

MailUp (MAIL-IT)

Buy

Model update after Datatrics acquisition and 3Q18 preliminary sales.

Last (€)	2.4
Valuation Range (€)	3.4-3.6
Market Cap.(€m)	32
Av. Daily Vol.(m sh)	0.01
Free Float	34%
YTD	-3.2%

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- We are updating our estimates to incorporate the **double-digit top line growth** shown in 3Q18, our **new assumptions on the Agile Telecom division** (that reported 3Q18 results above our expectations, +93% YoY), **the effects of the Datatrics acquisition**, through which MailUp entered in the Artificial Intelligence business and **the acquisition of the residual 30% of Acumbamail** for which MailUp cashed out €593k.
- We have raised our FY18 revenue forecast to €35.5m from the previous €33.7m, mainly to account for the new Artificial Intelligence Division for which we estimate revenue CAGR of 34%, from €1.2m in FY18 to €6m by 2021. The revenue growth is partially offset at EBITDA level due to higher structural costs related to the acquisition. **We confirm our positive view on the stock and our valuation range of 3.4-3.6/share**. MailUp is trading at 7.8x '18 EV/EBITDA, '18 FCF yield at 1.4%.
- **We also recently hosted a roadshow with MailUp's top management in Milan and the main highlights were:**
- **Recent acquisition of 100% of the Dutch-based Datatrics.** Datatrics is a Dutch company founded in 2012 that develops a state-of-the-art predictive marketing platform and operates in the Artificial Intelligence sector. The deal's rationale is to boost Average Revenues per Customer by cross-selling. We expect industrial synergies and MailUp to enter in the Digital Marketing Hubs and Customer Data Platform;
- **Further growth ahead.** The co. confirmed its strategy based on both internal and external growth; MailUp stated that they expect to see synergies from the Datatrics acquisition starting from FY19 and a strong performance from Agile Telecom in the next quarters (we estimate €19.1m revenues by FY18, +30% YoY);
- **M&A and net cash.** In 1H18 MailUp posted net cash of €8.9m; given the estimated cash out due to Datatrics' acquisition and other investments, there is room for another acquisition (but it is not expected by FY18). Likely targets are companies with a similar business model to MailUp and/or companies operating in the advertising sector;
- **Globase's restructuring.** This division could reach breakeven in 2019 as it registered €0.1m of losses due to some client management policies;
- **3Q18 preliminary Revenues.** MailUp announced 3Q18 preliminary sales at €8.7m, posting +55% organic growth YoY (9M18 around €27m, +45% YoY), above our previous estimates for Q3 and FY18 leading us to raise our FY18 revenues numbers. We are now set at +30% YoY revenue growth. **3Q18 in details:**
 - 3Q18 sales were driven by **Agile Telecom** (€5.3m, +93% YoY); **BEE** registered the highest growth rate: €0.4m, +206% YoY); **Globase** is in a turnaround process this year: the company assume this division may reach breakeven in 2019;
 - These results do not include the effects of the recent Datatrics acquisition (closing is expected by FY18).

Fidentiis Equities S.V., S.A. has entered into an agreement with the Company relating to the provision of investment services which has been in effect over the previous 12 months or has given rise during the same period to the payment of compensation or to the promise to get a compensation paid from the Company.

	Sales (€m)	EBITDA (€m)	vs. Cons	Net Profit (€m)	EPS (old) (€)	EPS (new) (€)	vs.Cons	P/E(x)	EV/EBITDA (x)	DPS (€)	DIV Yield
2016PF	21.6	2.4	n.a.	0.8	n.a.	0.05	n.a.	n.a.	n.a.	0.0	0.0%
2017	27.3	2.9	n.a.	0.6	n.a.	0.04	n.a.	54.7	8.8	0.0	0.0%
2018 E	35.5	3.4	n.a.	0.8	n.a.	0.05	n.a.	45.3	7.8	0.0	0.0%
2019 E	44.2	4.9	n.a.	1.4	n.a.	0.10	n.a.	25.1	5.6	0.0	0.0%
2020 E	54.5	7.2	n.a.	2.4	n.a.	0.17	n.a.	14.7	3.5	0.0	0.0%

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This publication has been reviewed and approved by the "Committee for the Independence of the Publications of the Research Department".



