



Key quarterly insights: 2Q20

Locking in future growth through high-profile partnerships and product innovation

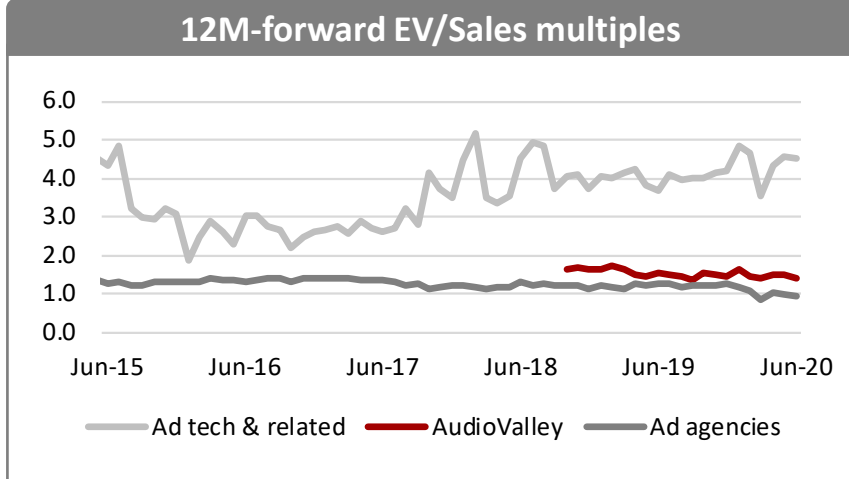
Since our initiation report dated 28 May, Targetspot - AudioValley's main USP and growth driver - has reported several new promising partnerships: (1) the extension of the Sonos contract beyond the initial geographies (US, UK, Ireland, Canada and Australia) to six new countries: France, Italy, Germany, Netherlands, Sweden and New Zealand, (2) a 2-year partnership with Stingray, a leading music, media and technology company to monetize their digital audio advertising across its music services including free, ad-supported TV audio channels and a music app, with a growing audience, currently at 70m monthly active users and (3) a 3-year contract to market worldwide the digital audio ad spots of Radio France and France Médias Monde, two public broadcasting companies, extending an initial 3-year contract. Together with the TuneIn contract announced in May, management expects a run-rate potential of EUR 10m of annual sales from these contracts (vs. AudioValley's EUR 22m proforma sales in 2019 and the EUR 31m that we expect for 2021e). Product development is on track to support the growth, with the launch in April of Passport Explore, the platform to optimise the management of digital audio ad campaigns. The platform can handle as much as EUR 300m of ad spend business volume (currently running at 10% of its capacity), which highlights the company's ambitions.

Successful equity issue

AudioValley reported a EUR 5.4m capital increase through a private placement on 30 June. 1.7m new shares (20% increase) were issued at EUR 3.15/share (25% discount to the close on 29 June). The proceeds will be used mainly to pay back the final tranche of the vendor loan to Vivendi (EUR 3m, reimbursed indeed on 9 July), which confirms the booking of a EUR 8.6m discount on the initial EUR 29.7m loan. Some of the proceeds will also be used to fund the growth of Targetspot. Indeed, our financial model points to negative free cashflow of EUR 2.4m in 2020s, but which is expected to turn positive as from 2021e (EUR 2.7m expected). The impact on our earnings estimates is limited as we had already reflected a potential capital increase of EUR 6.5m as per the company's intention, made public ahead of our initiation report. Free float is now at 45% from 33%, which is also supportive to the equity story.

Valuation upside potential

AudioValley is expected to deliver superior growth than those peers going forward, but with lower profitability for the moment and with a more leveraged balance sheet (gearing is still expected at 98% by end-2020). Our fair-value estimate of EUR 6.17/share (was EUR 6.19) is based on a SOTP, valuing Targetspot at a M&A valuation multiple of 3x sales, well below 4.6x which is the takeout multiple in 2018 of the two closest peers (Trinton and Adswizz).



EURm	2017	2018	2019	2020e	2021e	2022e
Sales	14.0	24.6	22.0	19.6	30.9	47.0
EBITDA	1.2	0.3	-0.6	0.4	2.4	6.5
EBIT	3.2	-4.1	2.3	-4.8	-3.0	0.8
Net profit	2.7	-5.3	4.8	-6.3	-4.0	0.2
EPS (EUR)	0.98	-0.94	0.56	-0.67	-0.39	0.02
P/E (x)		-4.8	8.2	-6.0	-10.3	209.0
EV/Sales (x)		2.4	2.3	2.5	1.4	0.8
Adj. EV/EBITDA (x)		207.5	-86.6	137.8	18.4	5.5

Source: Merodis Equity Research, Factset
Pricing date: 30/6/2020

Goals of this Dashboard

- ➔ Follow-up to our coverage of AudioValley which was launched in May 2020 (see below)
- ➔ Tool to keep investors up to date with AudioValley's equity story as well as its valuation in a sector context
- ➔ Update investors on recent company and sector news flow

Corporate calendar of AudioValley's upcoming announcements and events

- ➔ Monday, 27 July 2020: 2H20 turnover

Access our recent research reports on AudioValley:

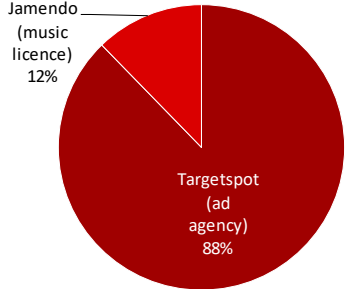
- ➔ ["Equity research report", Merodis Equity Research initiation report, 28 May 20120](#)

Company description

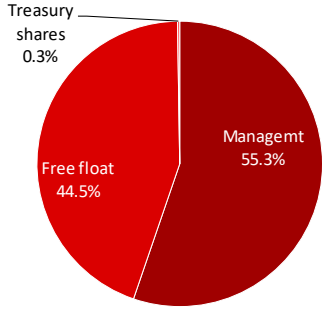
AudioValley is a Belgian technology company active in the field of digital audio disruption covering most of the industry’s value chain: from music licencing to software enabling the creation, streaming and hosting of digital audio content over the internet for a range of publishers including online radio channels, podcasts, connected hardware etc. AudioValley’s main USP, and growth driver, is its global digital ad selling business, **Targetspot**, a technology platform allowing digital audio publishers to monetise their audience through targeted advertising.

Combined group sales in 2019 are primarily generated in North America (67%) and in Europe (31%). AudioValley operates two business units: **Targetspot** (88% of group sales in 2019) and its music licensing business: **Jamendo** (12%). It recently sold its lucrative, albeit slow-growing, in-store digital audio marketing activity, **Storever**, a transaction allowing it to focus on its core technology and to deleverage its balance sheet at the same time.

