

2022 proved to be another strong year for CLIQ Digital

CLIQ Digital has published 2022 Accounts, confirming the strong preliminary data presented in January which had beaten then consensus estimates. The business plan remains the offering of value-for-money streaming bundles for families and the heavy marketing promotion of these to maintain rapid growth. Recent 2023 guidance has been confirmed (revenues > EUR 345m; EBITDA > 50m) which will likely lead to c.5% increase in consensus post this afternoon's conference. We have EUR 72 TP and Buy rating.

Multi-content streaming packages still in vogue

Annual revenues of EUR 276m (+84%) had clearly exceed guidance. Today's regional data shows that North America remains the key driver with sales jumping 111% to EUR 158m (which was some EUR 9m above PAsE), whilst European growth was 62% to EUR 102m (PAsE EUR 103m). There was an initial EUR 3.4m contribution from Latin America and the RoW increased 4% to 13.2m. Multi-content bundled streaming packages remains the most important source, increasing 125% to 242m, whilst single-content services dropped 17% to EUR 26m and web-financed marketing generated 8m (-28%).

High customer acquisition costs brings the EBITDA margin down to a more normal 15.8% level

The heavy marketing spend was the key business generator, increasing 106% to EUR 112m, albeit the profitability index dipped a little more than expected to 1.46x (guidance 1.51x) from 1.59x last year with paying members "only" increasing 45% to 1.9m (PAsE 2.0m). The increase in personnel expenses was lower than modelled at just 15% amounting to EUR 20.7m, whilst other operating expenses rose to EUR 9.6m (+68%). EBITDA of EUR 43.5m (+60%) represents a margin of 15.8% from (an above normal level) 18.1% in the previous year. Net income jumped 59% to EUR 28.9m.

2023 guidance could support modest upgrades to consensus

Targets for the current year, calling for sales to exceed EUR 345m (PAsE: EUR 326m), driven by strong marketing activities (over EUR 120m expected) and investments into additional attractive content. EBITDA is expected to exceed EUR 50m, (PAsE EUR 48m) which could support c.5% upgrades to consensus estimates. We confirm our EUR 72 TP and reiterate our BUY rating.

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