

29 September 2016

NETBOOSTER

Share Price (09/28/16) : € 2.68

Market Cap : €m 51.22

Alternext - FR0000079683 - ALNBT

BUY

Target Price : € 3.53

Potential : +31.7%

BPI « Innovative Company »

Press Release + Contact : Acquisition in UK

In line with its strategic plan and as announced following the various fundraising done in recent months, Netbooster has relaunched external growth with the acquisition of 4PS Marketing.

Founded in 2008, 4PS Marketing is one of the largest digital marketing agencies in the UK. With 70 employees and specializes in Search Marketing campaigns (SEO and PPC in particular) on behalf of clients such as Selfridges, Audi, Jamie Oliver. It has also received numerous awards highlighting the quality of its expertise.

All Netbooster activities in the UK will now be under the responsibility of a new management team led by the two co-founders of 4Ps Marketing.

Through this operation, NetBooster is increasing in a market where it considered that its position was not strong enough. It now stand in the TOP 10 of the country's agencies and would not be far to join the TOP 5. Even if financial data of 4PS Marketing are not yet available, Netbooster double in size with now 140 employees in the UK. Recall that in 2015 NetBooster UK had generated € 4.4 million in gross margin and EBITDA of approximately € 1 million.

If the price paid was not disclosed, Netbooster states that the financing of the operation was carried out both in shares and in cash thanks to the unanimous agreement of the banking pool enabling it to use its credit lines introduced earlier this year. Management also indicated that the cash obtained from the private placement in early September was not committed to this acquisition, leaving it great financial flexibility.

Note that the financial details could be provided during the publication of half-year result on 11 October.

Following this acquisition, NetBooster is firmly established on the three main European markets Germany, France and the UK with for each of its subsidiaries a relatively similar size (about € 10 million of gross margin). If we should not completely exclude a targeted acquisition in Europe, it is likely that future external growth operations will be performed in a new geographical area (Asia, Middle East...).

Furthermore, we also benefit of this contact to make a point about the partnership in the US with PMX following the announcement this summer of its acquisition by The Stagwell Group, an investment fund founded by former Microsoft executive in order to build up a portfolio of marketing services company. The direction of NetBooster was reassuring in suggesting that relations have not changed, that trade is still positive and no adjustment has so far been necessary.

We confirm our BUY opinion with an unchanged target price of € 3.53, an upside potential of 31.7%.

Stock Market Profile

Ratios	2016e	2017e	2018e
EV/GM	1,17	0,95	0,78
EV/EBIT	9,62	7,33	6,02
PE	17,50	14,19	12,52
P/CF	14,85	12,29	10,95
Dividend Yield	0%	0%	0%

Data per share	2015	2016e	2017e	2018e
EPS restated diluted	0,16	0,15	0,19	0,21
%Change		-7,1%	23,3%	13,3%
FCF	0,15	0,16	0,20	0,23
%Change		0,08	21%	15%
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	3,6	4,1
Margin	6,9%	7,1%	8,1%	8,6%

Cash Flow Statement (€M)	2015	2015e	2016e	2017e
FCF	3,2	3,8	4,4	5,0
Net Debt	5,2	-3,2	-6,9	-11,1
Shareholder Equity	18,3	26,5	30,1	34,1
Gearing	28,7%	-12,0%	-22,8%	-32,6%
ROCE	13,3%	15,4%	18,8%	20,9%

Shareholders	
Truffle Capital	18,4%
Pure Invest	15,0%
Nobel	12,8%
Idinvest	6,9%
Flottant	46,9%

Performance	2016	3m	6m	1y
Netbooster	8,9%	28,2%	-0,7%	17,0%
Alternext	0,1%	5,4%	4,6%	5,0%
12-month Low-High	1,90	2,85		

Average Daily Volume	2016	3m	6m	1y
Netbooster	22 416	28 625	20 073	20 182

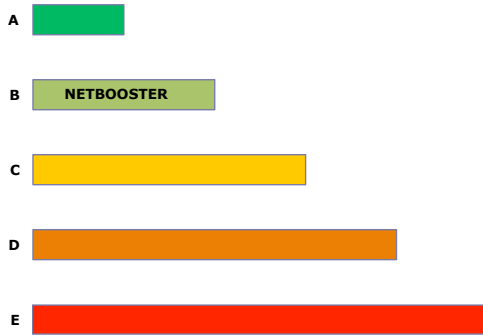
Next Event H1 Results: 11 October 2016



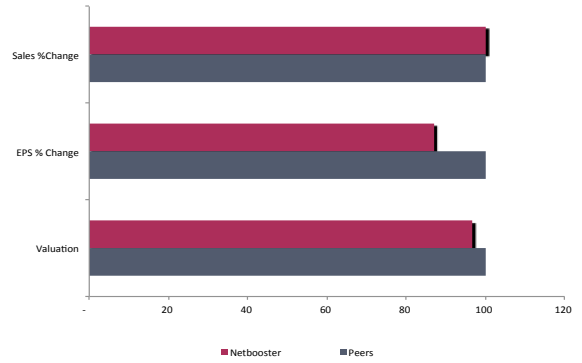
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NETBOOSTER

Fondamental Matrix



Investment Profile



PRICE TARGET AND RATING HISTORY

DATE	COMMENTS	RATING	PRICE	PRICE TARGET
09/05/2016	Press Release	BUY	€ 2.54	€ 3.53
07/21/2016	H1 GM	BUY	€ 1.95	€ 3.60
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

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	-0,6	-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	3,6	4,1
Net Profit Restated	-0,6	2,8	2,7	2,9	3,6	4,1

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	22,6	24,5	26,9
Other Current Assets	1,3	3,0	3,5	3,5	3,5	3,5
TOTAL Assets	65,4	69,1	82,9	100,7	104,3	108,8
Shareholders' Equity	7,5	15,3	18,3	26,5	30,1	34,1
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	100,7	104,3	108,8

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	3,8	4,4	5,0
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	5,3	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	14,7	-1,8	-1,8
Net Change Cash	-0,9	-2,8	1,2	17,8	1,9	2,5

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%	7,1%	8,1%	8,6%
ROE	-8,0%	17,7%	14,0%	10,9%	11,9%	11,9%
ROCE	7,0%	12,7%	13,3%	15,4%	18,8%	20,9%
Gearing	81,3%	51,6%	28,7%	-12,0%	-22,8%	-32,6%
FCF	0,9	-1,6	2,4	3,1	3,7	4,3
FCF per share	0,1	-0,1	0,1	0,2	0,2	0,2
EPS (€)	-0,04	0,17	0,16	0,15	0,19	0,22
EPS restated diluted (€)	-0,04	0,18	0,16	0,15	0,19	0,22
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	19,0	19,0	19,0

Estimates : GreenSome Finance

RATING DEFINITION

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

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