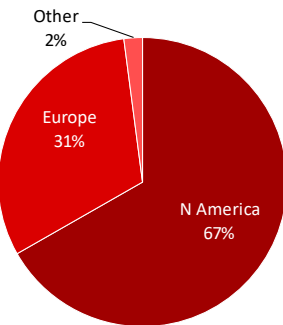
Sales breakdown (2019)



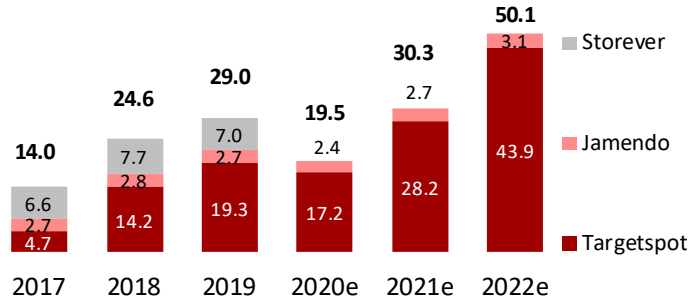
Shareholders



Geographic breakdown (2019)



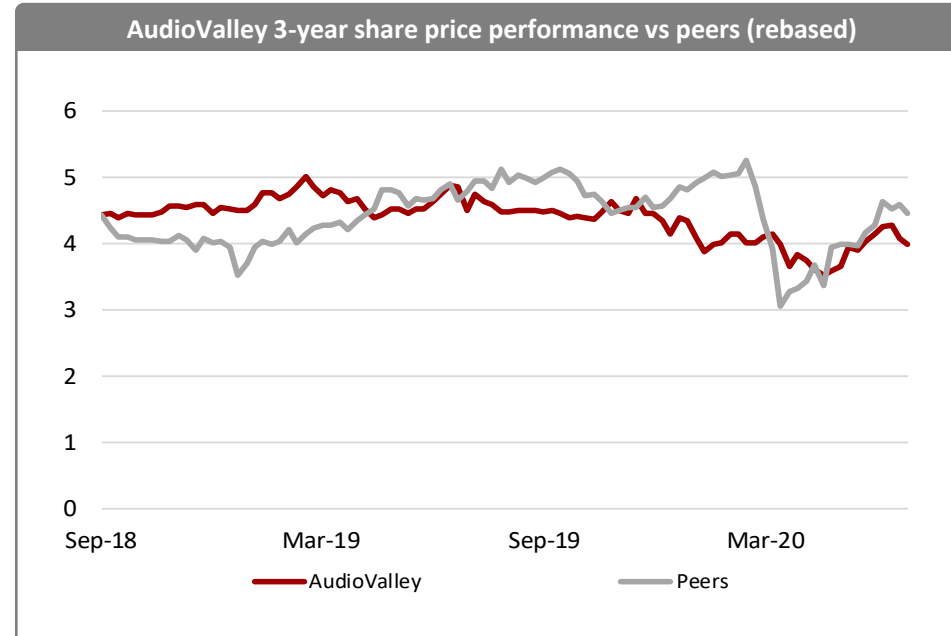
Sales growth profile (EURm)



Source: Merodis, Factset

Share price performance

Performing roughly in line with sector peers



Source: Merodis, Factset

Analyst Recommendations, Earnings Expectations

Consensus revised downwards as Covid-19 hits

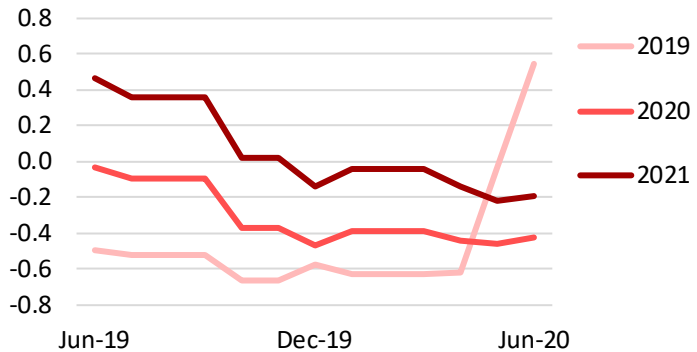
Consensus view

2020 consensus EPS estimates for AudioValley remained relatively stable during 1H20 at around EUR -0.4 (EUR-0.42 at July 30, 2020). However, compared to June 30, 2019, consensus estimates have been revised down from EUR-0.03 amidst Covid-19 lockdown effects. We expect top-line to be hit, particularly in 1H20, with an estimated 19% drop in sales for FY20e. Costs should come down from strong cost containment measures taken by management (mainly temporary unemployment, with staff costs representing 75% of fixed costs), but we expect a sharp negative EPS impact in 2020. Consensus currently expects 2021e earnings of EUR -0.19 (down 375% q-o-q) vs. our forecast of EUR -0.38. In our 2022e EPS forecast estimates, we expect at EUR 0.02, showing strong EPS growth y-o-y, reflecting greatly improving EBITDA margins to 9.9% from 3.7% in 2021e.

AudioValley's share price was up 3.9% in 2Q20, faring worse than the broader market (+12.6% for the Euro Stoxx 600) and its sector peers (+33.7% q-o-q). The share's 12 months low was EUR 3.40 (intraday on 24 April 2020), while its high during the year was EUR 4.75 (9 July 2020).

Two brokers cover the stock according to Factset, Greensome Finance (Buy recommendation with €3.75 target price) and Gilbert Dupont (Buy recommendation with €5.60 target price).

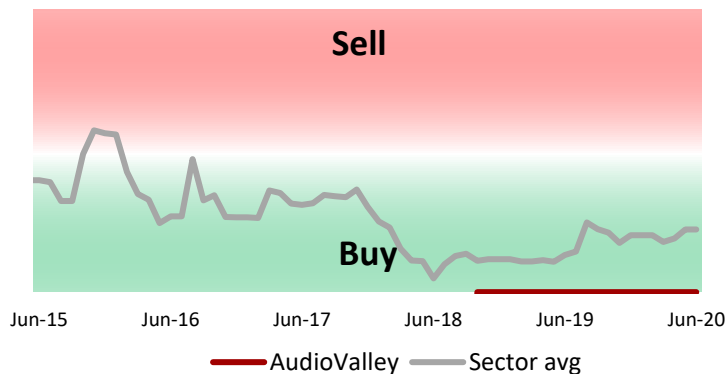
EPS Worms (EUR/share)



Merodis Equity Research estimates (MERe) vs. consensus (%)

	2020	2021	2022
Sales	-29.8	-18.6	10.4
EBIT	76.4	294.1	-934.4
EPS (€)	58.5	103.6	-119.1
Net debt	-18.0	-35.4	-82.3

