

Claranova Hold

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France | IT services & software

MCap: EUR86.8m

Target Price: EUR2.00
Current Price: EUR1.52
Up/downside: 31.8%
Market data: 11 February 2025

Bloomberg: CLA FP
Free float 71%
Avg. daily volume (EURm) 0.2
YTD abs performance 21.4%
52-week high/low (EUR) 2.91/1.17

Double-digit H1 EBITDA growth expected, top-line challenges remain

Key points:

- Q2 sales came at EUR206m (-1% LFL), 3% below our estimates, mainly impacted by PlanetArt sluggish growth (-2% LFL). Avanquest is stable and MyDevices is no longer consolidated following the planned disposal.
- Following this release, Claranova expects double-digit EBITDA growth for H1 (>EUR30m and margin above 10%). These results will be released on 27 March.
- During the analyst call, management expressed confidence in sales growth for H2 (without specifying the extent), supported by new product launches and partnerships.
- 2027 targets have been reiterated (LFL CAGR +5% to +8% or annual revenue of EUR575-625m, 13-15% EBITDA margin, leverage ratio of less than 1x).
- In our view, while the group's focus on profitability is a positive factor, a return to a more sustainable growth remains the key catalyst for a potential stock re-rating.

Q2 sales reached EUR206m (-1% LFL), 3% below our estimates

- Claranova reported Q2 2024/28 sales of EUR206m (-1% YOY and LFL) slightly below our expectations (KECH: EUR213m), after flat growth in Q1. MyDevices is no longer consolidated.
- PlanetArt (EUR174m, -1% YOY, -2% LFL) continued to experience negative growth, notably impacted by a shorter sales window during year-end holiday season (5 fewer days). As a reminder, Q2 historically represents 45-50% of FY sales for PlanetArt.
- Avanquest remained broadly stable (EUR33m, 0% YOY, +1% LFL), while non-core activities continue to decline (8% of sales vs 12% last year) and are also planned for disposal. At the H1 level, sales growth for Adaware offset the slowdown in Soda PDF and InPixio.
- Overall, H1 sales reached at EUR294m (-1% YOY, stable LFL).

Table 1: Q2 sales overview

EURm	Q2 2024/25	Q2 2023/24	% YOY	% ccy	% constant perimeter	% LFL	KECH	A vs. E
PlanetArt	174	175	-1%	-2%	-1%	-2%	179	-3%
Avanquest	33	33	0%	0%	0%	1%	35	-5%
myDevices	0	3	na	na	na	na	3	-
Total revenue - Group	206	211	-1%	-2%	0%	1%	216	-5%

Sources: Claranova, Kepler Cheuvreux

Table 2: H1 sales overview

EURm	H1 2024/25	H1 2023/24	% YOY	% ccy	% constant perimeter	% LFL	KECH	A vs. E
PlanetArt	234	235	0%	-1%	0%	-1%	239	-2%
Avanquest	60	62	-3%	-1%	1%	3%	62	-3%
myDevices	0	5	na	na	na	na	5	-
Total revenue - Group	294	302	-1%	-1%	0%	0%	305	-4%

Sources: Claranova, Kepler Cheuvreux

Double-digit EBITDA growth expected in H1, potential for sales improvement in H2

- Supported by better cost efficiency, Claranova expects a double digit EBITDA growth for the semester. This implies EBITDA above EUR30m and a margin above 10% (vs 9.1% in H1 2023/24) mainly driven by PlanetArt improvement.
- New product launches and partnerships are expected to support sales recovery in H2. However, achieving FY growth at the lower end (+5%) of the 2027 targets still seems too ambitious. We maintain our +3% FY growth estimate.

Our view

- In a context of stable sales, the EBITDA growth target for the semester confirms the ongoing development of the One Claranova plan, with a strong focus on profitability.
- However, investors may remain concerned about the lack of a return to a more favourable growth environment for PlanetArt, which continues to struggle with a lack of strong market catalysts.
- As highlighted in our previous note on Q1 sales (see [here](#)), restoring investor confidence will require strong execution in the coming quarters.

Appendix 1: Research framework

Last model update: 14 November 2024

Investment case

- Claranova’s share price has taken several hits over the past few quarters amid changes in Apple’s App Tracking Transparency, Covid normalisation, a dilutive capital increase, governance issues, and poor market conditions.
- We prefer to keep a more cautious stance at this stage, and wait for a confirmation of a return to a sustainable and profitable growth path.

Catalysts

- (-) Guidance miss on too ambitious targets and tough macro.
- (+) Improvement at PlanetArt (scalability, profitability).
- (+) Confirmed momentum at Avanquest, sale of all non-core activities, and/or M&A.

