

CLIQ Digital

Q125 update

Awaiting developments

CLIQ Digital's Q125 results show the continuing impact of tough underlying market conditions and the reduction in the business's scale. However, there is a modest quarterly sequential improvement in North American revenues, although it is too soon to judge if this is sustainable. The group still has a strong cash position (lease debt only), giving some resilience to prospects, and costs have been contained, maintaining adjusted EBITDA margins. There is no further news on the corporate developments disclosed in March, either a potential partial share offer and/or delisting, overshadowing any appraisal of the fundamentals. It would be reasonable to expect clarification by the H125 figures or postponed AGM in August at the latest. The share price is up 84% since the disclosure of the possible transaction.

Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/23	326.4	50.3	4.91	0.00	1.2	N/A
12/24	243.0	10.2	(2.59)	0.04	N/A	0.7
12/25e	190.0	11.8	0.77	0.04	7.7	0.7
12/26e	215.0	15.0	1.11	0.04	5.3	0.7

Note: EBITDA and EPS are normalised, excluding amortisation of acquired intangibles and share-based payments.

Focus on reducing customer acquisition costs

CLIQ's management has been working to restore levels of profitability through a broader approach to customer acquisition from a wider range of channels, with the aim of attracting more new customers. The impact of driving down the target cost per customer acquisition (CPA) for new subscribers is clear in the revenue line, with a year-on-year reduction in total customer acquisition cost of 49% translating to a 32% decline in the top line over Q124. Management now views the CPA as being more in line with the lower expected lifetime customer value. The internal transformation programme, Fit for Future, has helped to stabilise the adjusted EBITDA margin at 7.3%, with a further €0.5m of associated cost logged in Q125, after a spend of €11.2m in FY24.

FY25 guidance and forecasts unchanged

Guidance stays at revenue of €180–220m and EBITDA of €10–15m. Our forecasts are also unchanged. Q125 revenue was €50m, up from €48m in Q424, but well behind the €73m logged for Q124. In this context, our modelled €190m for FY25 looks reasonable. For adjusted EBITDA, Q125's figure of €3.7m was down 31% y-o-y, representing a margin of 7.3%, which is higher than we currently model for the full year, giving a degree of flexibility against the continuing uncertain trading conditions. With this backdrop, we also leave our FY26 numbers unchanged until the picture becomes clearer.

Valuation: Awaiting clarity

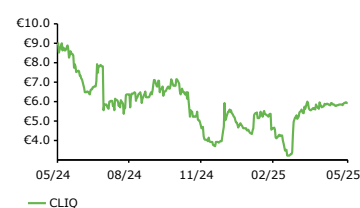
CLIQ's share price is up 84% since the potential partial share offer, buyback and delisting announcements, and up 28% over the year-to-date. Over one year, the share price is down 38%. Priced at parity with peers on EV/sales, CLIQ's implied share price is €53, from €63 in February. However, in the circumstances, we would apply a significant size and current trading discount. Our DCF-based valuation (WACC: 10%, terminal growth rate: 2%) is now at c €8, from €9 previously.

Media

14 May 2025

Price	€5.90
Market cap	€39m
Net cash at 31 March 2025	€13.6m
Shares in issue	6.5m
Free float	81.0%
Code	CLIQ
Primary exchange	XETRA
Secondary exchange	FRA

Share price performance



%	1m	3m	12m
Abs	3.3	44.4	(30.8)
52-week high/low		€9.6	€3.2

Business description

The CLIQ Group is a data-driven online performance marketing company that sells bundled subscription-based digital products to consumers worldwide. The group licenses content from partners, bundles it into digital products and sells them via performance marketing.

Next events

Half year results	7 August 2025
-------------------	---------------

Analyst

Fiona Orford-Williams	+44 (0)20 3077 5700
-----------------------	---------------------

tmt@edisongroup.com

[Edison profile page](#)

CLIQ Digital is a research client of Edison Investment Research Limited

Q125 revenues stabilising

Trading is undoubtedly still difficult and management is seeking a balance between spending on customer acquisition and holding margins. With the change in the expected lifetime value of an individual customer down to €70 in Q125 from €81 a year earlier reflecting the increased churn, driving the efficiency of marketing spend is central to any recovery narrative. The broadened approach to customer recruitment adopted over the last year or two is a positive move and the intended addition of Apple Pay and Google Pay should widen the net further.

