



## NEWS

24 January 2022

### AUDIOVALLEY

#### Preview 2021 revenue (+)

Audiovalley will report its annual revenue on Thursday. We expect a very dynamic year-end, in the wake of the growth delivered over the first nine months of 2021. At the end of September, revenue for the first nine months of the year was up 47% to almost €20m, driven by the hyper-growth of Targetspot (+53% with revenue of €18.2m). We expect similar growth rates in Q4. The growth rate of Targetspot - which accounts for more than 90% of Audiovalley's revenues - should be maintained on these very high levels, thanks in particular to the incredible momentum recorded in the United States (+80% at constant exchange rates in H1 2021 and +72% at constant exchange rates in Q3 2021).

Audiovalley should also maintain its sustained growth in 2022. Targetspot will remain a powerful driver and the investments made in the music business should lay the foundations for a new growth driver in an extremely buoyant market.

The stock remains very cheap and the succession of good publications should finally pay off, as the expected newsflow for 2022 should remain as good as 2021. We remain Buy on the stock with a TP of €6.2.

Buy, TP of €6.2 - Jean-Pierre Tabart : +33 1 55 35 69 41

| Market Data     |                  |
|-----------------|------------------|
| Industry        | Media Technology |
| Share Price (€) | 3.3              |
| Market Cap (€M) | 43.0             |
| Market Segment  | Euronext Growth  |
| Bloomberg       | ALAVY FP         |

| Ownership structure |       |
|---------------------|-------|
| Fondateurs/Managers | 43.1% |
| Free float          | 56.7% |
| Treasury shares     | 0.2%  |

| €M (31/12)    | 2020   | 2021e | 2022e | 2023e |
|---------------|--------|-------|-------|-------|
| Sales (€M)    | 19.6   | 28.0  | 37.6  | 47.2  |
| Growth        | -10.8% | 42.7% | 34.5% | 25.5% |
| EBIT          | -3.4   | -2.4  | -0.4  | 1.9   |
| Op. Margin(%) | -17.1% | -8.4% | -1.0% | 3.9%  |
| Net income    | -4.8   | -3.5  | -1.5  | 0.7   |
| EPS diluted € | -0.39  | -0.22 | -0.07 | 0.08  |
| EPS growth    | ns     | ns    | ns    | ns    |
| Dividend      | 0.00   | 0.00  | 0.00  | 0.00  |
| Yield (%)     | 0.0%   | 0.0%  | 0.0%  | 0.0%  |
| FCF           | -0.3   | 0.4   | 2.3   | 4.5   |
| ROCE          | ns     | ns    | ns    | 7.1%  |
| EV/Sales (x)  |        | 1.7   | 1.2   | 0.9   |
| EV/EBIT (x)   |        | ns    | ns    | 22.6  |
| PE (x)        |        | ns    | ns    | ns    |
| Net Debt      | 14.5   | 5.5   | 3.2   | -1.3  |
| Gearing       | 98%    | 28%   | 18%   | -7%   |

Midcap Partners estimates

Upcoming event : Sales 2021 le 27/01/2022

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- 1.DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
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- 3.Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
- 4.Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
- 5.Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

### Conflict of Interests

| Company            | Conflict Type |
|--------------------|---------------|
| AUBAY              | G             |
| AUDIOVALLEY        | E,G           |
| COFLE              | E,G           |
| EUROBIO SCIENTIFIC | D,F,G         |
| WAVESTONE          | Nil           |
|                    |               |
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