Valuation Methodology

- We value Claranova with a SOP.
- PlanetArt's valuation is based on a DCF (WACC 16%, 1.5% g), Avanquest's on a DCF (WACC 15.5%, 2% g), and myDevices' on transaction multiples (2025E EV/sales).
- We derive a fair value/share of EUR2.

Risk to our rating

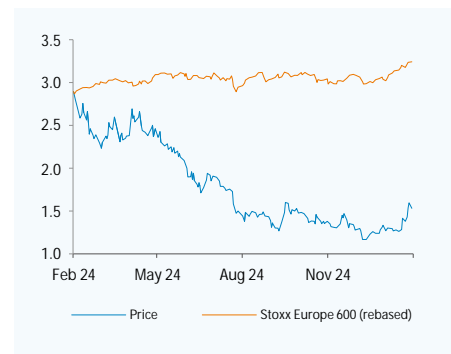
- (-) Macroeconomic risks (decrease in consumer purchasing power, high input costs, high beta stock).
- (-) Failure to compensate for a large part of Apple's stricter confidentiality policy, meaning slower volume and potentially hit on profitability.

Appendix 2: Company description

Claranova is a France-based technology firm that manages majority interests in the main technology markets (Internet, Mobile, IoT). While French, the group is a global company, deriving 95% of its sales abroad. Since 2013, it has been totally restructured under CEO Cesarini and its strategy redefined towards value creation. Today, it focuses on three businesses: 1) PlanetArt (personalised e-commerce, 75% of sales), 2) Avanquest (B2C SaaS software publishing, 23%), and 3) myDevices (IoT, 2%).

Mgmt	Pierre Cesarini, CEO Xavier Rojo, CFO
Ownership	Free float: 70.80% Pierre Cesarini: 4.48% LIH: 15.89% Minority shareholders concert: 7.17%

Appendix 3: share price perf.



Appendix 4: SWOT analysis

Strengths

- Leader in mobile-to-print apps.
- International focus (mostly the US, UK).
- Low customer acquisition costs.
- Improved financial situation.

Opportunities

- Increased penetration in the personalised e-commerce market.
- Diversification of mobile-to-print offers.
- Promising connected devices segment (myDevices).
- Spin-off of PlanetArt and/or Avanquest to unlock value.

Weaknesses

- Presence in highly competitive markets.
- Weak track record, and governance issues.
- High beta stock, high volatility.
- Few institutional investors in the capital.

Threats

- Failure to effectively bypass new Apple Privacy Policy.
- Decrease in consumers' purchasing power due to poor macro.
- Low barriers to entry in the mobile app segment.
- Competition with free PC software.