The experiment with an advertising-supported offering in the US is still in its early days. There are some promising aspects, particularly in terms of leveraging customer data, but the ability to scale is as yet unproven. Management's presentation also highlighted new content offerings, including in sport, which is an important customer acquisition tool.

Exhibit 1: Quarterly progression of financial KPIs

€m	Q124	Q224	Q324	Q424	Q125
Revenue	73.0	68.2	53.9	47.9	50.0
North America	48.5	46.7	38.2	34.1	36.7
Europe	17.6	14.2	11.5	8.9	8.7
Latin America	3.5	3.9	2.8	3.7	3.7
ROW	3.4	3.4	1.4	1.2	0.9
Marketing spend	29.3	24.5	9.9	11.4	15.0
Adjusted EBITDA	5.3	5.6	5.7	4.8	3.7
Adjusted EBITDA margin	7.3%	8.2%	10.6%	10.0%	7.3%
LTV of customer base	136	128	97	94	101
Net cash at period end	10.5	7.2	8.7	11.9	13.6

Source: Company accounts

Valuation

With so much uncertainty over both the financial performance and the potential (and timing) of corporate developments, the stock valuation is as much an assessment of sentiment as it is of underlying value.

There are also few quoted stocks that are genuinely comparable in terms of business model, with no obvious quoted performance marketing peers and with most content companies having a longer-term subscriber base. Given the circumstances, with an EV of €24m, comparisons with these latter stocks are tenuous. For the sake of consistency, looking on an EV/sales basis across FY25 and FY26, parity with these subscription-type content peers would suggest a share price of €52, down from our last report in February, when it stood at €63.

Exhibit 2: Peer valuations

Company	Market Cap (m)	Share price per ytd (%)	Sales growth (%)		EV/Sales (x)		EV/EBITDA (x)		P/E (x)		Hist div yield (%) Last
			FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2	
Cineverse	\$44	105	(3)	3	0.6	0.6	4.7	5.8	110.8	N/A	N/A
Stingray	C\$485	45	6	(6)	2.2	2.4	6.5	6.0	8.8	7.6	3.5
Spotify	\$134,513	250	16	(14)	5.5	6.4	45.4	33.9	64.0	45.8	N/A
Netflix	\$491,709	137	12	(11)	10.0	11.2	36.1	30.4	45.3	37.4	N/A
Pantaflix	€31	(38)	(33)	50	1.9	1.7	2.5	6.2	N/A	N/A	0.0
Viaplay	SEK2,589	(64)	0	(0)	0.2	0.2	7.6	5.8	N/A	15.8	0.0
Storytel	SEK6,550	109	11	(10)	1.4	1.6	9.2	7.7	20.0	13.5	1.0
Peer average		78	1	2	3.1	3.4	16.0	13.7	49.8	24.0	1.1
Peer median		105	6	(6)	1.9	1.9	7.6	6.2	45.3	15.8	0.5
Peer average (ex Netflix)		68	(0)	4	2.0	2.1	12.6	10.9	50.9	20.7	1.1
Peer median (ex Netflix)		75	3	(3)	1.7	1.6	7.0	6.1	42.0	14.6	0.5
Cliq Digital	€38	(71)	(22)	13	0.2	0.1	2.6	2.0	7.6	5.3	0.7
Premium/(discount)					-92%	-93%	-79%	-81%	-85%	-74%	

Source: LSEG Data & Analytics, Edison Investment Research. Note: Prices as at 8 May 2025.

We also run a discounted cash flow (DCF) model at varying weighted average costs of capital (WACC) and terminal growth rates. We use a 10% WACC and a 2% terminal growth rate, as previously, and have maintained a cautious view on long-term revenue growth and sustainable EBITDA margin. We derive an implied value of c €8 from this approach, down from €9 previously.

