

04 May 2016

NETBOOSTER

Share Price (05/03/16) : € 2.61

Market Cap : €m 43.3

Alternext - FR0000079683 - ALNBT

BUY

Target Price : € 3.77 (vs € 3.88)

Potential : +44.4%

BPI « Innovative Company »

GM + EBITDA Q1 : This growth will accelerate

A week after the announcement of its 2015 results, Netbooster publishes its Q1 2016 gross profit of € 8.9 million up 6% and an EBITDA of € 0.8 million, down 11.1%.

	Q1 2015	Q1 2016	% Chge
Gross Margin	8,4	8,9	6,0%
EBITDA	0,9	0,8	-11,1%
EBITDA/GM	10,7%	9,0%	-1,7 pts

The new year starts on a good basis knowing that historically seasonality is much more favorable in H2 than in H1 as in 2015 (H1: 0% / H2: +17.5%). Thus growth is expected to accelerate even if the difference will be less marked this year with a more favorable basis effect in H1 than in H2. Customers recently earned (like Crucial in USA and Dubai Parks & Resorts) will ramp up quarter after quarter.

The decline in profitability is the result of investments made by the group to gain visibility and notoriety. Remember that it mandated since November a Danish branding agency.

As we indicated in our last report, NetBooster has entered a new stage in its development with the priority given to growth. Management has indicated that it anticipated a 10% increase in gross margin in 2016, higher than our expectation of 6.5%.

As for profitability, it is expected to moderate slightly to absorb investments. The management thus expects stable EBITDA at € 5.5 million (EBITDA/gross margin of 13.4% vs 14.8% in 2015), slightly below our estimate of € 5.8 million.

We adjust our forecast to reflect these elements.

(€ M)	2016e		2017e	
	before	after	before	after
Gross Margin	39,6	41,0	41,2	44,3
% Change		3,5%		7,5%
EBITDA	5,8	5,5	6,8	6,6
% Gross Margin	14,6%	13,4%	16,5%	14,9%
EBIT	5,4	5,0	6,4	6,1
% Gross Margin	13,6%	12,2%	15,5%	13,7%
EPS Restated (€)	0,23	0,18	0,26	0,22
%Change		-23,6%		-17,0%

Finally, we confirm our BUY opinion with an adjusted target price of € 3.77 (vs € 3.88), thus an upside potential of 44.4%.

Netbooster wants to position itself as an alternative to the six existing large media networks. The announcement in February 2016 of the strategic partnership with PM Digital, agency based in the United States, is part of this dynamic and should allow both groups to capitalize on their international presence and consolidate their commercial offers.

In addition, significant financing agreement signed in late March ensured the financial sustainability of the group in the long-term and has given it the means to apply its strategy.

Stock Market Profile

Ratios	2016e	2017e	2018e
EV/GM	1,11	0,89	0,73
EV/EBIT	9,11	6,91	5,65
PE	14,86	12,10	10,66
P/CF	12,60	10,46	9,31
Dividend Yield	0%	0%	0%

Data per share	2015	2016e	2017e	2018e
EPS restated diluted	0,16	0,18	0,22	0,24
%Change		6,6%	22,8%	13,5%
FCF	0,15	0,19	0,22	0,26
%Change		0,24	20%	16%
Dividend	0,00	0,00	0,00	0,00

Income Statement (€M)	2015	2016e	2017e	2018e
Gross Margin	37,2	41,0	44,3	46,9
%Change		10,3%	8,0%	6,0%
EBITDA	5,5	5,5	6,6	7,2
EBITDA/GM	14,8%	13,4%	14,9%	15,4%
EBIT	4,3	5,0	6,1	6,7
EBIT/GM	11,7%	12,2%	13,7%	14,2%
Net Result	2,6	2,9	3,5	4,0
Margin	6,9%	7,0%	8,0%	8,6%