Appendix 5: Key financials

Last model update: 14 November 2024

Market data date: 11 February 2025

FY to 30/06 (EUR)	06/17	06/18	06/19	06/20	06/21	06/22	06/23	06/24	06/25E	06/26E
Income Statement (EURm)										
Sales	130.2	161.5	262.3	409.1	471.9	473.6	507.0	495.6	510.2	539.2
% Change	10.9%	24.0%	62.4%	56.0%	15.4%	0.4%	7.1%	-2.2%	2.9%	5.7%
EBITDA adjusted	-5.0	3.8	16.0	17.5	34.2	25.5	32.5	45.9	47.6	56.1
EBITDA adj. margin (%)	-3.8%	2.4%	6.1%	4.3%	7.2%	5.4%	6.4%	9.3%	9.3%	10.4%
EBIT adjusted	-10.6	-3.8	14.3	13.4	29.2	18.7	24.6	38.5	37.9	48.0
EBIT adj. margin (%)	-8.1%	-2.4%	5.5%	3.3%	6.2%	3.9%	4.9%	7.8%	7.4%	8.9%
Net financial items & associates	0.0	0.0	-48.3	-3.2	-4.1	-6.1	-5.0	-8.6	-14.4	-21.5
Others	-0.9	-0.3	-0.8	-1.3	-2.7	-16.2	-23.1	-25.8	0.0	0.0
Tax	-0.4	-1.8	-3.7	-2.1	-3.8	-5.7	-2.0	-8.3	-5.5	-5.7
Net profit from continuing operations	-11.4	-8.3	-41.4	1.2	14.2	-10.0	-10.8	-11.9	12.9	15.5
Net profit from discontinuing activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	-11.4	-8.3	-41.4	1.2	14.2	-10.0	-10.8	-11.9	12.9	15.5
Net profit reported	-11.0	-8.1	-40.8	0.5	10.5	-10.5	-10.6	-11.2	12.9	15.5
Net profit adjusted	-8.1	-1.7	-7.4	4.0	13.9	-10.0	-6.6	-5.4	16.7	19.5
Cash Flow Statement (EURm)										
Levered post tax CF before capex	-0.4	5.0	7.1	29.4	18.8	16.1	9.3	39.6	27.2	28.8
Capex	-0.2	-0.1	-2.5	-1.2	-3.8	-2.2	-10.9	-5.2	-7.7	-8.1
Free cash flow	-0.5	4.9	4.6	28.2	15.0	13.9	-1.6	34.4	19.5	20.7
Acquisitions & divestments	3.6	14.2	-13.3	-31.9	-3.8	-73.4	-21.2	0.2	0.0	0.0
Dividend paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	3.2	2.4	-5.2	-6.0	0.3	-37.0	-18.1	-49.8	20.0	0.0
Change in net financial debt	-6.3	-21.5	13.9	9.7	-11.5	96.5	40.9	15.2	-39.5	-20.7
Balance Sheet (EURm)										
Intangible assets	0.9	0.5	69.9	70.5	77.5	96.6	120.1	117.2	113.9	112.3
Tangible assets	0.3	0.2	1.4	15.7	12.2	18.2	18.2	16.7	14.9	13.8
Financial & other non-current assets	0.7	0.6	3.9	7.6	6.7	8.5	13.5	12.0	12.0	12.0
Total shareholders' equity	1.3	14.3	63.6	62.3	83.2	1.9	-16.4	-7.7	5.2	20.7
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	28.7	66.2	112.5	147.7	141.7	268.2	280.8	236.0	258.4	263.1
Net debt	-15.9	-37.4	-23.1	-3.4	-15.6	86.3	126.7	116.4	97.0	76.2
Net financial debt	-16.0	-37.5	-23.6	-13.9	-25.4	71.1	112.0	102.0	82.6	61.8
IFRS 16 debt	0.0	0.0	0.0	10.2	7.6	13.2	13.1	12.8	12.8	12.8
Net working capital	-16.0	-23.7	-32.3	-32.0	-26.5	-33.5	-32.0	-35.1	-36.1	-38.2
Invested capital	-14.8	-23.0	39.0	54.2	63.2	81.3	106.3	98.8	92.7	87.9
Per share data (EUR)										
EPS adjusted	-0.02	0.00	-0.19	0.10	0.35	-0.23	-0.15	-0.11	0.30	0.34
EPS adj and fully diluted	-0.02	0.00	-0.19	0.10	0.35	-0.21	-0.13	-0.11	0.29	0.34
% Change	+chg	+chg	-chg	+chg	248.3%	-chg	+chg	+chg	+chg	16.7%
EPS reported	-0.03	-0.02	-1.04	0.01	0.27	-0.25	-0.23	-0.22	0.23	0.27
Cash flow per share	0.00	0.01	0.18	0.75	0.48	0.38	0.20	0.77	0.48	0.51
Book value per share	0.00	0.03	1.34	1.29	1.70	-0.03	-0.42	-0.19	0.05	0.33
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of shares, YE (m)	375.32	393.61	39.44	39.44	39.73	45.99	45.99	57.21	57.21	57.21
Ratios										
ROE (%)	-494.9%	-25.3%	-22.8%	7.8%	23.6%	-30.4%	na	na	na	181.8%
ROIC (%)	na	na	196.3%	10.5%	39.2%	60.2%	32.2%	124.1%	27.7%	38.8%
ND(F+IFRS16) / EBITDA (x)	3.2	-9.9	-1.5	-0.2	-0.5	3.3	3.8	2.5	2.0	1.3
Gearing (%)	-1,230.8%	-262.2%	-37.1%	-22.3%	-30.5%	na	na	na	na	299.2%
Valuation										
P/E adjusted	na	na	na	66.8	18.9	na	na	na	5.1	4.4
P/E adjusted and fully diluted	na	na	na	68.1	19.1	na	na	na	5.2	4.4
P/BV	na	na	5.9	5.3	3.9	na	na	na	28.7	4.7
P/CF	na	na	43.6	9.1	14.0	13.6	12.6	2.5	3.2	3.0
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield preference shares (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	65.9%	131.8%
FCF yield (%)	-0.1%	0.2%	1.5%	10.5%	5.7%	5.9%	-1.4%	30.6%	22.5%	23.9%
EV/Sales	6.9	16.7	1.1	0.7	0.6	0.7	0.5	0.5	0.4	0.3
EV/EBITDA adj.	na	na	18.6	15.8	7.7	12.7	7.5	5.0	3.8	2.9
EV/EBIT adj.	na	na	20.8	20.6	9.0	17.3	10.0	5.9	4.8	3.4

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Total	100%	100%

Source: Kepler Cheuvreux

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