

10 May 2022

CLIQ Digital AG

Rating	Buy
Share price (EUR)	22.15
Target price (EUR)	75.00
Bloomberg	CLIQ GY
Sector	TMT

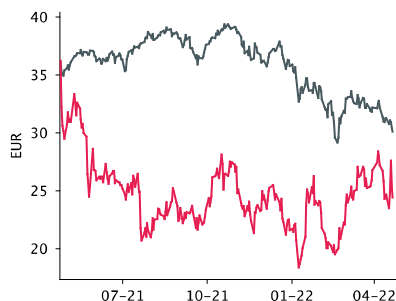
Share data

Shares out (m)	6.5
Daily volume shs (m)	0.0
Free float (%)	89.00
Market cap (EUR m)	127
EV (EUR m)	111
DPS (EUR)	1.10
Dividend yield (%)	4.3
Payout ratio (%)	40.0

Performance

ytd (%)	-1.2
12 months (%)	-32.1
12 months rel. (%)	-15.1

Share price performance



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

Source: Bloomberg

Next triggers

02 June 2022: Quirin Champions Conf.
15 June 2022: Strategic update

Analysts

Ralf Marinoni – Financial Analyst
T +49 (0)69 2475049 24
ralf.marinoni@quirinprivatbank.de

Brilliant start into FY 2022

In Q1-22 CLIQ was able to substantially increase sales by 75% yoy. All major KPIs improved, too. Its FY 2022 guidance was confirmed which looks conservative, given first quarter results. We therefore confirm our Buy recommendation and the EUR 75.00 TP.

Q1-22: all major KPIs improved

In Q1-22 sales increased by 75% yoy from EUR 30.1m (Q1-21) to EUR 52.6m. This rise was mainly driven by increased performance marketing campaigns promoting multi-content portals. All regions contributed to the group's sales growth. North America showed a sales growth of 89% while Europe grew by 71% mainly driven again by the shift from media buying via affiliate partners to CLIQ Digital's own, in-house media buying team. The EBITDA grew by 56% to EUR 8.3m (Q1-21: EUR 5.3m). The margin stood at 15.8% (17.6%) which reflects higher investments into marketing and content to drive member growth. The EPS improved from EUR 0.51 (Q1-21) to EUR 0.90. In Q1-22, the marketing spend increased considerably by 147% to EUR 22.5m (Q1-21: EUR 9.1m) due to increased advertising volume and slightly higher advertising prices. Marketing spend is a key driver for future growth. The proportion of own media buying grew to 88% compared to 72% in Q1-21.

New content

In February, CLIQ Digital licenced 14 new complete series from Palatin Media for its German and Austrian portals. These premium series add more than 400 hours of high-quality entertainment across all genres. In addition, CLIQ signed a new deal in March with LEONINE Studios for major Hollywood movies and series. CLIQ Digital's Movies & Series category in the DACH region will be significantly upgraded with over 200 hours of additional high-quality content licenced from LEONINE Studios in Munich. On 15 June 2022, Management will explain in more detail CLIQ Digital's upscaled German multi-content portal with its many new features and content highlights and give more color into its brand marketing campaign.

Buy recommendation and EUR 75.00 TP confirmed

During the Quirin virtual RS Board Member Ben Bos explained that at the moment there is no need for a capital increase to finance further growth. He also added that higher inflation and energy prices should have no negative impact on demand for CLIQ's entertainment portals. On the contrary, cash-strapped consumers will be seeking cheaper alternatives also for streaming entertainment purposes. We share this view as in particular its multi-content portal is offered at very fair prices, in German speaking countries at EUR 14.99/months.