Analyst recommendations vs. peer average



Source: Merodis, Factset

Sector benchmarking and valuation analysis

Benchmarking Ad tech & related peers and listed Ad agencies

Sector financial benchmarking

Company	Freefloat (%) 2020e	Depr/ EBITDA	Capex/ Sales	ND/EBITDA			EBITDA margin (%)			EBIT margin (%)			Net margin (%)			ROE (%)			2020-22e CAGR (%)		
				2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	EPS	EBITDA	Sales
				Facebook	84	15%	25%	-1.8	-1.8	-2.0	47.8	47.9	47.5	33.1	35.0	35.6	27.4	29.1	29.3	19.1	20.8
Snap	60	-8%	10%	-1.8	-1.7	-1.3	-9.9	7.8	19.7	-48.4	-22.1	-5.3	-48.9	-22.1	-5.4	-51.5	-35.7	-11.4	-52.5		34.7
Twitter	96	43%	16%	-5.6	-4.2	-4.1	24.4	28.5	30.9	4.9	10.4	12.9	10.1	11.1	16.0	3.5	5.9	6.9	45.8	32.7	17.9
Google	44	21%	18%	-2.2	-2.1	-2.4	33.6	34.6	34.6	19.0	20.8	21.0	17.3	18.7	18.7	14.0	16.0	15.5	23.5	19.3	17.5
Trade Desk	88	10%	5%	-0.4	-0.5	-0.6	25.0	28.7	31.2	8.6	13.8	17.2	8.7	10.5	12.8	18.4	20.5	21.1	35.7	46.2	30.9
Quotient	82	236%	7%	-0.9	-1.4	-2.0	10.0	12.7	13.0	-7.1	-3.3	-0.8	-9.8	-5.7	-3.2	-6.3	-4.0	-2.1	-39.6	28.0	12.1
Rubicon Project	91	-135%	16%	-1.7	16.0	24.6	-34.8	-9.6		-32.7	-8.5										29.1
Acuity Ads	72	-143%	6%	1.1	0.4		9.6	12.6		-2.8	8.3		-3.6	7.2							
Criteo	95	44%	5%	-2.9	-2.9	-3.1	20.0	23.3	24.7	4.0	8.7	8.9	7.5	10.9	12.2	5.6	7.5	7.2	20.0	14.5	3.0
ReWorld Media	52	29%	2%	0.5	-0.3		8.4	9.4		7.0	8.3		4.2	5.7		19.6					
PEER AVERAGE	80	7%	7%	-0.5	-0.9	-1.9	11.9	17.1	23.4	-4.2	4.4	8.5	-4.3	3.4	7.3	9.3	8.0	8.7	5.4	29.5	18.8
PEER MEDIAN	85	20%	6%	-0.4	-0.5	-2.0	9.8	14.4	24.7	0.6	8.3	8.9	0.3	6.5	12.2	12.0	7.5	7.2	20.0	28.0	20.6
AudioValley	33	na	2%	-31.5	8.5	0.4	-2.2	3.7	9.9	-37.3	-19.7	-6.5	-32.3	-12.9	0.4	-46.8	-42.1	2.0	na	na	55.1
% prem./(disc.) vs median	-60.7	na	-66.0	8,250.5	na	na	na	-74.6	-59.8	na	na	na	na	na	-96.6	na	na	-71.6	na	na	167.8

Source: Merodis, Factset

Company	Freefloat (%) 2020e	Depr/ EBITDA	Capex/ Sales	ND/EBITDA			EBITDA margin (%)			EBIT margin (%)			Net margin (%)			ROE (%)			2020-22e CAGR (%)		
				2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	EPS	EBITDA	Sales
				Publicis	89	14%	2%	1.6	1.1	0.8	20.8	22.3	21.3	12.7	14.4	14.8	7.4	8.9	9.3	11.0	12.7
WPP	100	20%	2%	1.2	1.0	1.0	15.6	17.5	17.7	11.8	13.8	14.1	7.1	8.7	9.0	8.0	10.1	10.4	18.5	10.2	3.4
Interpublic	99	17%	2%	1.7	1.3	1.2	15.2	16.4	16.2	10.7	12.1	12.3	6.3	7.5	7.7	18.4	21.7	22.5	14.6	6.6	3.5
Omnicom	99	11%	1%	0.4	0.3	0.3	14.1	14.9	15.3	12.3	13.2	13.4	7.3	8.1	8.3	32.4	36.3	36.6	13.3	7.1	3.0
PEER AVERAGE	97	15%	2%	1.2	0.9	0.8	16.4	17.8	17.6	11.9	13.3	13.6	7.0	8.3	8.6	17.5	20.2	20.5	15.1	7.4	3.6
PEER MEDIAN	99	16%	2%	1.4	1.0	0.9	15.4	17.0	16.9	12.1	13.5	13.7	7.2	8.4	8.7	14.7	17.2	17.5	14.3	6.8	3.4
AudioValley	33	na	2%	-31.5	8.5	0.4	-2.2	3.7	9.9	-37.3	-19.7	-6.5	-32.3	-12.9	0.4	-46.8	-42.1	2.0	na	na	55.1
% prem./(disc.) vs median	-66.3	na	-1.6	na	717.7	-52.7	na	-78.5	-41.5	na	na	na	na	na	-95.2	na	na	-88.4	na	na	1,498.3

Source: Merodis, Factset

Sector benchmarking and valuation analysis

Benchmarking Ad tech & related peers and listed Ad agencies

Sector valuation

	Company	Country	Price (local)	MCap (local m)	P/E			EV/Sales			EV/EBITDA			EV/EBIT			P/B			DYield			
					2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	
Adtech & related	Facebook	UNITED STATES	227.07	647,377	30.9	23.4	18.9	7.5	5.9	4.6	15.7	12.3	9.7	22.8	16.8	13.0	5.5	4.4	3.5	0.0	0.0	0.0	
	Snap	UNITED STATES	23.49	33,816				16.1	11.6	8.7		149.0	44.0		18.9	18.5	14.7	0.0	0.0	0.0			
	Twitter	UNITED STATES	29.79	23,358	75.4	44.6	35.5	5.7	4.7	3.8	23.6	16.4	12.5	118.4	44.9	29.8	2.7	2.6	2.3	0.0	0.0	0.0	
	Google	UNITED STATES	1,418.05	969,907	33.5	25.6	22.0	4.9	4.0	3.3	14.7	11.5	9.5	25.9	19.1	15.6	4.5	3.8	3.1	0.0	0.0	0.0	
	Trade Desk	UNITED STATES	406.50	18,713	151.7	107.1	82.3	27.2	19.9	15.7	108.5	69.2	50.3	314.9	144.4	91.0	24.8	19.6	15.6	0.0	0.0	0.0	
	Quotient	UNITED STATES	7.32	658				1.4	1.1	0.9	14.0	8.8	7.1				0.9	0.9	0.9	0.0	0.0		
	Rubicon Project	UNITED STATES	6.67	367		175.5																	
	Acuity Ads	CANADA	1.09	54	218.0	9.7		0.7	0.5		7.0	4.0			6.1								
	Criteo	FRANCE	11.39	702	12.7	9.0	8.8	0.4	0.2	0.2	2.0	1.1	0.7	9.8	2.8	1.8	0.7	0.7	0.6	0.0	0.0	0.0	
	ReWorld Media	FRANCE	1.98	79	5.8	4.5		0.3	0.2		3.3	2.1		4.0	2.3		1.0			0.0	0.0		
	PEER AVERAGE				97.0	61.2	45.6	6.0	4.4	5.6	26.9	17.0	19.4	109.6	38.9	46.4	6.9	7.1	5.7	0.0	0.0	0.0	
PEER MEDIAN				82.2	9.7	45.6	0.7	0.5	0.9	7.0	4.0	7.1	9.8	4.5	46.4	1.0	0.9	0.9	0.0	0.0	0.0		
AudioValley	Belgium	3.99	34	na	na	209.0	2.5	1.4	0.8	137.8	18.4	5.5	na	na	na	2.8	4.3	4.3	0.0	0.0	0.0		
% prem./(disc.) vs median				na	na	358.7	281.8	177.8	-17.0	1,871.7	357.8	-22.1	na	na	na	189.8	382.8	396.8	na	na	na		

Source: Merodis, Factset

	Company	Country	Price (local)	MCap (local m)	P/E			EV/Sales			EV/EBITDA			EV/EBIT			P/B			DYield		
					2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e
Ad agencies	Publicis	FRANCE	28.81	6,827	8.1	6.6	6.2	1.0	0.9	0.8	5.0	4.1	3.9	8.3	6.3	5.5	0.9	0.8	0.8	5.1	6.9	7.7
	WPP	UNITED KINGDOM	6.31	7,873	11.2	8.5	8.0	1.0	0.9	0.9	6.4	5.4	5.3	8.5	6.8	6.7	0.9	0.8	0.8	4.4	7.8	7.4
	Interpublic	UNITED STATES	17.16	6,684	12.7	10.4	9.7	1.1	1.0	1.0	7.4	6.4	6.2	10.5	8.7	8.2	2.3	2.2	2.2	5.6	5.9	6.0
	Omnicom	UNITED STATES	54.60	11,700	12.3	10.0	9.6	0.9	0.9	0.9	6.7	6.0	5.8	7.7	6.8	6.6	3.7	3.6	3.5	4.7	5.0	5.5
	PEER AVERAGE				11.1	8.9	8.4	1.0	0.9	0.9	6.4	5.5	5.3	8.7	7.1	6.8	1.9	1.9	1.8	4.9	6.4	6.6
	PEER MEDIAN				11.8	9.2	8.8	1.0	0.9	0.9	6.6	5.7	5.5	8.4	6.8	6.6	1.6	1.5	1.5	4.9	6.4	6.7
AudioValley	Belgium	3.99	34	na	na	209.0	2.5	1.4	0.8	137.8	18.4	5.5	na	na	na	2.8	4.3	4.3	0.0	0.0	0.0	
% prem./(disc.) vs median				na	na	2,275.0	149.4	52.8	-15.6	2,001.4	224.9	-0.2	na	na	na	75.4	186.3	185.7	na	na	na	

