

4 August 2022

CLIQ Digital AG

Rating	Buy
Share price (EUR)	31.85
Target price (EUR)	80.00
Bloomberg	CLIQ GY
Sector	TMT

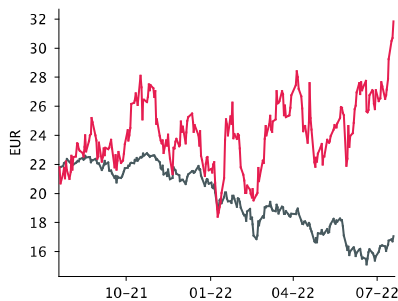
Share data

Shares out (m)	6.5
Daily volume shs (k)	20.0
Free float (%)	89.00
Market cap (EUR m)	207
EV (EUR m)	203
DPS (EUR)	1.10
Dividend yield (%)	4.3
Payout ratio (%)	40.0

Performance

ytd (%)	28.9
12 months (%)	27.9
12 months rel. (%)	49.3
Index	SDAX

Share price performance



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

Source: Bloomberg

Next triggers

3 November 2022

Analysts

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

Please see final page for important disclaimers and disclosures

Strong Q2-22 figures, FY 2022 guidance confirmed

CLIQ was able to increase all major KPIs in the second quarter, in particular sales rose by 94% yoy. The company confirmed its FY 2022 outlook. As a result we confirm our Buy recommendation and the EUR 80.00 TP.

Q2-22 Highlights & increase of current credit facilities

CLIQ was able to show a strong organic sales growth of 94% yoy to EUR 64.2m (Q2-21: EUR 33.1m). The strong sales growth reflects in particular an increase in marketing spend (EUR 29.6m compared to EUR 11.9m in Q2-21) resulting in more paid memberships for its multi-content portals. The number of members grew to 1.7m (Q1-22: 1.5m). In Q2-22 the EBITDA grew by 60% yoy to EUR 10.1m (Q2-21: EUR 6.3m) while margin came in at 16% (19%). The slight decrease reflects higher investments in marketing campaigns and content to grow the customer base.

End of July CLIQ announced that it has entered into an amendment and restatement to the company's current credit facility with Commerzbank and Deutsche Bank. This resulted in a EUR 24m increase, bringing CLIQ's credit facility to EUR 37.5m, with an option after one year to increase the facilities with another EUR 20m, bringing the total credit line up to EUR 57.5m. This is a strong vote of confidence in the business model of CLIQ. The credit line will allow CLIQ to grow via acquisitions, too. We believe that potential targets could i) increase its regional presence, ii) improve access to specific social media such as TikTok or iii) be a content provider in general.

Launch of CLIQ.de: "best of alles" (best of everything)

In June CLIQ presented an upscaled multi-content portal with new features and content highlights. cliqdigital.com/allnone will be re-introduced as CLIQ.de at a reduced membership fee of EUR 6.99 per month. The portal starts in Germany on the web and all platforms with a native app (mobile and TV) in September 2022. In addition to CLIQ's performance marketing campaigns, the brand marketing campaign highlights the main advantages of the new portal and positions the new consumer brand with a focus on value for money: streaming is simple and affordable for the mass market.

We confirm Buy recommendation and EUR 80.00 TP

The company confirmed its FY 2022 guidance (sales of at least EUR 250m, an EBITDA of more than EUR 38m, more than 2m members, marketing spend above EUR 90m). It is worth mentioning that its FY 2022 EV/EBITDA amounts to only 5.2x while P/E stands at 8.0x - far too low for such a fast growing and profitable company.