Key figures		2020	2021	2022e	2023e	2024e
Sales	EUR m	107	150	214	273	349
EBITDA	EUR m	16	27	33	44	58
EBIT	EUR m	15	26	32	43	57
EPS	EUR	1.16	2.74	3.35	4.53	6.03
Sales growth	%	69.4	40.2	42.9	27.2	28.0
EBIT growth	%	218.8	72.8	22.2	34.0	31.8
EPS growth	%	223.7	136.7	22.3	35.2	33.1
EBITDA margin	%	14.9	18.1	15.4	16.1	16.5
EBIT margin	%	14.2	17.5	15.0	15.8	16.3
Net margin	%	6.7	11.9	10.2	10.8	11.2
EV/Sales	ratio	1.34	0.95	0.65	0.49	0.35
EV/EBITDA	ratio	9.0	5.2	4.2	3.1	2.1
EV/EBIT	ratio	9.4	5.4	4.4	3.1	2.2
P/E	ratio	7.4	9.4	6.6	4.9	3.7
P/BV	ratio	1.0	2.8	1.9	1.5	1.2
Dividend yield	%	5.4	4.3	6.1	8.2	10.9

Source: Bloomberg, Company data, Quirin Privatbank estimates

Profit & loss statement

Profit & loss statement (EUR m)	2020	YOY	2021	YOY	2022e	YOY	2023e	YOY	2024e	YOY
Sales	107.0	69.4 %	150.0	40.2 %	214.3	42.9 %	272.7	27.2 %	349.0	28.0 %
Cost of sales	72.0		98.8		141.1		179.6		229.8	
Gross profit	34.9		51.2		73.2		93.1		119.2	
Personell expenses	13.7		18.0		30.0		36.6		45.6	
Other operating income	0.0		0.0		0.0		0.0		0.0	
Other operating expenses	4.5		6.6		11.1		13.5		16.8	
EBITDA	15.9	177.3 %	27.2	70.5 %	33.0	21.5 %	44.0	33.1 %	57.7	31.2 %
EBITDA margin (%)	14.91		18.13		15.41		16.13		16.52	
EBIT	15.2	218.8 %	26.3	72.8 %	32.1	22.2 %	43.0	34.0 %	56.7	31.8 %
EBIT margin (%)	14.22		17.52		14.98		15.78		16.25	
Net interest	-0.8		-0.9		-1.1		-1.1		-1.0	
Income from Participations	n.a.		n.a.		n.a.		n.a.		n.a.	
Net financial result	-0.8		-0.9		-1.1		-1.1		-1.0	
Exceptional items	n.a.		n.a.		n.a.		n.a.		n.a.	
Pretax profit	14.4	272.3 %	25.3	76.2 %	31.0	22.3 %	41.9	35.2 %	55.8	33.0 %
Pretax margin (%)	13.45		16.90		14.46		15.37		15.98	
Taxes	4.0		7.1		8.7		11.7		15.6	
Tax rate (%)	27.51		28.04		28.03		28.03		28.02	
Earnings after taxes	10.4		18.2		22.3		30.2		40.1	
Minorities	3.3		0.4		0.5		0.7		0.9	
Group attributable income	7.2	223.7 %	17.8	148.9 %	21.8	22.3 %	29.5	35.2 %	39.2	33.1 %
No. of shares (m)	6.5		6.5		6.5		6.5		6.5	
Earnings per share (EUR)	1.16	223.7 %	2.74	136.7 %	3.35	22.3 %	4.53	35.2 %	6.03	33.1 %