Source: Merodis, Factset

EV multiples relative to the sector

Sector multiples trading upwards from Covid-19 bottom

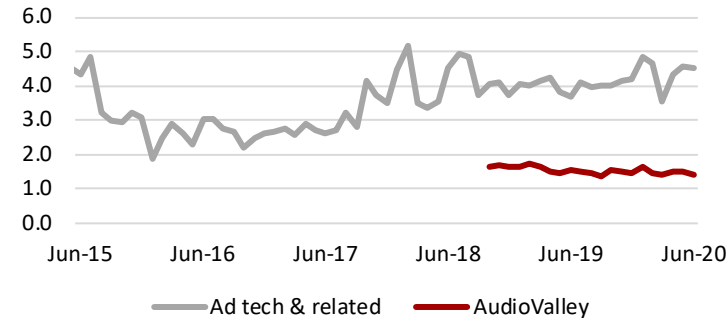
Valuation

On consensus EBITDA estimates, Audiovalley shares trade at a EV/EBITDA 12M forward of 26.8x, a hefty premium versus ad tech and related peers (currently at a median of 13.2x) and ad agency peers (at 6.0x). Importantly, the high volatility of AudioValley's EV/EBITDA multiple is due to the currently low profitability of the business, with expectations of strong improvement driven by top-line growth and its scale effect.

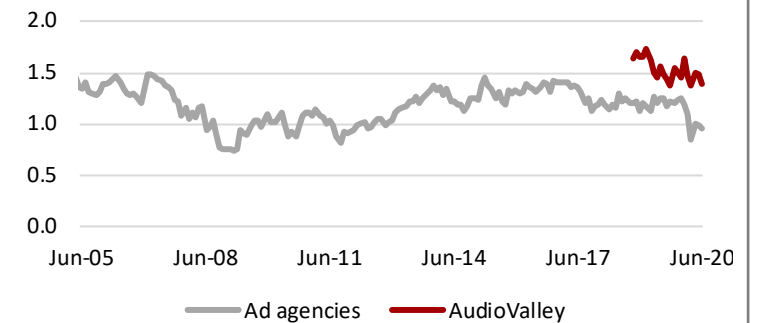
On consensus sales estimates, AudioValley shares trade at an EV/Sales 12M forward of 1.4x, a considerable discount versus ad tech and related peers (currently at a median of 4.5x) as this peer group encompasses large and highly diversified sector players like Facebook, Google and Twitter which are much bigger, more profitable and obviously more liquid than AudioValley. To the contrary, ad agency peers are trading currently at a median EV/Sales multiple of 1.0x. Compared to this peer group AudioValley is trading at a staggering 40% premium.

The ad tech sector is valued at 13.2x EV/EBITDA 12M forward (from 9.8x in March 2020), ie. a 34.6% re-rating since Covid-19 lockdown measures came into effect, whereas the ad agency sector is valued at 6.0x EV/EBITDA (from 5.2x in March 2020), which compare to a LT average of 13.1x and 7.1x respectively for both peer groups. The historical valuation range for the ad tech sector is 9.7x-22.4x (EV/EBITDA) and 4.7x-10.1x for the ad agency sector, which suggest that both sectors remain at the low-end of their historical range.

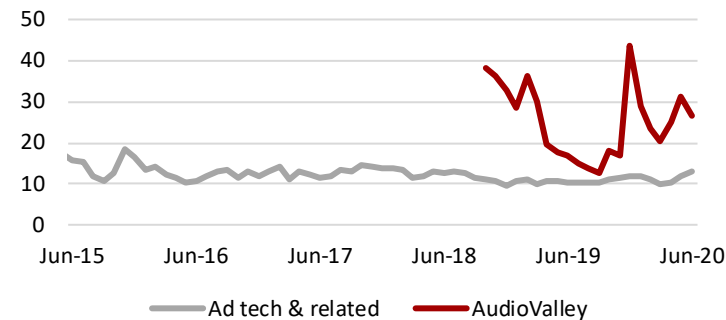
EV/Sales ratio vs. Ad tech peers



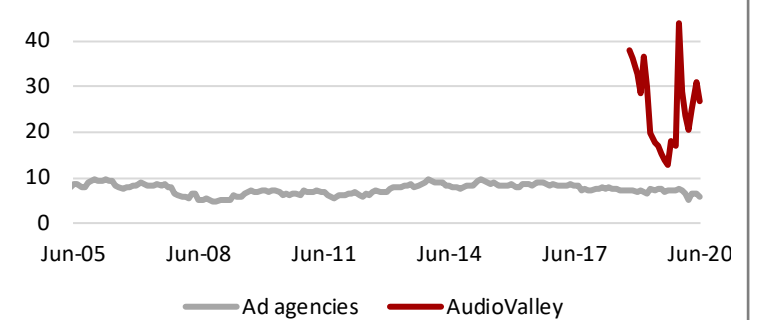
EV/Sales ratio vs. Ad agencies



EV/EBITDA ratio vs. Ad tech peers



EV/EBITDA ratio vs. Ad agencies



Source: Merodis, Factset

Reflecting the disposal of Storever and the buyout of Jamendo's minorities

AudioValley updated sum-of-the-parts			
	2020e	2021e	2022e
Targetspot revenues	17.2	28.2	43.9
Exit multiple (x)	3.0x	3.0x	3.0x
Exit EV	52	85	132
IRR/WACC (%)	10.5	10.5	10.5
Discounted EV	46.6	69.3	97.6
Group net debt	13.3	9.6	2.0
Targetspot discounted equity value	33.4	59.7	95.6
Jamendo equity value (recent transaction value)	4.2	4.2	4.2
Total estimated equity value	37.6	63.8	99.7
Number of FD shares (m)	10.3	10.3	10.3
Implied value per share	3.63	6.17	9.65

Source: Merodis, Factset

Sales growth expectations

Growth market held back temporarily by Covid-19

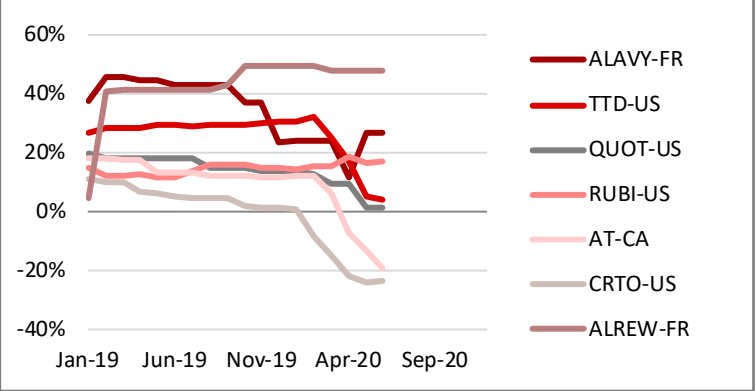
Expected Sales Growth

Digital audio as a media is gaining ground over traditional radio in terms of audience share. In the US, digital audio listening time is expected to exceed 50% by 2020. Europe experiences the same underlying trend albeit with some delay compared to the US. Growing adoption should also drive growing advertising spend in digital audio as advertisers not only seek to reach the largest audience but, also the most appropriate and targeted one, which digital audio allows for. Therefore one can expect steep sales growth over the years to come.