Exhibit 3: Financial summary

Year end 31 December	€000s	2022	2023	2024	2025e	2026e
		IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
Revenue		276,066	326,355	243,017	190,000	215,000
Cost of Sales		(201,308)	(241,712)	(197,344)	(147,943)	(168,673)
Gross Profit		74,758	84,643	45,673	42,057	46,327
EBITDA		43,504	50,328	10,160	11,800	15,000
Operating profit (before amort. and excepts.)		42,083	45,865	(13,434)	6,801	9,726
Reported operating profit		42,083	45,865	(24,734)	6,801	9,726
Net Interest		(1,222)	(865)	(119)	(212)	(192)
Profit Before Tax (norm)		40,861	45,000	(13,501)	6,589	9,534
Profit Before Tax (reported)		40,861	45,000	(24,801)	6,589	9,534
Reported tax		(11,908)	(13,163)	(3,049)	(2,056)	(2,975)
Profit After Tax (norm)		29,011	31,950	(15,161)	4,533	6,559
Profit After Tax (reported)		28,953	31,837	(27,850)	4,533	6,559
Minority interests		(94)	(1)	0	0	0
Net income (normalised)		29,105	31,951	(15,161)	4,533	6,559
Net income (reported)		29,047	31,838	(27,850)	4,533	6,559
Average Number of Shares Outstanding (m)		6.51	6.51	5.86	5.86	5.86
EPS - normalised (€)		4.47	4.91	(2.59)	0.77	1.12
EPS - normalised fully diluted (€)		4.45	4.84	(2.56)	0.77	1.11
Dividend (€)		1.79	0.00	0.04	0.04	0.04
Revenue growth (%)		84.1	18.2	(25.5)	(21.8)	13.2
Gross Margin (%)		27.1	25.9	18.8	22.1	21.5
EBITDA Margin (%)		15.8	15.4	4.2	6.2	7.0
Normalised Operating Margin (%)		15.2	14.1	(5.5)	3.6	4.5
BALANCE SHEET						
Fixed Assets		65,055	69,863	34,440	36,361	38,507
Intangible Assets		8,401	12,134	6,867	9,286	11,928
Tangible Assets		4,957	3,979	3,189	2,692	2,195
Goodwill & other		51,697	53,750	24,384	24,384	24,384
Current Assets		70,049	84,815	63,695	62,335	66,012
Receivables		13,618	20,546	22,336	20,822	23,562
Cash & cash equivalents		16,804	15,737	11,922	19,984	25,752
Other		39,626	48,531	29,437	21,529	16,698
Current Liabilities		(31,216)	(33,894)	(17,017)	(19,770)	(22,956)
Creditors		(9,531)	(13,086)	(399)	(3,926)	(7,413)
Tax		(2,613)	(6,886)	(4,387)	(4,387)	(4,387)
Borrowings		0	0	0	0	0
Provisions		(375)	(375)	(375)	(375)	(375)
Other		(18,697)	(13,547)	(11,856)	(11,082)	(10,781)
Long-Term Liabilities		(22,578)	(17,701)	(10,013)	(8,582)	(7,151)
Long-term borrowings		(6,562)	0	0	0	0
Other long-term liabilities		(16,016)	(17,701)	(10,013)	(8,582)	(7,151)
Net Assets		81,310	103,083	71,105	70,344	74,412
Minority interests		(65)	(93)	(93)	(93)	(93)
Shareholders' equity		81,375	103,176	71,198	70,437	74,505
CASH FLOW						
Operating Cash Flow		44,946	53,199	(19,758)	11,588	14,808
Working capital		(18,080)	(19,858)	3,434	5,041	748
Exceptional & other		366	2,389	35,342	462	402
Tax & interest		(3,429)	(5,338)	(10,269)	(2,526)	(3,385)
Operating cash flow		23,803	30,392	8,749	14,565	12,573
Capex		(9,565)	(10,715)	(5,275)	(4,839)	(4,839)
Acquisitions/disposals		1,543	(198)	0	0	0
Equity financing		0	0	(5,465)	0	0
Dividends		(7,155)	(11,643)	(258)	(234)	(234)
Other		(926)	(1,991)	(1,424)	(1,431)	(1,732)
Net Cash Flow		7,700	5,845	(3,673)	8,061	5,768
Opening net debt/(cash)		(2,301)	(9,900)	(15,737)	(11,922)	(19,984)
FX		(101)	(8)	(141)	0	0
Other non-cash movements		0	0	0	0	0
Closing net debt/(cash)		(9,900)	(15,737)	(11,922)	(19,984)	(25,752)

Source: Company accounts, Edison Investment Research

General disclaimer and copyright

This report has been commissioned by CLIQ Digital and prepared and issued by Edison, in consideration of a fee payable by CLIQ Digital. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2025 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.