Source: Company data, Quirin Privatbank estimates

Balance sheet

Balance sheet (EUR m)	2020	YOY	2021	YOY	2022e	YOY	2023e	YOY	2024e	YOY
Assets										
Cash and cash equivalents	4.9		7.3		10.7		14.8		25.9	
Accounts receivables	9.1		12.5		19.9		30.3		46.8	
Inventories	0.0		0.0		0.0		0.0		0.0	
Other current assets	7.7		17.1		22.1		32.1		42.1	
Tax claims	0.0		0.0		0.0		0.0		0.0	
Total current assets	21.7	42.9 %	36.9	69.7 %	52.7	42.8 %	77.2	46.5 %	114.7	48.7 %
Fixed assets	2.2		3.8		6.1		7.7		8.9	
Goodwill	47.8		48.2		48.2		48.2		48.2	
Other intangible assets	0.8		2.6		2.6		2.6		2.6	
Financial assets	0.0		1.5		1.5		1.5		1.5	
Deferred taxes	4.1		2.6		2.6		2.6		2.6	
Other fixed assets	0.3		0.8		0.8		0.8		0.8	
Total fixed assets	55.2	4.4 %	59.4	7.5 %	61.7	3.8 %	63.3	2.6 %	64.4	1.9 %
Total assets	77.0	13.0 %	96.3	25.1 %	114.3	18.8 %	140.4	22.8 %	179.2	27.6 %
Equity & Liabilities										
Subscribed capital	6.2		6.5		6.5		6.5		6.5	
Reserves & other	46.6		58.1		58.1		58.1		58.1	
Revenue reserves	-2.8		-5.5		7.6		25.3		48.8	
Accumulated other comprehensive	0.8		0.5		2.0		5.1		9.0	
Shareholder's equity	55.6	19.2 %	59.6	7.0 %	74.2	24.6 %	95.0	28.0 %	122.4	28.9 %
Minorities	4.8		0.0		0.0		0.0		0.0	
Shareholder's equity incl. minorities	55.6	19.2 %	59.6	7.0 %	74.2	24.6 %	95.0	28.0 %	122.4	28.9 %
Long-term liabilities										
Pension provisions	0.0		0.0		0.0		0.0		0.0	
Financial liabilities	3.8		0.0		0.0		0.0		0.0	
Tax liabilities	1.7		4.1		5.9		7.5		9.5	
Other liabilities	3.0		5.3		7.6		9.7		12.4	
Total long-term debt	8.5	-33.5 %	9.4	11.6 %	13.5	42.9 %	17.2	27.2 %	22.0	28.0 %
Short-term debt										
Other provisions	0.4		0.4		0.5		0.7		0.9	
Trade payables	2.0		7.9		4.3		3.5		4.5	
Financial debt	0.0		5.0		6.8		5.0		5.0	
Other liabilities	7.3		12.8		13.3		17.0		21.7	
Total short-term debt	12.9	48.0 %	27.3	112.1 %	26.6	-2.3 %	28.3	6.2 %	34.8	23.1 %
Total equity & liabilities	77.0	13.0 %	96.3	25.1 %	114.3	18.8 %	140.4	22.8 %	179.2	27.6 %

Source: Company data, Quirin Privatbank estimates

Financial key ratios

Key ratios	2020	2021	2022e	2023e	2024e
Per share data (EUR)					
EPS	1.16	2.74	3.35	4.53	6.03
Book value per share	9.0	9.2	11.4	14.6	18.8
Free cash flow per share	0.0	0.0	0.6	1.1	0.0
Dividend per share	0.46	1.10	1.34	1.81	2.41
Valuation ratios					
EV/Sales	1.34	0.95	0.65	0.49	0.35
EV/EBITDA	9.0	5.2	4.2	3.1	2.1
EV/EBIT	9.4	5.4	4.4	3.1	2.2
P/E	7.4	9.4	6.6	4.9	3.7
P/B	1.0	2.8	1.9	1.5	1.2
Dividend yield (%)	5.4	4.3	6.1	8.2	10.9
Growth					
Sales growth (%)	69.4	40.2	42.9	27.2	28.0
EBITDA growth (%)	177.3	70.5	21.5	33.1	31.2
EBIT growth (%)	218.8	72.8	22.2	34.0	31.8
EPS growth (%)	223.7	136.7	22.3	35.2	33.1
Profitability ratios					
EBITDA margin (%)	14.9	18.1	15.4	16.1	16.5
EBIT margin (%)	14.2	17.5	15.0	15.8	16.3
Net margin (%)	6.7	11.9	10.2	10.8	11.2
ROCE (%)	14.5	24.8	28.9	29.8	31.5
Financial ratios					
Total equity (EUR m)	55.6	59.6	74.2	95.0	122.4
Equity ratio (%)	72.3	61.9	64.9	67.6	68.3
Net financial debt (EUR m)	-1.1	-2.3	-4.0	-9.8	-20.9
Net debt/Equity	0.7	0.6	0.6	0.7	0.7
Interest cover	18.5	27.9	28.9	38.5	59.7
Net debt/EBITDA	-0.1	-0.1	-0.1	-0.2	-0.4
Payout ratio (%)	39.8	40.2	40.0	40.0	40.0
Working Capital (EUR m)	8.9	9.6	26.0	48.9	79.9
Working capital/Sales	0.08	0.06	0.12	0.18	0.23