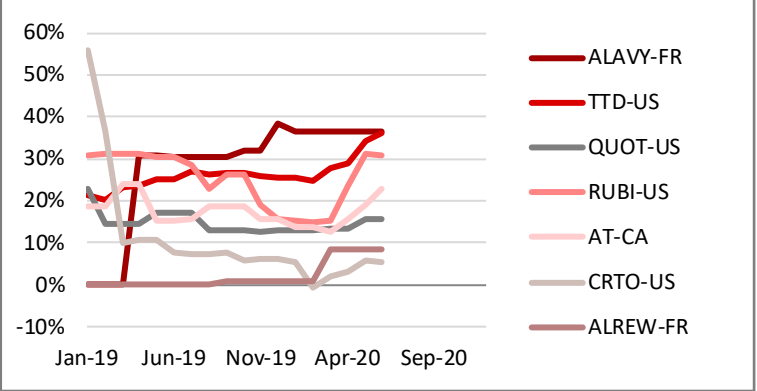
At the end of June, consensus expectations for 2020 sales growth stood at 26.8%, which suggests that consensus does not yet reflect Covid-19. As a reminder, we expect sales to fall by 11% in FY20e with a more severe impact in 1H20e as global ad sales saw a decline due to lockdown measures.

Consensus sales growth expectations for AudioValley in 2021 is at +36.4% (vs. MERE +58.1% including a Covid-19 catch-up effect). Sector sales, pre-Covid-19, are expected to grow by +19.8% in 2021e (from +13.2% in March, 2020).

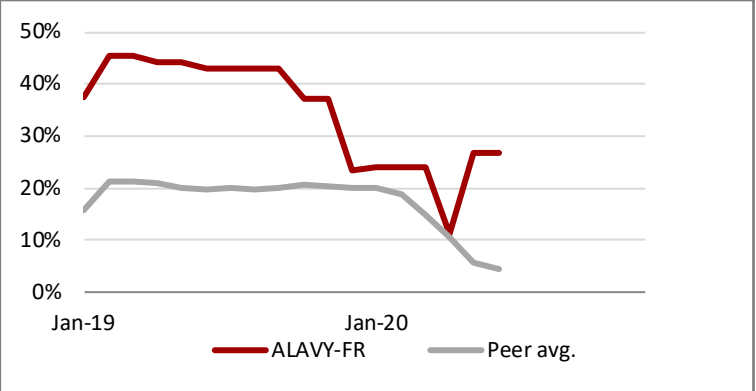
2020 expected sales growth (%)



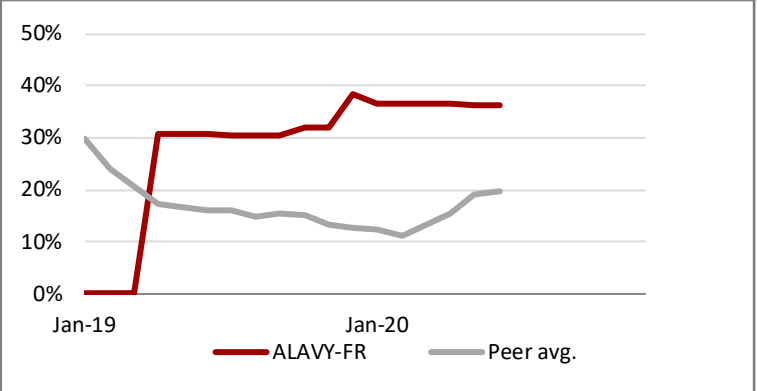
2021 expected sales growth (%)



2020 expected sales growth vs. peers



2021 expected sales growth vs. peers



Source: Merodis, Factset

EBITDA growth and margin expectations

2020 margins under pressure due to Covid-19

EBITDA expectations

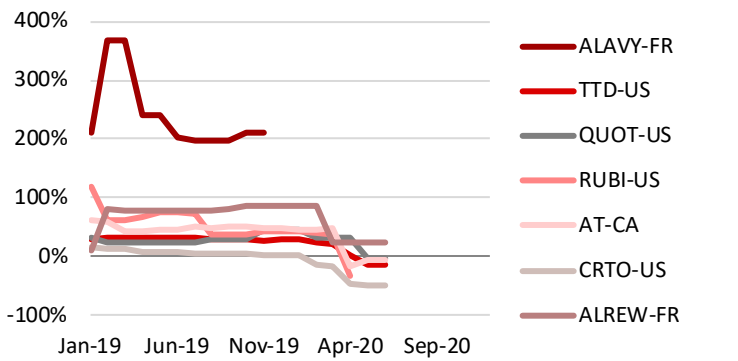
At the end of June, expected consensus EBITDA growth for 2020e at AudioValley lies at 68.5%, compared to the peer average of 9.9%.

This translates into EBITDA margin forecast by consensus of 2.5% for AudioValley in 2020e, compared to a peer average of 12.4% for 2020e. We are a bit more conservative and estimate the EBITDA margin to be 1.8% in 2020.

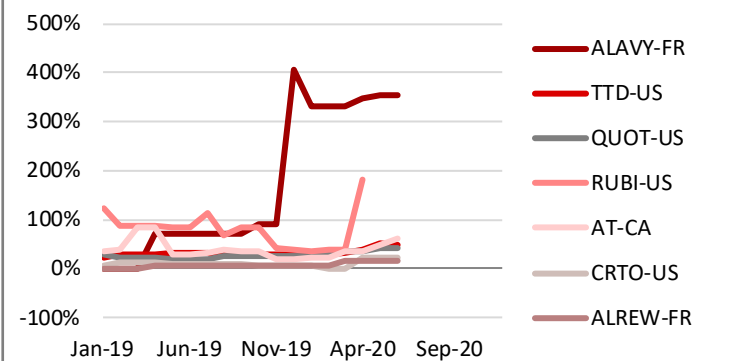
AudioValley's EBITDA growth in 2021e is expected by consensus at 354.8% (vs. MERE 554.0%) compared to a sector average growth of 38.7%, with margins expanding and growing towards the sector average (7.2% vs. 17.4%). From an EBITDA margin perspective we expect a slight post Covid-19 ramp-up in 2021 to 7.7% .

As a reminder, next to the reported EBITDA, we analyse EBITDA on an adjusted basis, adjusting EBITDA for the capitalised R&D cost. We expect adjusted EBITDA to turn positive only as of 2021e. The adjusted EBITDA margins are expected to reach 10% in 2022e driven by operating leverage with the potential to rise above 25%.

