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Quarterly Statement 2Q/6M 2021

Corporate News

CLIQ Digital AG: Quarterly Statement 2Q/6M 2021

3 August 2021

CLIQ Digital: Strongest first half-year ever, Customer Base Value up by 29%

6M Highlights:

- Further EBITDA margin expansion to 18% (PY: 13%)
- Total Group sales increased by 34% to €63.2 million
- European gross revenue up 11% Y/Y
- Share of credit card billing in total revenue is 67% (PY: 51%)
- 75% of marketing spend via direct media buying (PY: 46%)
- EPS significantly boosted by acquisition of minority shareholdings
- €6.8 million operating free cash flow generated (PY: €5.6 million)
- Outlook 2021 confirmed

Sales:

CLIQ Digital Group's gross revenue increased by 34% to €63.2 million (6M 2020: €47.2 million) from January to June 2021. The share of European and North American gross revenue was 42% and 49% respectively (6M 2020: 51% and 42% respectively). The predominant and fastest growing payment means in the first six months was credit card, which amounted to 67% of gross revenue (6M 2020: 51%).

In the second quarter 2021 (01/04-30/06/2021), CLIQ Digital generated gross revenue of €33.1 million (2Q 2020: €26.9 million). This corresponds to an increase of 23% compared to the second quarter of the previous year and a sequential improvement of 10% quarter-on-quarter in comparison to the first quarter 2021. The European operations continued to grow as well in the second quarter by 11% highlighting the positive sales development resulting also from the introduction of the own, direct media buying to Europe. 69% of total gross revenue in 2Q 2021 was paid for with credit card (2Q 2020: 53%).

in millions of €	6M 2020	6M 2021	Change	2Q 2020	2Q 2021	Change
Gross revenue	47.2	63.2	+34%	26.9	33.1	+23%
Marketing spend	16.3	21.0	+29%	8.5	11.9	+39%
EBITDA	6.3	11.6	+83%	4.1	6.3	+52%
EBITDA margin	13%	18%		15%	19%	
EBIT	6.0	11.1	+87%	3.9	6.0	+53%
Net result	4.4	7.6	+74%	2.8	4.1	+44%
allocable to minorities	1.4	0.2	-87%	0.9	0.0	-97%
allocable to shareholders	3.0	7.4	+144%	1.9	4.1	+113%
EPS (in €, fully diluted)	0.47	1.12	+138%	0.30	0.62	+107%

Earnings

In the first half 2021, CLIQ Digital's EBITDA grew by 83% to €11.6 million (6M 2020: €6.3 million) and included higher marketing expenses – one of CLIQ's most important KPIs for further revenue growth – of €21.0 million (+29%, 6M 2020: €16.3 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 2Q 2021, the EBITDA margin (in per cent of gross revenue) was 19% compared to 15% in last year's second quarter.

In 6M 2021, the net result totalled €7.6m and was 74% higher than in the prior year's comparable period (6M 2020: €4.4m). Net result in the second quarter 2021 came in 44% higher than in prior year's second quarter and totalled €4.1 million (PY: €2.8 million).

The fully diluted EPS for the first six months grew by 138% year-on-year and totalled €1.12 in comparison to €0.47 in 6M 2020, also due to the successful buyout of French minority shareholders. EPS was €0.62 in the second quarter and thus 107% higher year-on-year (PY: €0.30).

Cash flow

in millions of €	6M 2020	6M 2021
Cash flow from operating activities	5.7	7.1
Cash flow from investment activities	-0.1	-0.3
Operating free cash flow	5.6	6.8
Cash flow from financing activities	-1.3	-9.5
Total cash flow (prev. defined as "Free cash flow")	4.3	-2.7

A €7.1 million cash inflow from operating activities resulted during the first six months of 2021 (cf. €5.7 million in 6M 2020). This improvement in operating cash flow is due mainly to the better result in the first half.

The cash outflow from financing activities during 6M 2021 was €9.5 million (6M 2020: €1.3 million) and included €6 million for the minority shareholdings' transaction and €3.3 million dividend distribution. Due to the Corona pandemic the annual general meeting was postponed to August 2020 after which a dividend to the amount of €2.0 million was distributed in 3Q 2020. Total cash flow (Free cash flow as per historic company definition) amounted to -€2.7 million during the first six months of 2021 compared to (pro forma) €2.3 million in 6M 2020 after taking the postponed dividend distribution 2020 into account.