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
10.05.2022	75.00	Buy	
08.03.2022	75.00	Buy	
03.11.2021	75.00	Buy	
28.09.2021	75.00	Buy	
11.05.2021	73.00	Buy	16.06.2020

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Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin – (Federal Financial Supervisory Authority), Graurheindorfer Str. 108 , 53117 Bonn

Contact Quirin Privatbank AG Frankfurt am Main

Schillerhaus / Schillerstraße 20 / 60313 Frankfurt am Main

Management Board: Karl Matthäus Schmidt • Johannes Eismann •

Contact Details

Quirin Privatbank AG

Schillerhaus | Schillerstrasse 20 | 60313 Frankfurt am Main

Tel.: +49 69 2 47 50 49-0 | Fax: +49 69 2 47 50 49-44 | Institutional-Sales-FFM@quirinprivatbank.de

Equity Research	Tel.	Email
Klaus Soer	+49 (0) 69 2475049-27	klaus.soer@quirinprivatbank.de
Ralf Marinoni	+49 (0) 69 2475049-24	ralf.marinoni@quirinprivatbank.de
Sebastian Droste	+49 (0) 69 2475049-26	sebastian.droste@quirinprivatbank.de
Daniel Kukalj	+49 (0) 69 2475049-28	daniel.kukalj@quirinprivatbank.de
Katharina Schmenger	+49 (0) 69 2475049-61	katharina.schmenger@quirinprivatbank.de
Mia Schuettler	+49 (0) 69 2475049-64	miaJohanna.Schuettler@quirinprivatbank.de

Equity Sales	Tel.	Email
Klaus Korzilius	+49 (0) 69 2475049-25	klaus.korzilius@quirinprivatbank.de
Oliver Mattick	+49 (0) 69 2475049-74	oliver.mattick@quirinprivatbank.de
Klaus Messenzehl	+49 (0) 69 2475049-46	klaus.messenzehl@quirinprivatbank.de
Bruno de Lencquesaing	+49 (0) 69 2475049-81	bruno.delencquesaing@quirinprivatbank.de

Fixed Income Sales	Tel.	Email
Jürgen Raabe	+49 (0) 69 2475049-41	juergen.raabe@quirinprivatbank.de
Janine Kaiser	+49 (0) 69 24750 49-83	janine.kaiser@quirinprivatbank.de
Michael Laufenberg	+49 (0) 69 2475049-48	michael.laufenberg@quirinprivatbank.de
Roman Piroutek	+49 (0) 69 2475049-47	roman.piroutek@quirinprivatbank.de

Trading / Sales Trading	Tel.	Email
Jean-Marie Frémion	+49 (0) 69 2475049-90	jean-marie.fremion@quirinprivatbank.de
Lars Haussmann	+49 (0) 69 2475049-76	lars.haussmann@quirinprivatbank.de
Peter Rumstich	+49 (0) 69 2475049-65	peter.rumstich@quirinprivatbank.de
Carsten Pfersdorf	+49 (0) 69 2475049-75	carsten.pfersdorf@quirinprivatbank.de

Business Support	Tel.	Email
Suganya Sutharsan	+49 (0) 69 2475049-88	suganya.sutharsan@quirinprivatbank.de