Key figures		2020	2021	2022e	2023e	2024e
Sales	EUR m	107	150	252	293	339
EBITDA	EUR m	16	27	39	45	53
EBIT	EUR m	15	26	38	44	51
EPS	EUR	1.16	2.74	3.97	4.56	5.27
Sales growth	%	69.4	40.2	68.2	16.0	15.8
EBIT growth	%	218.8	72.8	42.8	16.3	16.9
EPS growth	%	223.7	136.7	44.8	15.0	15.4
EBITDA margin	%	14.9	18.1	15.4	15.5	15.6
EBIT margin	%	14.2	17.5	14.9	14.9	15.0
Net margin	%	6.7	11.9	10.2	10.1	10.1
EV/Sales	ratio	1.93	1.37	0.81	0.70	0.60
EV/EBITDA	ratio	12.9	7.5	5.2	4.5	3.8
EV/EBIT	ratio	13.6	7.8	5.4	4.7	4.0
P/E	ratio	7.4	9.4	8.0	7.0	6.0
P/BV	ratio	1.0	2.8	2.7	2.1	1.7
Dividend yield	%	5.4	4.3	5.0	5.7	6.6

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 %	252.3	68.2 %	292.7	16.0 %	339.0	15.8 %
Cost of sales	72.0		98.8		166.2		192.7		223.2	
Gross profit	34.9		51.2		86.2		99.9		115.8	
Personell expenses	13.7		18.0		35.6		41.2		47.3	
Other operating income	0.0		0.0		0.0		0.0		0.0	
Other operating expenses	4.5		6.6		13.1		15.2		17.4	
EBITDA	15.9	177.3 %	27.2	70.5 %	38.8	42.6 %	45.2	16.7 %	52.9	17.0 %
EBITDA margin (%)	14.91		18.13		15.37		15.46		15.62	
EBIT	15.2	218.8 %	26.3	72.8 %	37.5	42.8 %	43.6	16.3 %	51.0	16.9 %
EBIT margin (%)	14.22		17.52		14.87		14.91		15.04	
Net interest	-0.8		-0.9		-0.8		-1.4		-2.3	
Income from Participations	n.a.		n.a.		n.a.		n.a.		n.a.	
Net financial result	-0.8		-0.9		-0.8		-1.4		-2.3	
Exceptional items	n.a.		n.a.		n.a.		n.a.		n.a.	
Pretax profit	14.4	272.3 %	25.3	76.2 %	36.7	44.8 %	42.2	15.0 %	48.7	15.4 %
Pretax margin (%)	13.45		16.90		14.55		14.42		14.37	
Taxes	4.0		7.1		10.3		11.8		13.6	
Tax rate (%)	27.51		28.04		28.03		28.03		28.02	
Earnings after taxes	10.4		18.2		26.4		30.4		35.1	
Minorities	3.3		0.4		0.6		0.7		0.8	
Group attributable income	7.2	223.7 %	17.8	148.9 %	25.8	44.8 %	29.7	15.0 %	34.3	15.4 %
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 %	3.97	44.8 %	4.56	15.0 %	5.27	15.4 %

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		7.6		14.6		16.9	
Accounts receivables	9.1		12.5		23.0		31.7		44.7	
Inventories	0.0		0.0		0.0		0.0		0.0	
Other current assets	7.7		17.1		27.1		37.1		47.1	
Tax claims	0.0		0.0		0.0		0.0		0.0	
Total current assets	21.7	42.9 %	36.9	69.7 %	57.7	56.5 %	83.4	44.5 %	108.8	30.4 %
Fixed assets	2.2		3.8		10.0		15.9		21.6	
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 %	65.5	10.4 %	71.5	9.0 %	77.1	8.0 %
Total assets	77.0	13.0 %	96.3	25.1 %	123.3	28.0 %	154.9	25.7 %	185.9	20.0 %
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		10.0		27.8		48.4	
Accumulated other comprehensive	0.8		0.5		3.7		5.2		7.0	
Shareholder's equity	55.6	19.2 %	59.6	7.0 %	78.2	31.3 %	97.6	24.8 %	120.0	23.0 %
Minorities	4.8		0.0		0.0		0.0		0.0	
Shareholder's equity incl. minorities	55.6	19.2 %	59.6	7.0 %	78.2	31.3 %	97.6	24.8 %	120.0	23.0 %
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		6.9		8.0		9.3	
Other liabilities	3.0		5.3		9.0		10.4		12.1	
Total long-term debt	8.5	-33.5 %	9.4	11.6 %	15.9	68.2 %	18.4	16.0 %	21.3	15.8 %
Short-term debt										
Other provisions	0.4		0.4		0.6		0.7		0.8	
Trade payables	2.0		7.9		6.3		5.3		6.2	
Financial debt	0.0		5.0		3.6		11.3		12.6	
Other liabilities	7.3		12.8		16.6		19.2		22.3	
Total short-term debt	12.9	48.0 %	27.3	112.1 %	29.2	7.0 %	38.9	33.3 %	44.6	14.7 %
Total equity & liabilities	77.0	13.0 %	96.3	25.1 %	123.3	28.0 %	154.9	25.7 %	185.9	20.0 %