Cash Flow Statement (€M)	2015	2016e	2017e	2018e
FCF	3,2	3,7	4,4	4,9
Net Debt	5,2	2,2	-1,5	-5,7
Shareholder Equity	18,3	21,2	24,7	28,7
Gearing	28,7%	10,4%	-5,9%	-19,8%
ROCE	13,3%	15,4%	18,8%	20,9%

Shareholders	
Truffle Capital	20,1%
Pure Invest	18,4%
ID Invest	9,0%
Management	8,6%
Allianz G.I	4,7%
Free float	39,2%

Performance	2016	3m	6m	1y
Netbooster	6,10%	14,47%	4,82%	-13,00%
Alternext	-3,22%	5,76%	-2,93%	1,41%
12-month Low-High	1,96	3,14		

Average Daily Volume	2016	3m	6m	1y
Netbooster	24 786	27 920	19 497	17 086

Next Event H1 GM+EBITDA: 26 July 2016



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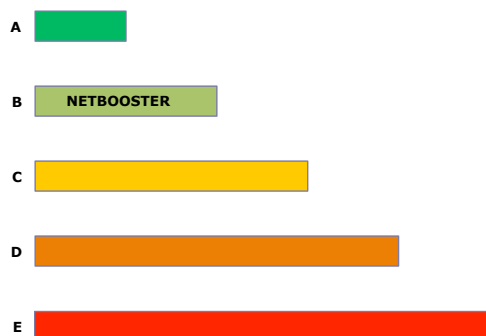
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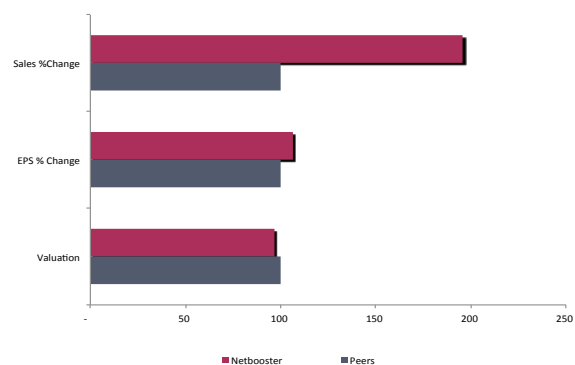
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NETBOOSTER

Fondamental Matrix



Investment Profile



PRICE TARGET AND RATING HISTORY

DATE	COMMENTS	RATING	PRICE	PRICE TARGET
04/27/2016	2015 Results	BUY	€ 2.83	€ 3.88
03/22/2016	Press Release	BUY	€ 2,44	€ 3.88
01/29/2016	2015 GM + EBITDA	BUY	€ 2.30	€ 3.25
11/05/2015	Q3 GM + EBITDA	BUY	€ 2.54	€ 3.24
10/15/2015	H1 Results	BUY	€ 2.69	€ 3.17
09/15/2015	Press Release	BUY	€ 2.56	€ 3.70
07/21/2015	H1 GM + EBITDA	BUY	€ 2.63	€ 3.70
05/06/2015	Q1 Gross Margin	BUY	€ 2.87	€ 3.70

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NO	NO	YES	YES	NO	NO

FINANCIAL DATA

INCOME STATEMENT (M€)	2013	2014	2015	2016e	2017e	2018e
Gross Margin	34,4	34,1	37,2	41,0	44,3	46,9
Externals Costs	6,1	6,9	7,7	8,3	9,0	9,5
Personnels Costs	24,7	23,0	24,3	27,0	28,5	30,0
Taxes	0,4	0,2	0,2	0,2	0,2	0,2
EBITDA	2,6	4,4	5,5	5,5	6,6	7,2
Amortization	0,4	0,4	0,5	0,5	0,6	0,6
Depreciation	0,0	0,0	0,0	0,0	0,0	0,0
EBIT	1,4	4,1	4,3	5,0	6,1	6,7
Financial Results	-0,6	-1,8	-0,5	-0,7	-0,7	-0,6
Extraordinary items	0,0	0,0	0,0	0,0	0,0	0,0
Tax	1,4	-0,4	1,3	1,4	1,8	2,0
Goodwill Amortization	0,0	0,0	0,0	0,0	0,0	0,0
Net Profit	-0,6	2,7	2,6	2,9	3,5	4,0
Net Profit Restated	-0,6	2,8	2,7	2,9	3,5	4,0

