

NETBOOSTER

Alternext - FR0000079683 - ALNBT

- ✓ 2016 Gross Margin of € 40.8 M, +10% - In line
- ✓ 15% growth of GM in Q4
- ✗ 2016 EBITDA of € 5 M, -9% - below expectations
- ✗ Departure of the CEO

Netbooster publishes a gross margin of € 40.8 million for its financial year 2016, an increase of 10%, in line with our expectation of € 41 million. In the Q4, gross margin came to € 12.6 million, up 15%.

On the other hand, EBITDA 2016 amounted to € 5 million, down 9% below our expectations and to management guidance of € 5.5 million. The EBITDA / Gross Margin ratio decreased by 2.5 points to 12.3% vs. 14.8% in 2015.

	2015		2016		% Chge		Estimates	
	Gross Margin	EBITDA	Gross Margin	EBITDA	Gross Margin	EBITDA	Gross Margin	EBITDA
Q1	8,4	0,9	8,9	0,8	6,0%	-11,1%		
Q2	9	1,2	9,9	1,5	10,0%	25,0%		
Q3	8,8	1,3	9,4	1,1	6,8%	-15,4%		
Q4	11,0	2,1	12,6	1,6	14,5%	-23,8%	12,8	2,1
TOTAL	37,2	5,5	40,8	5,0	9,7%	-9,1%	41,0	5,5

Netbooster delivers a 6th consecutive quarter of growth. This confirms the success of its strategy which combines sales development on the basis of existing customers and gaining significant new ones. In this respect, he has signed major signatures in recent months, notably Deezer, Swiss Railways, Scout 24, Dubai Parks & Resorts and Hertz. These contracts will favor growth in the coming quarters.

The disappointment comes from the downturn in profitability in Q4. The company explained this by three factors: 1/ the absence of a rebound in the Nordic countries, which had a negative impact on EBITDA of € -0.8 M, 2/ investments in marketing and human resources to accompany the present and future growth and 3/ the decrease of the pound following the Brexit for a negative effect on the EBITDA of € -0.2 M.

Another surprise, the announcement that Thomas Armbruster, CEO since October 17 after the departure of Tim Ringel, also leaves the group. Leading Netbooster since mid-2013, the two men will have deeply straightened up both operationally and financially. It seems that this evolution of the management team responds to the will of the board of directors to instigate a new dynamic of growth and to position the group more and more with very large accounts.

However, this decision opens, at least in the short term, a transition period the time to find a new CEO. In the meantime the Chairman of the Board of Directors François de la Villardière, appointed in November and founder of Business Interactive successfully sold to Publicis in 2007, will act as CEO by interim.

In order to take all these factors into account, we have adjusted our 2016^e-2018^e estimates.

(€ M)	2016e		2017e		2018e	
	before	after	before	after	before	after
Gross Margin	41,0	40,8	44,3	45,0	46,9	48,6
% Change		-0,5%		1,6%		3,5%
EBITDA	5,5	5,0	6,6	6,4	7,2	7,3
% Gross Margin	13,4%	12,3%	14,9%	14,2%	15,4%	15,0%
EBIT	5,0	4,5	6,1	5,8	6,7	6,7
% Gross Margin	12,2%	11,0%	13,7%	13,0%	14,2%	13,8%
Group Net Result	2,9	2,6	3,6	3,4	4,1	4,1
% Gross Margin	7,1%	6,3%	8,1%	7,6%	8,6%	8,4%
EPS Restated (€)	0,15	0,14	0,19	0,18	0,21	0,22
%Change		-11,8%		-4,1%		1,1%

Following the update of the valuation model, **our target price now stands at € 3.18 (vs. € 3.53), a potential increase of 24.2%. We therefore confirm our BUY Opinion.** If the reaction of the market is likely to be negative this day, this publication does not call into question the positive medium-term trajectory of the group.

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OPINION

2016 GM/EBITDA + Contact

BPI Innovative Company

TARGET

€ 3.18

PREVIOUS

€ 3,53

PRICE (01/02/2017)

€ 2.56

POTENTIAL

+24.2%

MARKET CAP

€ 48.92 M

FREE FLOAT

€ 22,9 M

Ratios	2016e	2017e	2018e
EV/GM	1,13	0,95	0,85
EV/EBIT	9,22	7,21	6,30
PE	18,95	14,14	11,83
P/CF	15,76	12,17	10,35
Dividend Yield	0%	0%	0%

Data per share	2015	2016e	2017e	2018e
EPS restated diluted	0,16	0,14	0,18	0,22
%Change		-18,0%	34,1%	19,5%
FCF	0,15	0,14	0,19	0,23
%Change		-0,4	30%	22%
Dividend	0,00	0,00	0,00	0,00

Income Statement (€M)	2015	2016e	2017e	2018e
Gross Margin	37,2	40,8	45,0	48,6
%Change		9,8%	10,3%	8,0%
EBITDA	5,5	5,0	6,4	7,3
EBITDA/GM	14,8%	12,3%	14,2%	15,0%
EBIT	4,3	4,5	5,8	6,7
EBIT/GM	11,7%	11,0%	13,0%	13,8%
Net Result	2,6	2,6	3,4	4,1
Margin	6,9%	6,3%	7,6%	8,4%