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	3.97	4.56	5.27
Book value per share	9.0	9.2	12.0	15.0	18.4
Free cash flow per share	2.6	2.7	0.4	0.6	0.7
Dividend per share	0.46	1.10	1.59	1.82	2.11
Valuation ratios					
EV/Sales	1.93	1.37	0.81	0.70	0.60
EV/EBITDA	12.9	7.5	5.2	4.5	3.8
EV/EBIT	13.6	7.8	5.4	4.7	4.0
P/E	7.4	9.4	8.0	7.0	6.0
P/B	1.0	2.8	2.7	2.1	1.7
Dividend yield (%)	5.4	4.3	5.0	5.7	6.6
Growth					
Sales growth (%)	69.4	40.2	68.2	16.0	15.8
EBITDA growth (%)	177.3	70.5	42.6	16.7	17.0
EBIT growth (%)	218.8	72.8	42.8	16.3	16.9
EPS growth (%)	223.7	136.7	44.8	15.0	15.4
Profitability ratios					
EBITDA margin (%)	14.9	18.1	15.4	15.5	15.6
EBIT margin (%)	14.2	17.5	14.9	14.9	15.0
Net margin (%)	6.7	11.9	10.2	10.1	10.1
ROCE (%)	14.5	24.8	31.2	30.9	28.3
Financial ratios					
Total equity (EUR m)	55.6	59.6	78.2	97.6	120.0
Equity ratio (%)	72.3	61.9	63.5	63.0	64.5
Net financial debt (EUR m)	-1.1	-2.3	-4.0	-3.4	-4.3
Net debt/Equity	0.7	0.6	0.6	0.6	0.6
Interest cover	18.5	27.9	46.0	30.8	22.5
Net debt/EBITDA	-0.1	-0.1	-0.1	-0.1	-0.1
Payout ratio (%)	39.8	40.2	40.0	40.0	40.0
Working Capital (EUR m)	8.9	9.6	28.6	44.6	64.2
Working capital/Sales	0.08	0.06	0.11	0.15	0.19

Source: Company data, Quirin Privatbank estimates

Legal Disclaimer

This report was completed 04/08/2022 16:48 CEST (Delegierte Verordnung 2016/958, Artikel 3 Absatz 1e)

This document has been prepared by Quirin Privatbank AG (hereinafter referred to as „the Bank“). This document does not claim completeness regarding all the information on the stocks, stock markets or developments referred to in it. On no account should the document be regarded as a substitute for the recipient procuring information for himself/herself or exercising his/her own judgments.

The document has been produced for information purposes for institutional clients or market professionals. Private customers, into whose possession this document comes, should discuss possible investment decisions with their customer service officer as differing views and opinions may exist with regard to the stocks referred to in this document.

This document is not a solicitation or an offer to buy or sell the mentioned stock.

The document may include certain descriptions, statements, estimates, and conclusions underlining potential market and company development. These reflect assumptions, which may turn out to be incorrect. The Bank and/or its employees accept no liability whatsoever for any direct or consequential loss or damages of any kind arising out of the use of this document or any part of its content.

Any forecasts or price targets shown for companies discussed in this document may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. For investments in foreign markets and instruments there are further risks, generally based on changes in economic and political environment, changes in financial conditions of the relevant company, on exchange rate changes, etc.

The Bank and/or its employees may hold, buy or sell positions in any securities mentioned in this document, derivatives thereon or related financial products. The Bank and/or its employees may underwrite issues for any securities mentioned in this document, derivatives thereon or related financial products or seek to perform capital market or underwriting services.

The Bank reserves all the rights in this document.

The preparation of this document is subject to regulation by German Law.