1. Datatrics acquisition

- **MailUp has announced a binding agreement for the acquisition of 100% of the Dutch-based Datatrics. Datatrics is a Dutch company founded in 2012 by Bas Nieland that develops a state-of-the-art predictive marketing platform and operates in the Artificial Intelligence sector.**

The Target:

- **Fast-growing startup with more than 20 employees**
- **€0.3m revenues in 2017, +43% client growth in 1H18**
- **More than 100 clients (including KLM, LeasePlan, BP, CarGlass, Rabobank)**
- **Ready for international expansion**
- Datatrics' proprietary technology enables marketing teams to build customer experience based on **artificial intelligence-managed data**, resulting in better quality customer engagement, higher conversion rates and upgraded loyalty, via a data management platform. This technology allows for direct data exploitation, with no need to involve IT departments or data analysts for complex integrations.

Product:

- Data-driven omni-channel orchestration for customer engagement and journey management
- Extend traditional marketing with artificial intelligence

The deal in detail:

- **Price paid (for 100% of the company): €3.8m. Transaction structure and details:**
 - **€2.24m to be paid in cash** for the purchase of n. 590 Datatrics share, 1/3 to be paid at closing and the remaining in 4 equal tranches within 24 months from the date of closing;
 - **€1.56m to be paid via the contribution in kind of the remaining n.409 Datatrics shares versus a capital increase by the issuer** for the corresponding amount;
 - In addition to the above, **an earn-out provision will be granted to Datatrics' shareholders** for a total consideration of **€3mn**, contingent on Datatrics achieving certain average monthly sales targets on a maximum time span of 4 years;
- Assuming the company is debt free, the deal would imply an EV/Sales of 12.6x (22.6x including potential earn-out). **Target's Revenues in FY17 were €0.3mn;**
- The founder/CEO only gets shares

Rationale:

The acquisition is in line with the company's strategy of expanding its business offer. We expect industrial synergies to come and MailUp to enter the Digital Marketing Hubs and Customer Data Platform.

- **Cross-selling to boost Average Revenue per Customer**
- Datatrics **platform already integrated with MailUp and BEE**
- To leverage MailUp skills and brand **to foster growth on mid-large companies**
- **Data-core that enables further innovation and acquisitions¹**

Closing:

Closing expected by the end of October 2018.

¹

Source: MailUp Presentation



2. 3Q18 Preliminary Revenues and 1H18 results

- MailUp announced 3Q18 preliminary sales at €8.7m, posting +55% organic growth YoY (9M18 around €27m, +45% YoY), above our expectations and our FY18 projection of +23% YoY, showing a strong acceleration in the group's growth.

3Q18 in details:

- 3Q18 sales were driven by Agile Telecom (€5.3m, +93% YoY);
- BEE registered the highest growth rate: €0.4m (+206% YoY);
- Globase is in a turnaround process this year: the company expects this division to reach breakeven in 2019;
- These results do not include the effects of the recent Datatrics acquisition (closing expected by FY18);

No consensus is available.

Business Unit	Q3 2018	Q3 2017	Var %
MailUp	2,649	2,167	22%
Agile Telecom	5,270	2,728	93%
Acumbamail	240	175	37%
BEE	392	128	206%
Globase	130	384	-66%
Total	8,681	5,583	55%

Data in EUR/000.

Consolidated gross sales from management accounts, not subject to a BoD resolution, unaudited.

1H18 results (released on September 27th)

MailUp released its 1H18 results which were in line with our estimates across the board. The co. confirmed its strategy which is based on both internal and external growth (see recent Datatrics acquisition).

MailUp also stated that it is continuously focused on the medium and large-sized enterprise segment, through the offer of MailUp and Professional Services solutions, but it is also developing new solutions, such as BEE Plugin and Datatrics, which allow - thanks to targeted cross-selling activities - to significantly increase revenue per customer.

1H18 revenues released in July: €18.03m, +38% YoY, driven by the SMS division and with Agile Telecom (€10.2m, +64% YoY) and the start-up BEE division (€0.4m, +131% YoY). Revenues abroad were €7.9m, +52% YoY. The results were in line with our previous expectations of reaching €33.7m of total FY18 sales and show an acceleration in MAIL's growth (1H18 €18.0m, +38% YoY, vs. FY18 expectations +23% YoY). No consensus is available.

Other results, in details:

- **1H18 EBITDA:** €1.9m, +56% YoY, vs. FidEst. €1.8m;
- **1H18 EBT:** €1.0m, vs. FidEst. €0.8m, vs. €0.5m in 1H17;
- **1H18 Net Income:** €0.5m, vs. FidEst. €0.5m, vs. €0.2m in 1H17;
- **1H18 Net Cash:** €8.9m, vs. FidEst. €8m, vs. €7.3m in FY17 (vs. 1.9m in 1H17)

1H18 Revenues by divisions: Email €5.1m, +7.7% YoY; SMS €11.9m, +59% YoY; BEE €0.4m, +132% YoY; Professional Services €0.2, +11.6% YoY; Other Revenues €0.3m, -26% YoY.