Key performance indicators

In the first half 2021, the CLIQ Factor totalled 1.59x (6M 2020: 1.64x) and increased sequentially from 1.56x in the first quarter 2021 to 1.62x in the 2Q 2021. The CLIQ Factor is the ratio of the net revenue per user in the first six months to the cost of member acquisition. It is used as a key performance indicator for measuring the profitability of newly acquired members and in the decision-making process as to whether to invest in certain products or markets.

At the end of the first half 2021, the Customer Base Value (CBV) was €40.0 million and thus 29% higher year-on-year (30/06/2020: €31.0 million). The CBV is calculated by multiplying the number of members by their individual remaining net lifetime value. It therefore represents the total net revenue (i.e. gross revenue less the cost of third parties) that is expected to be generated by existing members.

Financial position

ASSETS			EQUITY & LIABILITIES		
in millions of €	31/12/2020	30/6/2021		31/12/2020	30/6/2021
(In)tangible fixed assets	50.8	50.8	Equity	55.6	53.6
Other non-current assets	4.4	3.7	Non-current liabilities	4.7	6.9
Trade receivables	9.1	14.2	Bank borrowings	3.8	4.9
Other current assets	7.8	10.7	Trade payables	2.0	3.6
Cash and cash equivalents	4.9	3.3	Other current liabilities	10.9	13.7
Total	77.0	82.7	Total	77.0	82.7

After netting cash and cash equivalents with bank borrowings, net debt increased to €1.7 million compared with a net cash position of €0.9 million as at 31/12/2020.

Outlook 2021

In 2021, CLIQ Digital expects strong organic growth in gross revenue, EBITDA and marketing spend (the main value driver, which directly influences all other performance indicators).

The Management Board confirms its 2021 outlook: The CLIQ Group will generate at least €140 million in gross revenue, realise an EBITDA of around €22 million in 2021 with a total marketing spend amounting to roughly €46 million. The CLIQ Factor is expected to amount to around 1.60x for the full year 2021..

Statement from Ben Bos, member of the Management Board:

“The first half of 2021 delivered significant growth on the back of an excellent business performance with both sales and earnings continuously increasing. With games we introduced a new content category and further improved our content offering as well as closed an important corporate transaction to substantially boost our EPS. However, we have even more wide-ranging plans for the second half of 2021. Our H2 playbook forecasts a considerable ramp-up in revenue – just look at our CBV development, a material improvement in the look-and-feel of our All-in-One concept and the first positive results from our M&A team as well as the next new, organic market entry. We are all very excited about the fundamentals and opportunities provided in the second half and we are gaining further traction.”

Earnings call details:

Management Board member, Ben Bos, will present CLIQ Digital's 2Q/6M 2021 financial results during an earnings conference call (audio only) today at 2.00 p.m. CEST, which will be conducted in English.

To attend the call, participants are required to register by clicking on the link below and will then receive personalised dial-in details:

https://us02web.zoom.us/webinar/register/WN_Q-C_FGWbRaGHCudUCFrEg

Questions can be submitted either in advance or directly during the call via email to investors@cliqdigital.com. A recording of the webcast will be available following the call at **<https://cliqdigital.ag/investors/financials>**.

Media call details:

Ben Bos will also present the financial results to interested media representatives in a video conference and will be available to answer questions afterwards. The approx. 45-minute conference call will start at 4:00 p.m. CEST. The presentation will be given in German, the Q&A session afterwards partly in English.

Participants can register via the following link and will receive access data afterwards:

<https://us02web.zoom.us/meeting/register/tZUkdO2qpz0oHtyo65WpT0oyfMbgCk6T2cZV>

Please note: :

The 2Q/6M 2021 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.

Financial calendar 2021:

3Q/9M 2021 Financial Statement & earnings call

Tuesday 2 November 2021

For further information, please contact

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About CLIQ Digital:

CLIQ Digital (www.cliqdigital.com) is a leading digital lifestyle company, which provides streaming entertainment services to consumers worldwide with unlimited access to music, audiobooks, games, sports and movie content. The company has a long-standing and successful history in expert digital marketing and offering niche products for the mass market at competitive prices. CLIQ Digital operates in over 30 countries and employs staff of 100 from 29 different nationalities as at 31 December 2020. The company is a valuable strategic business partner for networks, content producers as well as for publishers and payment service providers. CLIQ Digital is headquartered in Düsseldorf and has offices in Amsterdam, London, Paris, Barcelona and Tequesta, Florida. The company is listed in the Scale segment of the Frankfurt Stock Exchange (ISIN DE000A0HHJR3) and is a constituent of the MSCI World Micro Cap Index.