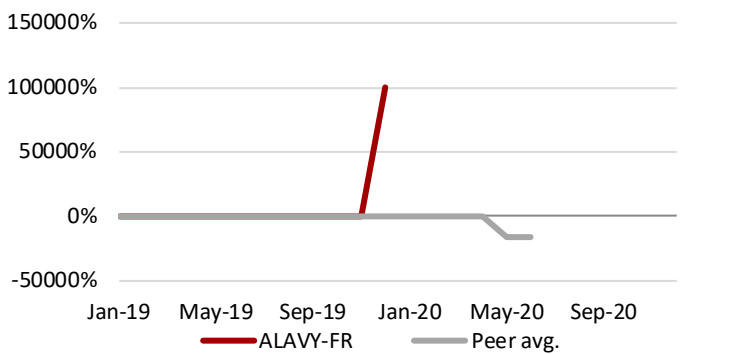
2020 expected EBITDA growth (%)



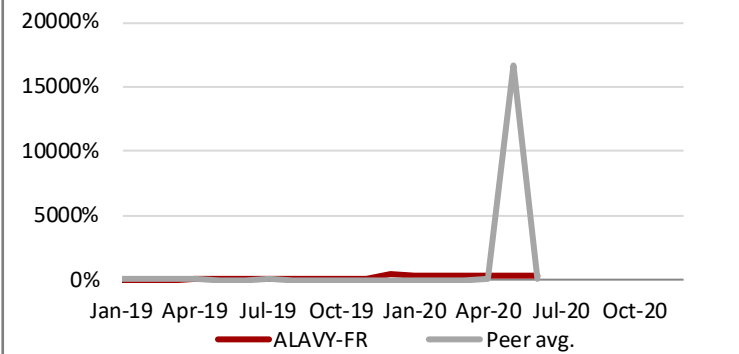
2021 expected EBITDA growth (%)



2020 expected EBITDA margin vs. peers



2021 expected EBITDA margin vs. peers



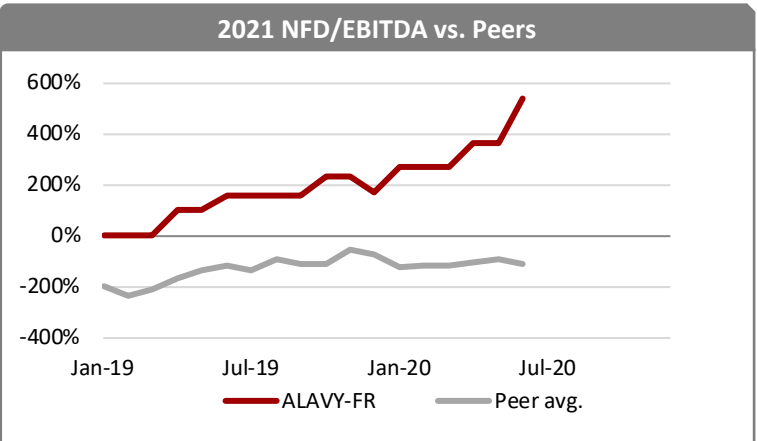
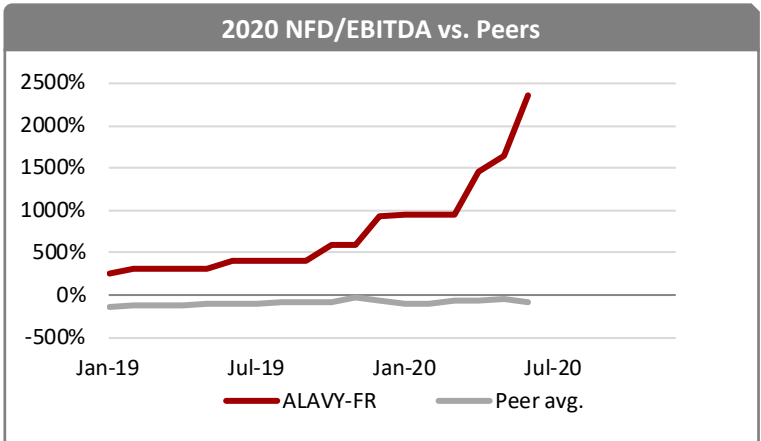
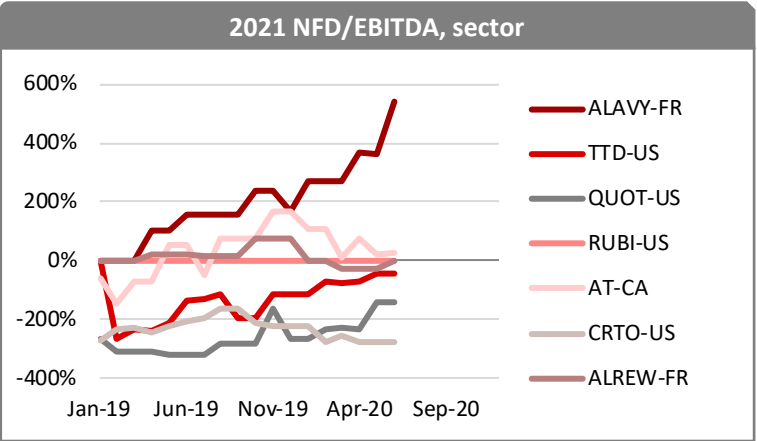
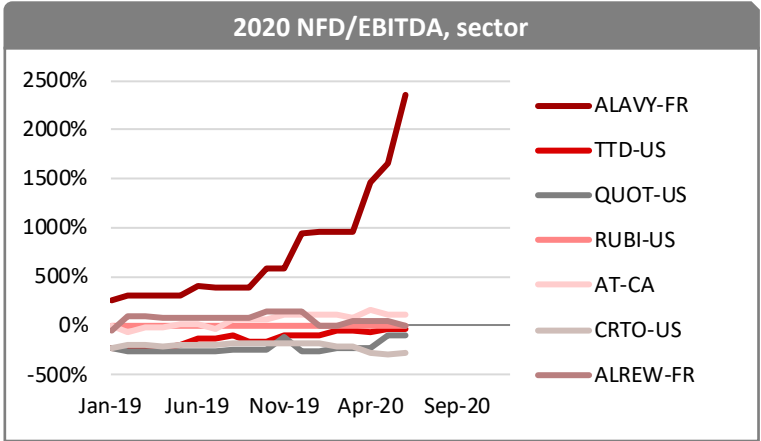
Source: Merodis, Factset

