

5 May 2023

CLIQ Digital AG

Rating	Buy
Share price (EUR)	26.65
Target price (EUR)	87.00
Bloomberg Sector	CLIQ GY TMT

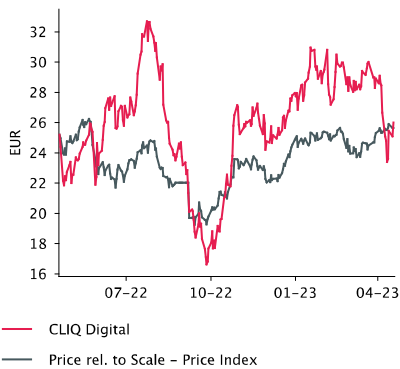
Share data

Shares out (m)	6.5
Daily volume shs (k)	20
Free float (%)	89.00
Market cap (EUR m)	169
EV (EUR m)	150
DPS (EUR)	1.79
Dividend yield (%)	7.4
Payout ratio (%)	40.0

Performance

ytd (%)	3.2
12 months (%)	-5.8
12 months rel. (%)	-5.8
Index	Scale

Share price performance



Source: Bloomberg

Next triggers

3 August 2023: H1 Report
2 November 2023: 9M Report

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Best first quarter results ever

In Q1-23, CLIQ was able to increase major KPIs (e.g. sales +68% yoy, EBITDA + 54% yoy). Considering this strong start in the current business year, its guidance for the full year is conservative. For the time being, we leave estimates and TP unchanged and confirm the EUR 87.00 TP.

Overview Q1-23

CLIQ focuses mainly on bundled-content services (sales +79% yoy) and revenue grew significantly by 58% yoy to EUR 82.9m (Q1-22: EUR 52.6m) in the group. A major reason for the strong growth was its marketing spend that grew by 46% to EUR 32.9m (Q1-22: EUR 22.5m) due to an increased advertising volume as well as due to higher online advertising market prices. The EBITDA climbed by 54% yoy to EUR 12.8m (EUR 8.3m), accompanied by a stable EBITDA margin of 15.4% (Q1-22: 15.8%). Also balance sheet figures improved: As of 31 March 2023, the net cash position of CLIQ amounted to EUR 10.9m – a yoy improvement of EUR 8.4m. Due to its comfortable liquidity situation, CLIQ terminated the financing facility provided by the consortium of Commerzbank and Deutsche Bank (total credit facility of EUR 37.5m with a further top-up option of EUR 20m) and simultaneously entered into a smaller overdraft facility with HSBC for an amount of EUR 15.0m. In addition, terms and conditions are improved, too.

Flagship bundled streaming service in Germany

Its new bundled streaming service (www.cliq.de), which was launched at the end of FY 2022, was further upgraded with > 50 Hollywood movies and the ATP World Tour 250 tennis among others. CLIQ's supporting brand marketing campaign took up further momentum in April with online and TV commercials as well as digital out-of-home advertising media with moving videos and a product placement. TV commercials were in particular placed on stations of the ProSiebenSat.1 Media group which have a high reach among viewers. CLIQ has set ambitious goals regarding its German flagship service: The company wants to generate 500m impressions by the end of Q2-23 and to reach 65% of all Germans aged between 18-64 years.

Short- and mid-term outlook confirmed

For FY 2023 CLIQ continues to expect sales to exceed EUR 345m, reflecting strong marketing activities (> EUR 120m of marketing spend assumed) and investments into additional attractive content. EBITDA is expected to exceed EUR 50m. During the call CEO Luc Voncken confirmed CLIQ's mid-term (end FY 2025) sales target of EUR 500m which looks achievable to us.

Key figures		2021	2022	2023e	2024e	2025e
Sales	EUR m	150	276	349	421	497
EBITDA	EUR m	27	44	50	61	73
EBIT	EUR m	26	42	49	59	71
EPS	EUR	2.74	4.47	5.19	6.34	7.64
Sales growth	%	40.2	84.1	26.6	20.4	18.2
EBIT growth	%	72.8	60.1	15.7	21.6	19.8
EPS growth	%	136.7	63.2	16.0	22.2	20.5
EBITDA margin	%	18.1	15.8	14.4	14.6	14.7
EBIT margin	%	17.5	15.2	13.9	14.1	14.3
Net margin	%	11.9	10.5	9.7	9.8	10.0
EV/Sales	ratio	1.08	0.56	0.43	0.33	0.26
EV/EBITDA	ratio	5.9	3.5	3.0	2.3	1.8
EV/EBIT	ratio	6.2	3.7	3.1	2.4	1.8
P/E	ratio	9.4	5.4	5.0	4.1	3.4
P/BV	ratio	2.8	1.9	1.6	1.3	1.0
Dividend yield	%	4.3	7.4	8.0	9.7	11.7