3. Model update

We have updated our previous estimates, including:

- **Datatrix effects**, by inserting the new business division 'Artificial Intelligence' (in the Revenues and EBITDA breakdown);
- **Double-digit top line growth that accelerates in 3Q18**, in particular for Agile Telecom division, that has grown +93% YoY in the quarter, above expectations;
- **Acquisition of the residual 30% stake of the Spanish subsidiary Acumbamail** (announced on August 2nd) for which MailUp cashed out €593k;

We have raised our FY18 revenue forecast to €35.5m from the previous €33.7m, mainly to account for the new Artificial Intelligence Division for which we estimate revenue CAGR of 34%, from €1.2m in FY18 to €6m by 2021. The revenue growth is partially offset at EBITDA level due to higher structural costs related to the acquisition, in particular there will be more hirings and marketing costs. We confirm our positive view on the stock and our valuation range of 3.4-3.6/share. MailUp is trading at 7.8x '18 EV/EBITDA, '18 FCF yield at 1.4%.

Figure 1: MailUp - Datatrix' financial forecasts & upselling effect

Datatrix' financial forecasts & upselling effect	2017	2018E	2019E	2020E	2021E	2022E
Revenues (€m)	0	1.2	2.4	4.8	6.0	7.2
Total additional clients	0	100	200	400	500	600
Revenues per clients (€m)	0	0.012	0.012	0.012	0.012	0.012

Source: Fidentis Estimates, MailUp

Figure 2: MailUp - Revenues breakdown (€m)

IS (€m)	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Total Sales	21.6	27.3	35.5	44.2	54.5	65.0	76.6
% growth	<i>nm</i>	26.2%	30%	24%	23%	19%	18%
Revenues from Email	8.5	9.4	11.0	13.1	15.8	19.1	23.5
% growth	23%	11%	17%	19%	20%	21%	23%
% on total sales	39%	35%	31%	30%	29%	29%	31%
Revenues from SMS	11.3	15.9	20.6	24.7	28.4	32.3	36.5
% growth		39%	29%	20%	15%	14%	13%
% on total sales	53%	58%	58%	56%	52%	50%	48%
Revenues from BEE	0.2	0.6	1.2	2.3	3.9	5.8	7.6
% growth		288%	100%	90%	70%	50%	30%
% on total sales	1%	2%	3%	5%	7%	9%	10%
Revenues from Artificial Intelligence			1.2	2.4	4.8	6.0	7.2
% growth				n.a.	19%	100%	103%
% on total sales				5%	9%	9%	9%
Revenues from Professional Services	1.1	0.6	0.8	1.0	1.2	1.4	1.7
% growth	n.m.	-26%	38%	25%	20%	18%	18%
% on total sales	4%	2%	2%	2%	2%	2%	2%
Other revenues	0.6	0.9	0.7	0.7	0.5	0.3	0.2
% growth	224%	14%	-21%	0%	-29%	-40%	-33%
% on total sales	4%	3%	2%	2%	1%	0%	0%
COGS	-11.6	-15.8	-21.7	-26.5	-32.4	-38.3	-44.8
% sales	53%	58%	61%	60%	60%	59%	59%

Source: Fidentis Estimates, MailUp

Figure 3: MailUp – Operating costs (€m)

	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Gross profit	10.2	11.5	13.8	17.7	22.1	26.6	31.8
<i>margin</i>	47.1%	42.2%	39.0%	40.0%	40.5%	41.0%	41.5%
Sales & Marketing Costs	3.2	3.2	3.8	4.5	5.5	6.6	7.8
Research & Development Costs	0.7	0.9	1.1	1.3	1.6	1.9	2.2
General & Admin Costs	4.0	4.5	5.1	5.6	6.1	6.6	7.3
Tot. Operating Costs	7.8	8.6	9.9	11.4	13.2	15.1	17.4
<i>%</i>	56%	11%	15%	14%	17%	14%	15%
Tot.costs	19.2	24.4	32.2	39.3	47.4	54.9	63.9
EBITDA	2.4	2.9	3.4	4.9	7.2	10.1	12.8
<i>% growth</i>	nm	11%	16%	45%	47%	41%	27%
<i>margin</i>	12.0%	10.5%	9.4%	11.0%	13.1%	15.5%	16.6%