Cash Flow Statement (€M)	2015	2016e	2017e	2018e
FCF	3,2	3,4	4,2	5,0
Net Debt	5,2	-2,8	-6,4	-10,7
Shareholder Equity	18,3	26,2	29,6	33,7
Gearing	28,7%	-10,8%	-21,5%	-31,7%
ROCE	13,3%	13,9%	18,1%	21,1%

Shareholders

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

Performance	2017	3m	6m	1y
Netbooster	-6,9%	3,2%	16,9%	8,5%
Alternext	2,8%	4,3%	4,6%	10,6%
12-month Low-High	1,90	2,85		

Liquidity	2017	3m	6m	1y
Cumulated Volume (000)	369	1 022	2 356	5 453
% of capital	2%	5%	12%	29%
% of Free Float	4%	11%	26%	61%
€ M	1,0	2,6	6,0	12,9

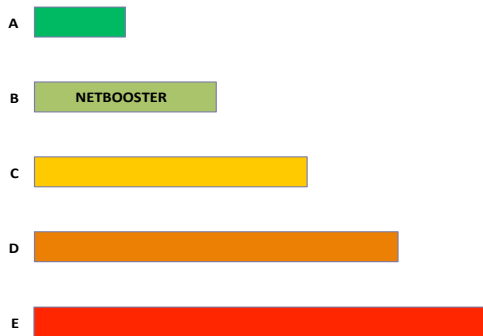
Next Event

2016 Results + Q1: 04/26/2017

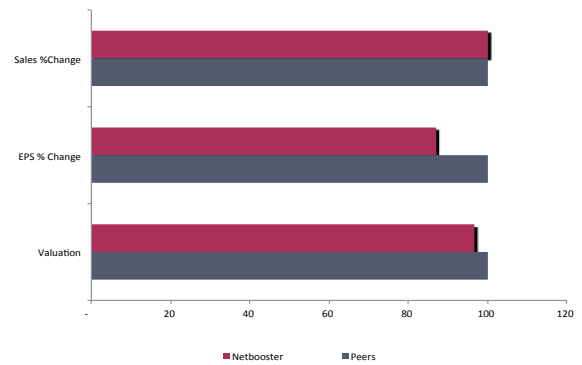
Snapshot NETBOOSTER

NetBooster is a leading independent international agency in digital performance marketing that makes its comprehensive expertise of digital marketing available to its clients to achieve the best possible performance for their investments. The agency invests in technology and covers the entire chain of online marketing through its European network: search engine optimisation and marketing, data and analytics (DnA), GroundControl Technology, display, affiliation, online media, creation, eCRM and social networks, with a recognised expertise in tomorrow's digital marketing (Social Media, Video, Ad Exchange, etc...).

Fundamental Matrix



Investment Profile



Price Target and Rating History

DATE	TYPE	OPINION	PRICE	TARGET PRICE
10/26/2016	MB + EBITDA T3	BUY	€ 2.57	€ 3.53
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

Financial Data

INCOME STATEMENT (M€)	2013	2014	2015	2016e	2017e	2018e
Gross Margin	34,4	34,1	37,2	40,8	45,0	48,6
Externals Costs	6,1	6,9	7,7	8,5	9,4	10,0
Personnels Costs	24,7	23,0	24,3	27,2	29,0	31,1
Taxes	0,4	0,2	0,2	0,2	0,2	0,2
EBITDA	2,6	4,4	5,5	5,0	6,4	7,3
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	4,5	5,8	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	1,3	1,7	2,0
Goodwill Amortization	0,0	0,0	0,0	0,0	0,0	0,0
Net Profit	-0,6	2,7	2,6	2,6	3,4	4,1
Net Profit Restated	-0,6	2,8	2,7	2,6	3,4	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	22,2	24,0	26,5
Other Current Assets	1,3	3,0	3,5	3,5	3,5	3,5
TOTAL Assets	65,4	69,1	82,9	100,3	103,8	108,4
Shareholders' Equity	7,5	15,3	18,3	26,2	29,6	33,7
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	100,3	103,8	108,4

CASH FLOW STATEMENT (€ m)	2013	2014	2015	2016e	2017e	2018e
Cash Flow from Operating Activities	0,9	2,7	3,5	3,1	4,0	4,7
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	3,4	4,2	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	17,4	1,7	2,5

RATIOS	2013	2014	2015	2016e	2017e	2018e
EBITDA/Gross Margin	7,6%	12,8%	14,8%	12,3%	14,2%	15,0%
EBIT/Gross Margin	4,1%	12,0%	11,7%	11,0%	13,0%	13,8%
NI/Gross Margin	-1,7%	7,9%	6,9%	6,3%	7,6%	8,4%
ROE	-8,0%	17,7%	14,0%	9,8%	11,6%	12,2%
ROCE	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Gearing	81,3%	51,6%	28,7%	-10,8%	-21,5%	-31,7%
FCF	0,9	-1,6	2,4	2,7	3,5	4,3
FCF per share	0,1	-0,1	0,1	0,1	0,2	0,2
EPS (€)	-0,04	0,17	0,16	0,14	0,18	0,22
EPS restated diluted (€)	-0,04	0,18	0,16	0,14	0,18	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	19,1	19,1	19,1

Estimations : GreenSome Finance

Rating Definition

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

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