

CLIQ Digital

FY22 update

Progress made against KPIs

CLIQ Digital's FY22 update showed strong year-on-year growth across all KPIs, as it continues to roll out its subscription-based bundled-content streaming services. The results were broadly in line with our expectations and CLIQ finished the year with a stronger-than-expected net cash position of €10m. Looking ahead, driven by continued investment into marketing and content, management expects FY23 revenue and EBITDA to exceed €345m and €50m, respectively, reflecting growth of at least 25% and 15%. We will update our numbers following the publication of the annual report, scheduled for 21 February.

Year end	Revenue (€m)	EBITDA (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/20	107.0	15.9	1.16	0.46	25.3	1.6
12/21	150.0	27.2	2.71	1.10	10.8	3.7
12/22e	276.1**	43.5**	4.17	1.69	7.0	5.8
12/23e	307.5	51.0	4.95	2.01	5.9	6.8

Note: *EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. Note: *EPS are diluted. **Reported.

CLIQ's results were broadly in line with our expectations, delivering revenue of €276m (Edison: €275m, FY21: €150m) and EBITDA of €43.5m (Edison: €43.5m, FY21: €27m). Operating free cash flow was slightly lower in the year, although ahead of our expectations, at €15m (Edison: €11.4m, FY21: €16m), as a result of the higher marketing expenditure and launch in December of the cliq.de platform, CLIQ's relatively low-cost German subscription multi-entertainment portal. cliq.de is priced at €6.99 a month and includes a free 30-day trial period, which we believe should continue to drive an increase in sales and customer stickiness, helped by increased marketing spend.

CLIQ also reported some progress against stated KPIs: growing member numbers, the lifetime value of customer base and CLIQ's profitability index. Paid memberships saw strong growth of 45% in the year, bringing the total number to 1.9m (FY21: 1.3m). The lifetime value of the customer base continued to grow, reaching €141m in the year (FY21: €87m), ahead of management's expectation of €110m. The sustained high levels of investment in marketing in the period resulted in a fall in CLIQ's profitability index (six month expected revenue per customer over cost of acquiring them) to 1.45x (FY21: 1.59x). Although below prior guidance of 1.51x, CLIQ notes the increased marketing expenditure was in order to recognise higher gross profit.

Media

1 February 2023

Price €29.3

Market cap €190m

Net cash (€m) at 31 December 2022 10

Shares in issue 6.5m

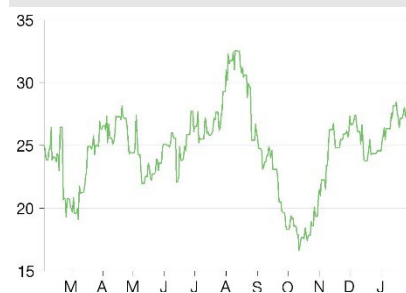
Free float 89%

Code CLIQ

Primary exchange XTRA

Secondary exchange FRA

Share price performance



Business description

CLIQ Digital sells subscription-based streaming services that bundle movies and series, music, audiobooks, sports and games to consumers globally. In FY22, 37% of sales were generated in Europe, 57% in North America and 6% in other regions.

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