Leverage expectations

Highly levered balance sheet but, potential to de-lever swiftly

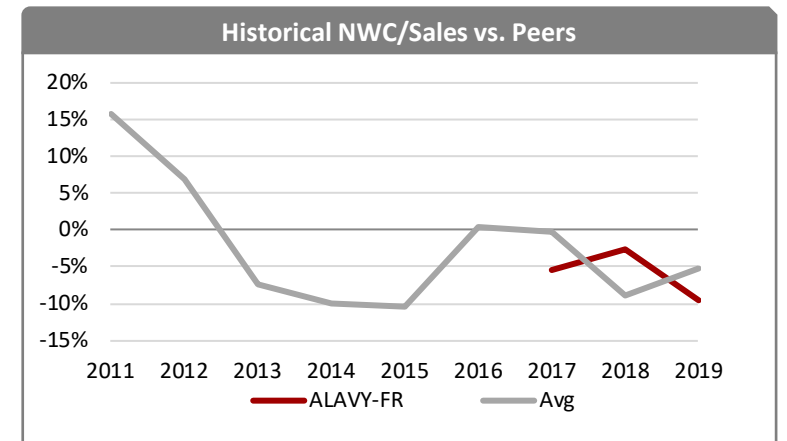
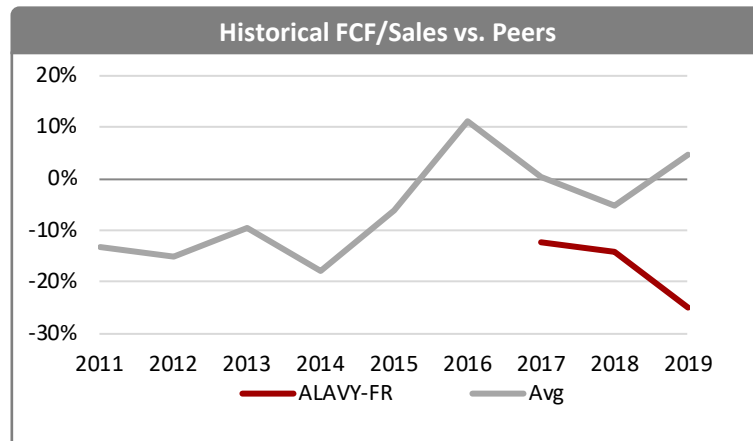
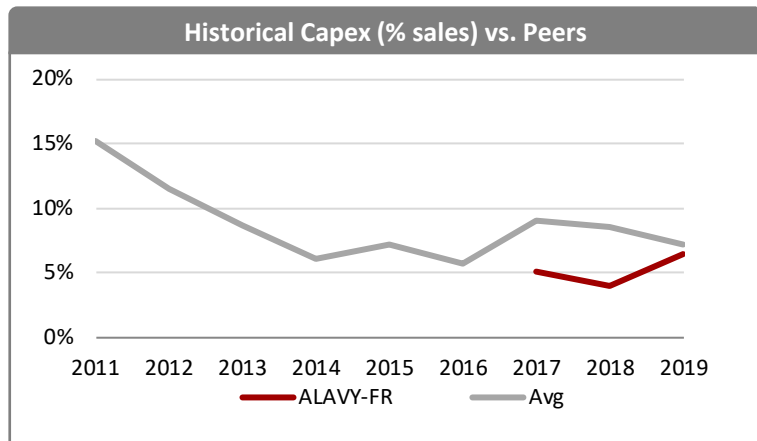
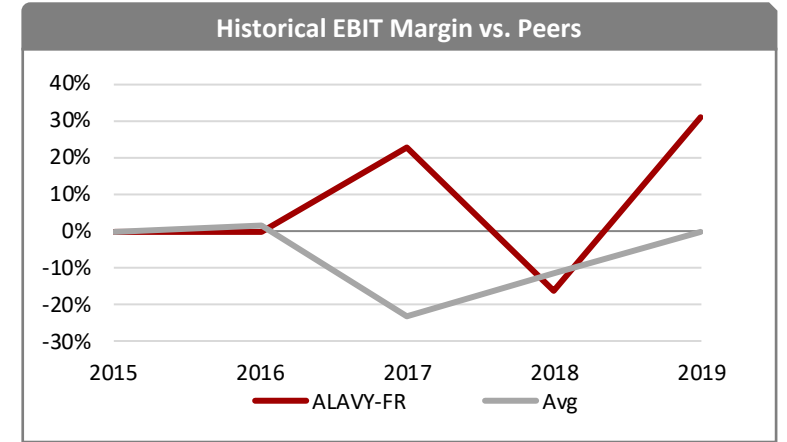
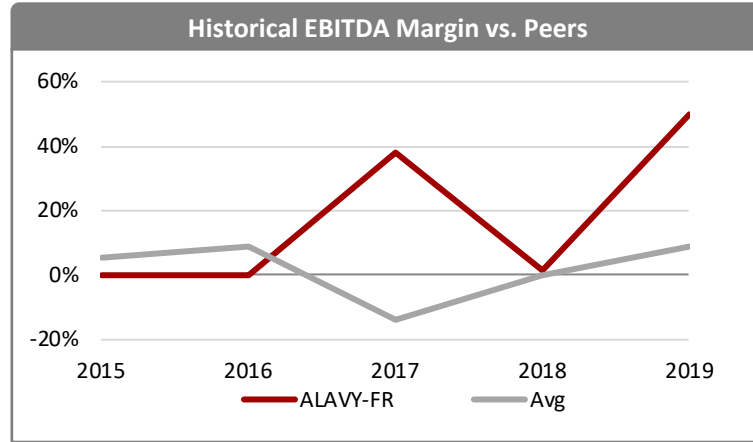
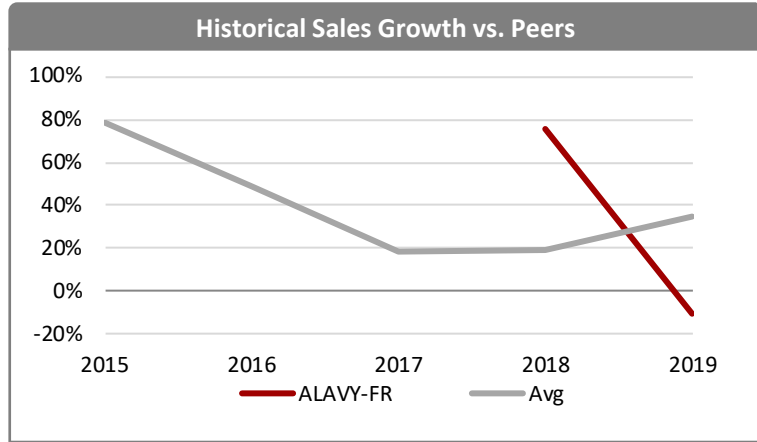
Net-debt-to-EBITDA

AudioValley's leverage is well above the sector average with consensus forecasting a NFD/EBITDA of 23.6x in 2020e (from 9.6x in March 2020) vs. the sector at -0.8x. We expect a NFD/EBITDA of 33.1x for AudioValley in 2020e, falling to 0.1x in 2022e. The sky-high NFD/EBITDA estimates for 2020 are mainly due to a very low but, slightly positive EBITDA generation. The quite leveraged balance sheet of Audiovalley is expected to de-lever swiftly, through a recent disposal, debt restructuring, capital increase and positive free cash flow generation as of 2021e.