Source: Bloomberg, Company data, Quirin Privatbank estimates

Profit & loss statement

Profit & loss statement (EUR m)	2021	YOY	2022	YOY	2023e	YOY	2024e	YOY	2025e	YOY
Sales	150.0	40.2 %	276.1	84.1 %	349.5	26.6 %	420.8	20.4 %	497.2	18.2 %
Cost of sales	98.8		201.3		261.8		315.3		372.5	
Gross profit	51.2		74.8		87.6		105.5		124.7	
Personell expenses	18.0		20.7		24.7		29.3		34.0	
Other operating income	0.0		0.0		0.0		0.0		0.0	
Other operating expenses	6.9		12.0		14.3		17.0		19.7	
EBITDA	27.2	70.5 %	43.5	60.0 %	50.4	15.9 %	61.3	21.5 %	73.3	19.7 %
EBITDA margin (%)	18.13		15.76		14.43		14.56		14.74	
EBIT	26.3	72.8 %	42.1	60.1 %	48.7	15.7 %	59.2	21.6 %	70.9	19.8 %
EBIT margin (%)	17.52		15.24		13.93		14.07		14.27	
Net interest	-0.9		-1.2		-1.1		-0.9		-0.9	
Income from Participations	n.a.		n.a.		n.a.		n.a.		n.a.	
Net financial result	-0.9		-1.2		-1.1		-0.9		-0.9	
Exceptional items	n.a.		n.a.		n.a.		n.a.		n.a.	
Pretax profit	25.3	76.2 %	40.9	61.2 %	47.6	16.5 %	58.3	22.4 %	70.0	20.1 %
Pretax margin (%)	16.90		14.80		13.63		13.85		14.08	
Taxes	7.1		11.9		13.8		16.7		19.9	
Tax rate (%)	28.04		29.14		28.91		28.69		28.46	
Earnings after taxes	18.2		29.0		33.8		41.6		50.1	
Minorities	0.4		-0.1		0.1		0.3		0.4	
Group attributable income	17.8	148.9 %	29.0	63.0 %	33.8	16.2 %	41.2	22.2 %	49.7	20.5 %
No. of shares (m)	6.5		6.5		6.5		6.5		6.5	
Earnings per share (EUR)	2.74	136.7 %	4.47	63.2 %	5.19	16.0 %	6.34	22.2 %	7.64	20.5 %

