

26 October 2016

NETBOOSTER

Share Price (10/25/16) : € 2.57

Market Cap : €m 49.11

Alternext - FR0000079683 - ALNBT

BUY

Target Price : € 3.53

Potential : +37.3%

BPI « Innovative Company »

Q3 Gross Margin + EBITDA : 5th consecutive quarter of growth

Two weeks after the publication of its interim results, NetBooster announced for its Q3 gross margin of € 9.4 million up 6.8% and an EBITDA of € 1.1 million, down 15.4%, an EBITDA/GM ratio of 11.7%. Over 9 months the increase in gross margin is +7.6% and EBITDA is stable.

€ million	2015			2016			% Chge	
	Gross Margin	EBITDA	EBITDA/GM	Gross Margin	EBITDA	EBITDA/GM	Gross Margin	EBITDA
Q1	8,4	0,9	10,7%	8,9	0,8	9,0%	6,0%	-11,1%
Q2	9	1,2	13,3%	9,9	1,5	15,2%	10,0%	25,0%
Q3	8,8	1,3	14,8%	9,4	1,1	11,7%	6,8%	-15,4%
9 months	26,2	3,4	13,0%	28,2	3,4	12,1%	7,6%	0,0%

NetBooster deliver a fifth consecutive quarter with growth of gross margin over 5%. This confirms the success of its strategy that combines sales development on the basis of existing customers and gain of new significant. As such it recorded in Q3 major signatures including Dubai Parks & Resorts or Hertz that caught the group to manage its paid media activities across seven European countries and international campaigns in the United States, the Middle East and the Asia-Pacific region.

The slight decline in profitability over 9 months (EBITDA/gross margin of 12.1% vs 13% in 2015) is in line with expectations and reflects the different investments made by the Group to support its development and enhance the visibility of its brand.

Regarding its outlook NetBooster has confirmed its objectives ie growth of its gross margin around 10% and an EBITDA of € 5.5 million, which is perfectly in line with our expectations.

For 2017, the management will provide further details on its strategic plans in January. It is convinced that it will « deliver grpwing results in the next quarters ».

Thanks to its good positioning, strengthened by the recent acquisition of 4PS in the UK, we remain confident about the company's ability to meet its commitments.

Moreover, we believe that the recent changes at the head of the group, departure of the CEO, Tim Ringel, replaced by the COO, Thomas Armbruster, should not create turbulence. Indeed the latter is present in Netbooster for 6 years and has been active in the recovery of the company. In addition each of the operating subsidiaries have qualified managers. Finally, Tim Ringel remains a shareholder and group administrator.

We confirm our BUY opinion with an unchanged target price of € 3.53 a potential upside of 37.3%.

Stock Market Profile

Ratios	2016e	2017e	2018e
EV/GM	1,12	0,90	0,74
EV/EBIT	9,20	6,98	5,71
PE	16,78	13,61	12,01
P/CF	14,24	11,78	10,50
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	2016e	2017e	2018e
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	4,5%	20,7%	-4,8%	1,2%
Alternext	-1,0%	1,0%	1,7%	1,7%
12-month Low-High	1,90	2,85		

Average Daily Volume	2016	3m	6m	1y
Netbooster	22 420	22 124	20 945	20 026

Next Event 2016 Gross Margin + EBITDA: Date n.a



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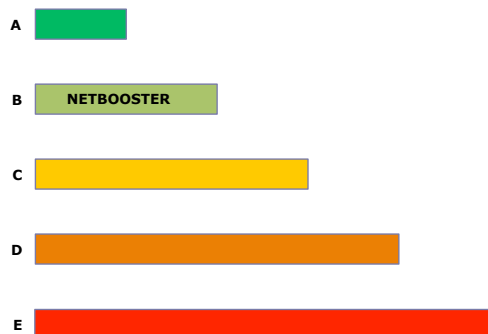
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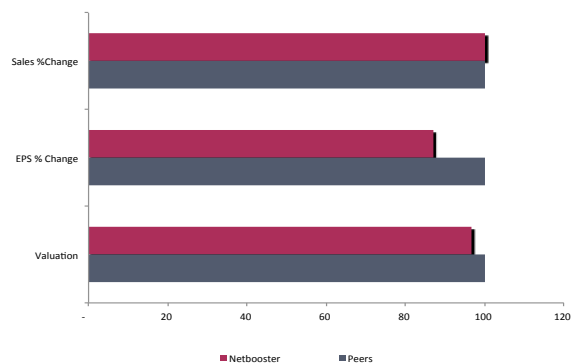
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NETBOOSTER

Fondamental Matrix



Investment Profile



PRICE TARGET AND RATING HISTORY

DATE	COMMENTS	RATING	PRICE	PRICE TARGET
10/13/2016	H1 Results	BUY	€ 2.44	€ 3.53
09/29/2016	Press Release	BUY	€ 2.68	€ 3.53
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

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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