

NEWS

16 December 2021

AUDIOVALLEY

Accelerating in audio advertising for gaming (+)

(Company)

Audiovalley announces an acceleration of its strategy in the audio advertising for gaming market with the launch of a dedicated division in 2022 within Targetspot.

Specialized in monetizing audio audiences, Targetspot is constantly expanding its footprint by investing in new innovative audio formats. As such, the group had launched experiments in the gaming in 2020. Its commitment to accelerate suggests that these tests have revealed very promising results.

This move is very positive: 1/ audio advertising in the gaming universe will considerably expand Targetspot's addressable market, 2/ it also allows the company to position itself on the future environments tied to the metaverse.

Targetspot is currently Audiovalley's main growth driver (organic growth of +50% at constant exchange rates over 9 months). Growth in the gaming sector will provide additional leverage for the Group's future growth.

Buy, TP of 6,2 € - Jean-Pierre Tabart : +33 1 55 35 69 41

Market Data	
Industry	Media Technology
Share Price (€)	3,1
Market Cap (€M)	40,4
Market Segment	Euronext Growth
Bloomberg	ALAVY FP

Ownership structure	
Founders/Management	43,1%
Free float	56,7%
Treasury shares	0,2%

€M (31/12)	2020	2021e	2022e	2023e
Sales (€M)	19,6	28,0	37,6	47,2
<i>Growth</i>	-10,8%	42,7%	34,5%	25,5%
EBIT	-3,4	-2,4	-0,4	1,9
<i>Op. Margin(%)</i>	-17,1%	-8,4%	-1,0%	3,9%
Net income	-4,8	-3,5	-1,5	0,7
EPS dilué €	-0,39	-0,22	-0,07	0,08
<i>EPS growth</i>	ns	ns	ns	ns
Dividend	0,00	0,00	0,00	0,00
<i>Yield (%)</i>	0,0%	0,0%	0,0%	0,0%
FCF	-0,3	0,4	2,3	4,5
ROCE	ns	ns	ns	7,1%
EV/Sales (x)		1,6	1,2	0,8
VE/EBIT (x)		ns	ns	21,2
PE (x)		ns	ns	ns
Net Debt	14,5	5,5	3,2	-1,3
<i>Gearing</i>	98%	28%	18%	-7%

Midcap Partners estimates

Upcoming event : Sales Q4 - 27/01/22

Analyst certifications

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- 2.Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
- 3.Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
- 4.Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
- 5.Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests

Company	Conflict Type
AUDIOVALLEY	E,G
CAPELLI	D,G
ESPRINET	G
INTRED	G
MAISONS DU MONDE	Nil
PLASTIVALOIRE	D,G

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