Source: Company data, Quirin Privatbank estimates

Balance sheet

Balance sheet (EUR m)	2021	YOY	2022	YOY	2023e	YOY	2024e	YOY	2025e	YOY
Assets										
Cash and cash equivalents	7.3		16.8		19.3		28.7		40.6	
Accounts receivables	12.5		13.6		25.2		38.4		55.4	
Inventories	0.0		0.0		0.0		0.0		0.0	
Other current assets	17.1		39.6		49.6		59.6		69.6	
Tax claims	0.0		0.0		0.0		0.0		0.0	
Total current assets	36.9	69.7 %	70.0	89.9 %	94.2	34.4 %	126.7	34.6 %	165.6	30.7 %
Fixed assets	3.8		5.0		11.9		18.9		25.9	
Goodwill	48.2		47.4		47.4		47.4		47.4	
Other intangible assets	2.6		8.4		8.4		8.4		8.4	
Financial assets	1.5		2.0		2.0		2.0		2.0	
Deferred taxes	2.6		1.6		1.6		1.6		1.6	
Other fixed assets	0.8		0.7		0.7		0.7		0.7	
Total fixed assets	59.4	7.5 %	65.1	9.6 %	72.0	10.7 %	79.0	9.7 %	86.0	8.8 %
Total assets	96.3	25.1 %	135.1	40.3 %	166.2	23.0 %	205.8	23.8 %	251.6	22.3 %
Equity & Liabilities										
Subscribed capital	6.5		6.5		6.5		6.5		6.5	
Reserves & other	58.1		58.1		58.1		58.1		58.1	
Revenue reserves	-5.5		16.8		37.1		61.8		91.6	
Accumulated other comprehensive	0.5		0.0		1.9		4.8		8.2	
Shareholder's equity	59.6	7.0 %	81.3	36.5 %	103.4	27.2 %	131.2	26.8 %	164.4	25.3 %
Minorities	0.0		-0.1		-0.1		-0.1		-0.1	
Shareholder's equity incl. minorities	59.6	7.0 %	81.3	36.5 %	103.4	27.2 %	131.2	26.8 %	164.4	25.3 %
Long-term liabilities										
Pension provisions	0.0		0.0		0.0		0.0		0.0	
Financial liabilities	0.0		6.6		5.0		5.0		5.0	
Tax liabilities	4.1		10.5		13.3		16.0		18.9	
Other liabilities	5.3		5.5		7.0		8.4		9.9	
Total long-term debt	9.4	11.6 %	22.6	139.2 %	25.3	11.9 %	29.4	16.4 %	33.8	15.1 %
Short-term debt										
Other provisions	0.4		0.4		0.5		0.6		0.7	
Trade payables	7.9		9.5		10.1		12.1		14.3	
Financial debt	5.0		0.0		0.0		0.0		0.0	
Other liabilities	12.8		18.7		23.7		28.5		33.7	
Total short-term debt	27.3	112.1 %	31.2	14.5 %	37.5	20.2 %	45.2	20.4 %	53.4	18.2 %
Total equity & liabilities	96.3	25.1 %	135.1	40.3 %	166.2	23.0 %	205.8	23.8 %	251.6	22.3 %

Source: Company data, Quirin Privatbank estimates

Financial key ratios

Key ratios	2021	2022	2023e	2024e	2025e
Per share data (EUR)					
EPS	2.74	4.47	5.19	6.34	7.64
Book value per share	9.2	12.5	15.9	20.2	25.3
Free cash flow per share	2.7	0.0	0.8	1.5	1.8
Dividend per share	1.10	1.79	2.07	2.53	3.05
Valuation ratios					
EV/Sales	1.08	0.56	0.43	0.33	0.26
EV/EBITDA	5.9	3.5	3.0	2.3	1.8
EV/EBIT	6.2	3.7	3.1	2.4	1.8
P/E	9.4	5.4	5.0	4.1	3.4
P/B	2.8	1.9	1.6	1.3	1.0
Dividend yield (%)	4.3	7.4	8.0	9.7	11.7
Growth					
Sales growth (%)	40.2	84.1	26.6	20.4	18.2
EBITDA growth (%)	70.5	60.0	15.9	21.5	19.7
EBIT growth (%)	72.8	60.1	15.7	21.6	19.8
EPS growth (%)	136.7	63.2	16.0	22.2	20.5
Profitability ratios					
EBITDA margin (%)	18.1	15.8	14.4	14.6	14.7
EBIT margin (%)	17.5	15.2	13.9	14.1	14.3
Net margin (%)	11.9	10.5	9.7	9.8	10.0
ROCE (%)	24.8	31.6	32.9	31.5	0.0
Financial ratios					
Total equity (EUR m)	59.6	81.3	103.4	131.2	164.4
Equity ratio (%)	61.9	60.2	62.2	63.7	65.3
Net financial debt (EUR m)	-2.3	-9.9	-14.3	-23.7	-35.6
Net debt/Equity	0.6	0.6	0.6	0.6	0.7
Interest cover	27.9	34.5	45.3	63.6	76.2
Net debt/EBITDA	-0.1	-0.2	-0.3	-0.4	-0.5
Payout ratio (%)	40.2	40.0	40.0	40.0	40.0
Working Capital (EUR m)	9.6	38.8	56.6	81.5	112.2
Working capital/Sales	0.06	0.14	0.16	0.19	0.23

Source: Company data, Quirin Privatbank estimates

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BUY > +10%

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

SELL > -10%.

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Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
05.05.2023	87.00	Buy	
28.02.2023	87.00	Buy	
09.11.2022	80.00	Buy	
04.08.2022	80.00	Buy	
22.06.2022	80.00	Buy	
10.05.2022	75.00	Buy	16.06.2020

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Competent supervisory authority

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