BALANCE SHEET (M€)	2013	2014	2015	2016e	2017e	2018e
Fixed Assets	22,6	27,4	28,7	28,9	29,0	29,1
Stocks Inventories	0,0	0,0	0,0	0,0	0,0	0,0
Accounts Receivable	34,0	32,9	43,7	45,7	47,3	49,3
Cash & Equivalents	7,5	5,8	7,1	17,2	19,1	21,5
Other Current Assets	1,3	3,0	3,5	3,5	3,5	3,5
TOTAL Assets	65,4	69,1	82,9	95,3	98,9	103,4
Shareholders' Equity	7,5	15,3	18,3	21,2	24,7	28,7
Minority Interest	0,0	0,0	0,3	0,3	0,3	0,3
Provisions	0,7	0,1	0,1	0,1	0,1	0,1
Long Term Debt	13,3	12,5	0,8	19,4	17,6	15,8
Short Term Debt	0,4	1,2	11,5	0,0	0,0	0,0
Accounts Payable	43,5	39,3	51,0	53,4	55,2	57,5
Others Current Liabilities	0,0	0,8	0,9	0,9	0,9	0,9
TOTAL Liabilities	65,4	69,1	82,9	95,3	98,9	103,4

CASH FLOW STATEMENT (€ m)	2013	2014	2015	2016e	2017e	2018e
Cash Flow from Operating Activities	0,9	2,7	3,5	3,4	4,1	4,6
Change in Working Capital	-0,7	3,5	0,4	-0,3	-0,3	-0,3
Cash Flow from Operations	1,6	-0,9	3,2	3,7	4,4	4,9
CAPEX	1,1	1,2	0,9	0,7	0,7	0,7
Cession	0,7	0,7	0,3	0,0	0,0	0,0
Cash Flow from Investing	0,4	0,4	0,6	0,7	0,7	0,7
Capital Increase	0,0	-0,5	-1,0	0,0	0,0	0,0
Others	-2,0	0,2	-0,1	0,0	0,0	0,0
Long Term Debt	-0,1	-1,2	-0,2	9,4	-1,8	-1,8
Cash Flow from Financing	-2,1	-1,5	-1,3	9,4	-1,8	-1,8
Net Change Cash	-0,9	-2,8	1,2	12,4	1,9	2,4

RATIOS	2013	2014	2015	2016e	2017e	2018e
EBITDA/Gross Margin	7,6%	12,8%	14,8%	13,4%	14,9%	15,4%
EBIT/Gross Margin	4,1%	12,0%	11,7%	12,2%	13,7%	14,2%
NI/Gross Margin	-1,7%	7,9%	6,9%	7,0%	8,0%	8,6%
ROE	-8,0%	17,7%	14,0%	13,6%	14,3%	14,0%
ROCE	7,0%	12,7%	13,3%	15,4%	18,8%	20,9%
Gearing	81,3%	51,6%	28,7%	10,4%	-5,9%	-19,8%
FCF	0,9	-1,6	2,4	3,0	3,7	4,2
FCF per share	0,1	-0,1	0,1	0,2	0,2	0,3
EPS (€)	-0,04	0,17	0,16	0,18	0,22	0,24
EPS restated diluted (€)	-0,04	0,18	0,16	0,18	0,22	0,24
Dividend per share (€)	0,0	0,0	0,0	0,0	0,0	0,0
Dividend Yield	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Outstanding Shares (m)	15,3	16,1	16,6	16,6	16,6	16,6

Estimates : GreenSome Finance

RATING DEFINITION

BUY	ACCUMULATE	REDUCE	SELL
Upside > +15%	0% < Upside < +15%	-15% < Downside < 0%	Downside < -15%

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