Source: Fidentis Estimates, MailUp

Figure 4: MailUp - Revenues by business division (€m)

Revenues by business divisions	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
MailUp	10.2	11.7	14.1	16.0	17.3	21.0	25.4
<i>% growth</i>		14%	20%	14%	8%	21%	21%
<i>% on total sales</i>	47%	43%	40%	36%	32%	32%	33%
Agile Telecom	9.7	14.7	19.1	23.4	27.5	31.8	37.2
<i>% growth</i>		52%	30%	22%	18%	16%	17%
<i>% on total sales</i>	45%	53.8%	54%	53%	51%	49%	49%
Acumbamail	0.5	0.7	1.1	1.5	2.1	2.4	2.8
<i>% growth</i>		40%	52%	41%	42%	13%	15%
<i>% on total sales</i>	2%	3%	3%	3%	4%	4%	4%
Globase	1.7	1.0	0.9	1.3	1.5	1.9	2.1
<i>% growth</i>		-41%	-11%	49%	15%	23%	10%
<i>% on total sales</i>	8%	4%	3%	3%	3%	3%	3%
BEE	0.2	0.6	1.2	2.3	3.9	5.8	7.6
<i>% growth</i>		200%	100%	90%	70%	50%	30%
<i>% on total sales</i>	1%	2%	3%	5%	7%	9%	10%
Holding	1.1	1.1	1.2	1.5	1.9	1.9	2.1
<i>% growth</i>		4%	9%	21%	27%	-1%	10%
<i>% on total sales</i>	5%	4%	4%	3%	4%	3%	3%
Interc. Elisions	-1.8	-2.6	-3.3	-4.3	-4.6	-5.8	-7.6
<i>% growth</i>		44%	27%	30%	7%	26%	31%
Revenues from Artificial Intelligence			1.2	2.4	4.8	6.0	7.2
<i>% growth</i>			0%	n.a.	19%	100%	103%
<i>% on total sales</i>			0%	5%	9%	9%	9%

Source: Fidentis Estimates, MailUp

Figure 5: MailUp – EBITDA by business divisions (€m)

EBITDA by business divisions	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
MailUp	2.8	2.7	2.9	3.3	3.6	3.9
% growth	8%	-4%	7%	15%	9%	8%
% on total sales	10%	8%	7%	6%	6%	5%
Agile Telecom	1.4	1.7	1.9	2.4	2.8	3.1
% growth	0%	21%	12%	26%	17%	11%
% on total sales	5%	5%	4%	4%	4%	4%
Acumbamail	0.3	0.4	0.6	0.9	1.0	1.1
% growth	200%	33%	50%	50%	11%	10%
% on total sales	1%	1%	1%	2%	2%	1%
Globase	-0.5	-0.1	0.1	0.2	0.3	0.4
% growth	400%	-80%	-200%	100%	50%	33%
% on total sales	-2%	0%	0%	0%	0%	1%
BEE	0.0	0.4	0.7	1.2	1.4	1.7
% growth	-100%	n.a.	n.a.	n.a.	n.a.	n.a.
% on total sales	0%	1%	2%	2%	2%	2%
Holding	-1.0	-1.6	-1.3	-1.2	-0.1	1.0
% growth	-23%	60%	-19%	-8%	-92%	-1100%
% on total sales	-4%	-5%	-3%	-2%	0%	1%
Interc. Elisions	0.0	0.0	0.0	0.0	0.0	0.0
% growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
% on total sales	0%	0%	0%	0%	0%	0%
Artificial Intelligence		-0.1	0.0	0.4	1.1	1.6
% growth			n.m.	-1500%	200%	48%
% on total sales			0%	1%	2%	2%
D&A	1.6	2.1	2.7	3.4	4.2	4.6
margin %	5.9%	5.9%	6.0%	6.3%	6.5%	6.0%

Source: Fidentis Estimates, MailUp

Figure 6: MailUp – EBIT and Net Income (€m)

