

21 July 2016

NETBOOSTER

Share Price (07/20/16) : € 1.95

Market Cap : €m 32.34

Alternext - FR0000079683 - ALNBT

BUY

Target Price : € 3.60 (vs € 3.77)

Potential : +84.6%

BPI « Innovative Company »

Q2 GM + EBITDA : Growth accelerates

NetBooster announces for Q2 2016 **gross profit of € 10.1 million, up 16.1% compared to Q2 2015 and EBITDA of € 1.6 million, up 25%, ie a ratio of EBITDA / GM of 14, 9% vs 13.8% in Q2 2015.**

In H1, gross margin was € 19 million, up 11.1% and EBITDA € 2.3 million in improvement of 9.5%.

	2015		2016		Var.	
	Gross Margin	EBITDA	Gross Margin	EBITDA	Gross Margin	EBITDA
Q1	8,4	0,9	8,9	0,8	6,0%	-11,1%
Q2	8,7	1,2	10,1	1,5	16,1%	25,0%
H1	17,1	2,1	19,0	2,3	11,1%	9,5%

As announced at the Q1 publication, **growth accelerated sharply in Q2** thanks to the rise of new clients recently earned. The group further expanded its customer portfolio including « a well-known international car rental company, a global music streaming service provider, a worldwide leading sport and fashion brand and a large package travel provider ».

Besides the value added of its offers, these commercials successes demonstrate the relevance of international positioning of Netbooster that turns out to be a key element to win contracts deals.

As for profitability, after a slight decline in Q1, it rebounded significantly this quarter to 14.9% a ratio ever got in a Q2. Thus for the first half, the margin level is equivalent to that issued last year.

For H2, the outlook is still announced as dynamic: the management still expects growth in its gross margin in the continuity of H1 ie at least +10%. To achieve this, it account in particular about the partnership established with PM Digital in the US that seems to unfold perfectly and for which the synergies between the two entities begin to be beneficial. First figures could be announced at the Q3 publication.

Profitability will remain at a high level with the confirmation by the management of a full year EBITDA target of € 5.5 million, in line with our forecast, representing an annual estimated margin of 13.4%. Recall that the expected stability compared to 2015 is explained by the investments made by the group to gain visibility and notoriety.

At least, NetBooster account still use its investment capacity, which must be reinforced by an upcoming capital increase of approximately € 3.5 million, to boost its external growth policy. A first operation could be finalized before the end of the summer.

Finally, after this excellent publication, we remain confident about the ability of management to implement its strategy and confirm our **BUY opinion with an adjusted target price of € 3.60 (vs € 3.77 - increase in the risk premium and decrease of peers comparison) a potential upside of 84.6%.**

Stock Market Profile

Ratios	2016e	2017e	2018e
EV/GM	0,84	0,66	0,52
EV/EBIT	6,92	5,10	4,00
PE	11,10	9,04	7,97
P/CF	9,41	7,82	6,96
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	2015e	2016e	2017e
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	21,8%
Pure Invest	17,3%
ID Invest	8,2%
Management	10,4%
Allianz G.I	5,0%
Free float	37,2%

Performance	2016	3m	6m	1y
Netbooster	-20,7%	-26,9%	-13,3%	-26,4%
Alternext	-2,7%	-0,1%	7,3%	-5,7%
12-month Low-High	1,9	3,14		

Average Daily Volume	2016	3m	6m	1y
Netbooster	19 792	13 278	21 092	17 983

Next Event H1 Results: 11 October 2016



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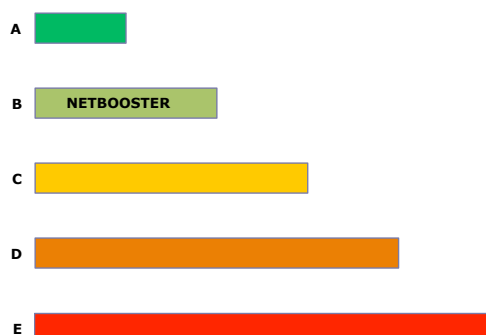
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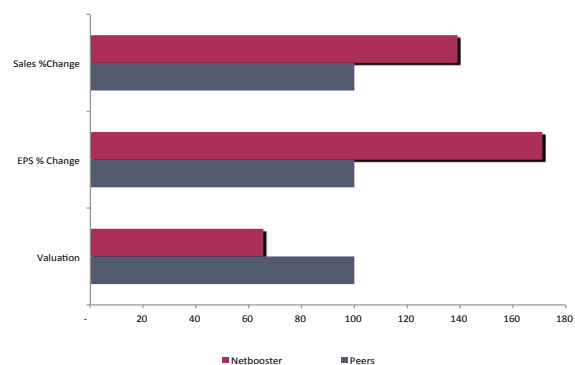
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NETBOOSTER

Fondamental Matrix



Investment Profile



PRICE TARGET AND RATING HISTORY

DATE	COMMENTS	RATING	PRICE	PRICE TARGET
06/27/2016	2016 AGM	BUY	€ 2.10	€ 3.77
05/04/2016	Q3 GM + EBITDA	BUY	€ 2.61	€ 3.77
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

DISCLOSURES

Coporate Finance operation in progress or completed during the last 12 months	GreenSome Consulting and affiliate owns common equity securities of this subject company	Financial Analysis Contract	Notice to the company before publication	Liquidity Contract	Liquidity Provider
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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