Source: Merodis, Factset

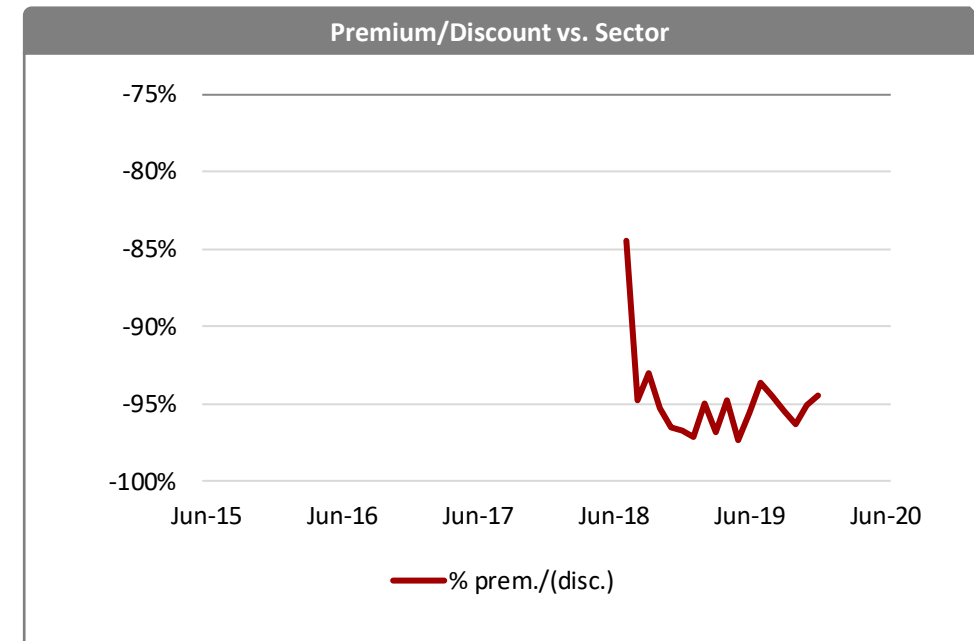
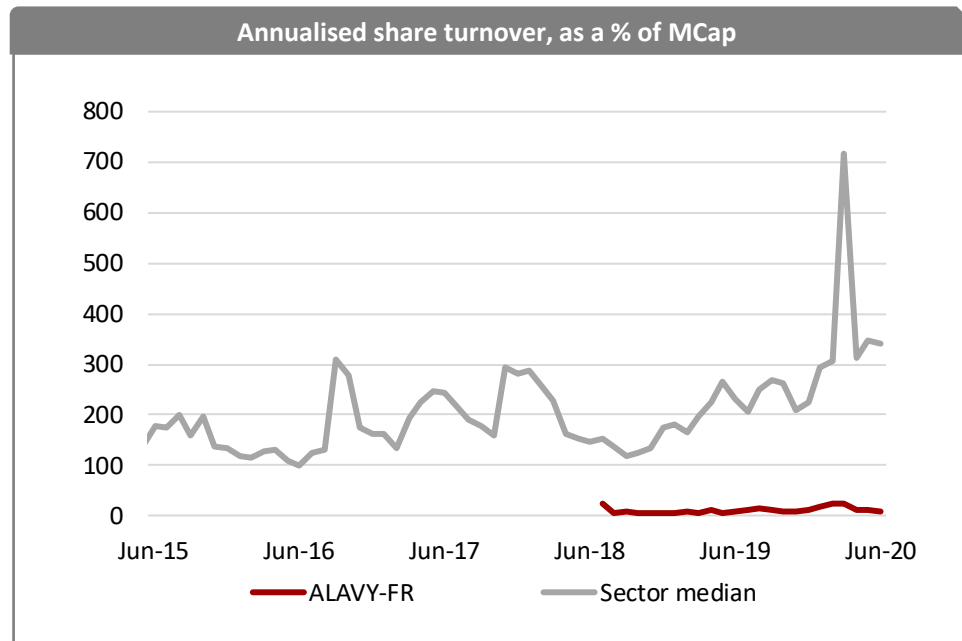
Historical P&L, CF and Balance Sheet Performance



Source: Merodis, Factset

Share liquidity

Well below peers



Source: Merodis, Factset

Financial summary

Enterprise Value (€m): 50
Market Cap. (€m): 41
Free-float MCap (€m): 14

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	CAGR 17-19	CAGR 20-22e
Consolidated P&L (€m)																		
Sales	14	25	22	20	31	47											25.2	55.1
Adj. EBITDA	0	-2	-3	0	1	5											na	na
EBITDA	1	0	-1	0	2	7											na	325.3
Adj. EBIT	-3	-7	-2	-7	-6	-3											-24.1	-35.3
Pretax profit	2	-6	5	-6	-4	0											40.7	na
Net profit	3	-5	5	-6	-4	0											33.7	na
Cash Flow (€m)																		
Op. results	0	-2	-3	0	1	5											na	na
WCR	-1	1	-2	0	3	4											62.6	na
Gros Op CF	-1	0	-5	0	4	9											182.2	na
Capex	-1	-1	-1	-1	-1	-1											41.5	55.1
FCF	-2	-2	-4	-2	3	8											45.9	na
Net disp./acq.)	2	0	8	0	1	0											91.4	na
Dividends paid	0	0	0	0	0	0											na	na
Equity issue	0	10	0	5	0	0											na	na
Others	0	0	4	0	0	0											na	na
Net Debt (incr./decr.)	0	7	8	3	4	8											557.8	58.1
Balance Sheet (€m)																		
WC	-7	-8	-5	-5	-9	-13											-11.3	55.1
Capital Employed	36	35	32	28	22	15											-6.8	-25.5
Cash & Equivalent	1	1	2	2	1	8											17.4	107.2
Gross Debt	30	23	18	15	10	10											-21.6	-18.1
Equity	6	11	14	13	9	10											52.0	-15.3
Balance sheet total	51	51	47	42	41	52											-4.5	11.4
Growth (%)																		
Sales	76	-11	-11	-11	58	52												
EBITDA	na	na	na	na	na	313												
EBIT	na	na	na	na	na	na												
Net profit	na	na	na	na	na	na												
FCF	na	na	na	na	na	184												
NWC	na	na	na	na	na	na												
Capital Employed	na	na	na	na	na	na												
Shareholder Equity	-4	-9	-12	-19	-31													
Financial Ratios																		
Gross margin (%)	63	58	44	44	44	42												
EBITDA margin (%)	1	-7	-13	-2	4	10												
EBIT margin (%)	-21	-29	-8	-37	-20	-6												
Net margin (%)	19	-22	22	22	-32	-13												
Opex/Sales (%)	99	107	113	102	96	90												
Depreciation/Sales (%)	22	22	-6	35	23	16												
Depreciation/EBITDA (%)	2086	-321	43	-1636	639	166												
Tax rate (%)	17	-4	6	0	0	0												
Capex/Sales (%)	5	4	6	2	2	2												
FCF/Sales (%)	-14	-10	-20	-12	9	16												
WCR/Sales (%)	-5	6	-9	0	10	9												
WC/Sales (%)	-30	-34	-25	-28	-28	-28												
Gearing (%)	453	212	113	98	101	21												
Net Debt/EBITDA (x)	194.4	-13.3	-5.6	-31.5	8.5	0.4												
ROCE post-tax (%)	-9	-20	-6	-26	-27	-20												
ROE (%)	44	-50	34	-47	-42	2												
Dividend Payout (%)	0	0	0	0	0	0												
Valuation																		
Market Capitalisation (€m)	39	40	41	41	41	41												
+ Net Financial Debt (€)	28	22	16	13	10	2												
+ Restated Min. + others (€m)	1	1	0	0	0	0												
- Associates & Inv. (€m)	2	3	5	5	7	7												
= Enterprise Value (€m)	60	51	50	50	44	36												
Assoc. NFD (gr. share) (€m)																		
EV/Sales (x)	2.4	2.3	2.5	1.4	0.8													
EV/Adj. EBITDA (x)	-35.5	-17.8	-118.5	38.6	7.8													
EV/EBITDA (x)	207.5	-86.6	137.8	18.4	5.5													
EV/EBIT (x)	-8.4	-30.9	-6.8	-7.2	-11.8													
EV/FCF (x)	-24.3	-11.9	-20.8	16.3	4.8													
EV/Capital Employed (x)	1.7	1.6	1.8	1.9	2.4													
P/E (x)	-4.8	8	-6.0	-10.3	209.0													
P/BVPS (x)	2.4	2.8	2.8	4.3	4.3													
FCF yield (%)	-6.3	-10.9	-5.8	6.5	18.4													
Per share data																		
# of shares	2.76	8.62	8.62	10.34	10.34	10.34												
avg # of sh. (FD, ex-treas.)	2.76	5.69	8.62	9.48	10.34	10.34												
Share price	4.50	4.59	3.99	3.99	3.99	3.99												
EPS	0.98	-0.94	0.56	-0.67	-0.39	0.02												
EPS FD	0.98	-0.94	0.56	-0.67	-0.39	0.02												
BVPS	2.25	1.86	1.67	1.42	0.92	0.94												
DPS	0.00	0.00	0.00	0.00	0.00	0.00												

Source: Company data, Merodis Equity Research

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