Remarks regarding to U.K. clients: Distribution of this material in the U.K. is governed by the FSA Rules. This Report is intended only for distribution to Professional Clients or Eligible Counterparties (as defined under the rules of the FSA) and is not directed at Retail Clients (as defined under the rules of the FSA).

Disclosures in respect of section 85 of the German Securities Trading Act, the market abuse regulation and the Commission Delegated Regulation (EU) 2016/958

Section 85 of the German Securities Trading Act in combination with the European regulations requires an enterprise preparing a securities analyses to point possible conflicts of interest with respect to the company that is the subject of the analyses. Catalogue of potential conflicts of interest:

1. The Bank and/or its affiliate(s) own a net long or short position exceeding the threshold of 0,5% of the total issued share capital of the company that is the subject of the Research Document, calculated in accordance with Article 3 of regulation (EU) No 236/2012 and with Chapter III and IV of Commission Delegated Regulation (EU) No 918/2012
2. The company that is the subject of the Research Document owns 5% or more in the total issued share capital of the Bank and/or its affiliate(s)
3. The Bank and/or its affiliate(s) was Lead Manager or Co-Lead Manager over the previous 12 months of a public offering of analyzed company
4. The Bank and/or its affiliate(s) act as Market Maker or Designated Sponsor for the analyzed company
5. The Bank and/or its affiliate(s) over the previous 12 months has been providing investment banking services for the analyzed company for which a compensation has been or will be paid
6. The responsible analyst named in this report disclosed a draft of the analysis set forth in this Research Document to the company that is the subject of this Research Document for fact reviewing purposes and changes were made to this Research Document before publication
7. The Bank and/or its affiliate(s) effected an agreement with the analyzed company for the preparation of the financial analysis
8. The Bank and/or its affiliate(s) holds a trading position in shares of the analyzed company
9. The Bank and/or its affiliate(s) has other important financial interests in relation to the analyzed company

In relation to the security or financial instrument discussed in this analyses the following possible conflict of interest exists: (7)

The Bank have set up effective organizational administrative arrangements to prevent and avoid possible conflicts of interest and, where applicable, to disclose them. The Quirin research analysts involved in issuing research reports operate independently of Quirin Investment Banking business. Information barriers and procedures are in place between the research analysts and staff involved in securities trading for the account of Quirin or clients to ensure the price sensitive information is treated according to applicable laws and regulations.

The valuation underlying the rating of the company analyzed in this report is based on generally accepted and widely used methods of fundamental valuation, such as the DCF model, Free Cash Flow Value Potential, peer group comparison and – where applicable – a sum-of-the-parts model.

We do not commit ourselves in advance to whether and in which intervals an update is made. The document and the recommendation and the estimations contained therein are not linked – whether directly or indirectly – to the compensation of the analyst responsible for the document.

All share prices given in this equity analysis are closing prices from the last trading day before the publication date stated, unless another point in time is explicitly stated.

The rating in this report are based on the analyst's expectation of the absolute change in stock price over a period of 6 to 12 months and reflect the analyst's view of the potential for change in stock price as a percentage. The BUY and SELL ratings reflect the analyst's expected high change in the value of the stock.

The levels of change expressed in each rating categories are:

BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

Analyst certification

Ralf Marinoni, financial analyst, hereby certifies that all of the views expressed in this report accurately reflect my personal views about any and all of the subject securities or issuers discussed herein. In addition, I hereby certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this research report, nor is it tied to any specific investment banking transaction performed by the Bank or its affiliates.

Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
04.08.2022	80.00	Buy	
22.06.2022	80.00	Buy	
10.05.2022	75.00	Buy	
08.03.2022	75.00	Buy	
03.11.2021	75.00	Buy	
28.09.2021	75.00	Buy	
05.08.2021	73.00	Buy	16.06.2020

Bank distribution of ratings and in proportion to investment banking services can be found on the internet at the following address:

<https://www.quirinprivatbank.de/kapitalmarktgeschaefte/institutionelles-research>

Bank disclosures, conflict of interest on complete list of financial analysis on the last 12 month can be found on the internet at the following address:

<https://research.quirinprivatbank.de/content/disclosures>

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

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
Tina Heidenreich	+49 (0) 69 2475049-73	tina.heidenreich@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