Tequesta, Florida. The Group employs approximately 100 staff and is listed in the Scale (30) segment at the Frankfurt Stock Exchange (ISIN DE000A0HHJR3).

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