	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
EBIT	1.2	1.3	1.3	2.2	3.7	5.8	8.2
margin	6.3%	4.7%	3.5%	5.0%	6.8%	9.0%	10.6%
Net financial charges	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	1.1	1.2	1.2	2.1	3.6	5.8	8.1
margin	6.1%	4.4%	3.3%	4.8%	6.7%	8.9%	10.5%
Taxes	-0.3	-0.6	-0.4	-0.7	-1.3	-2.0	-2.8
tax rate	-24.0%	-47.8%	-35.0%	-35.0%	-35.0%	-35.0%	-35.0%
Minorities	0	0	0.0	0.0	0.0	0.0	0.0
Net income	0.8	0.6	0.8	1.4	2.4	3.7	5.2
% growth		-37.1%	22.0%	80.1%	71.5%	58.1%	40.4%
margin	3.5%	2.3%	2.2%	3.1%	4.3%	5.8%	6.8%
No. Of shares	14.1	14.1	14.2	14.2	14.2	14.2	14.2
Treasury shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS	0.05	0.04	0.05	0.10	0.17	0.26	0.37

Source: Fidentis Estimates, MailUp

Figure 7: MailUp – Capex (€m)

Capex (€m)	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Capex	1.8	2.1	2.5	2.7	2.9	3.1	3.3
as % of sales	8.3%	7.7%	7.0%	6.1%	5.3%	4.8%	4.3%

Source: Fidentii Estimates, MailUp

Figure 8: MailUp – Cash flow (€m)

Cash flow	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
EBIT	1.1	1.3	1.3	2.2	3.7	5.8	8.2
D&A	1.3	1.6	2.1	2.7	3.4	4.2	4.6
Cash taxes	-0.3	-0.6	-0.4	-0.7	-1.3	-2.0	-2.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WC change	0.1	1.4	1.1	0.6	0.9	1.0	1.1
Operating cash flow	2.2	3.7	4.0	4.7	6.8	9.0	11.1
net financial charges (cash)	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Capex	-1.8	-2.1	-2.5	-2.7	-2.9	-3.1	-3.3
Free cash flow	0.4	1.6	1.5	2.0	3.8	5.8	7.7
Acquisitions	0.0	0.0	-0.8	-0.8	-0.8	0.0	0.0
Dividends / Buybacks / New equity	0.0	6.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	-1.6	-0.6	0.0	0.0	0.0
Net cash flow	0.4	7.6	-0.9	0.6	3.0	5.8	7.7

Source: Fidentii Estimates, MailUp

Figure 9: MailUp - Trade WC (€m)

Trade WC (€m)	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Trade receivables	3.4	3.7	4.6	5.7	7.1	8.4	10.0
%sales	16%	14%	13.0%	13.0%	13.0%	13.0%	13.0%
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
%sales	0%	0%	0%	0%	0%	0%	0%
Trade payables	-2.9	-4.7	-6.7	-8.5	-10.7	-13.0	-15.7
%sales	26%	30%	31.0%	32.0%	33.0%	34.0%	35.0%
Trade WC	0.4	-1.0	-2.1	-2.7	-3.6	-4.6	-5.7

Source: Fidentii Estimates, MailUp

Figure 10: MailUp – Net Financial Position (€m)

Net Financial Position (NFP)	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Cash and cash equivalents	4.5	10.7	9.8	10.4	13.4	19.2	26.9
Payables to banks	-1.3	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7
Private placement and bond issues, others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term NFP	3.2	9.0	8.1	8.7	11.7	17.5	25.2
Financing for NIMP project			0.0	-1.3	-1.3	-1.3	0.0
Private placement and bond issues, others	-2.2	-1.8	-1.6	-2.0	-2.5	-2.6	-3.0
Liabilities for put option and earn-out payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NFP	1.0	7.3	6.5	5.4	7.9	13.6	22.2
check	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0

Source: Fidentii Estimates, MailUp

**Figure 11: MailUp – Balance Sheet (€m)**

Balance sheet (€m)	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Trade working capital	0.4	-1.0	-2.1	-2.7	-3.6	-4.6	-5.7
Other	-8.4	-6.2	-6.0	-6.0	-6.0	-6.0	-6.0
Net working capital	-7.9	-7.2	-8.1	-8.8	-9.6	-10.6	-11.7
%sales	-37%	-26%	-23%	-20%	-18%	-16%	-15%
Tangible fixed assets	0.7	1.0	1.2	1.3	1.4	1.2	1.1
Intangible fixed assets	14.1	13.8	14.0	14.1	14.2	14.3	14.4
Financial	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Fixed assets	15.0	15.0	15.4	15.6	15.8	15.7	15.7
Provisions & Pension fund	-1.0	-1.2	-1.4	-1.7	-2.0	-2.3	-2.6
Net Invested capital	6.1	6.6	5.8	5.1	4.2	2.8	1.4
Shareholders' equity	7.0	13.9	14.7	16.1	18.5	22.2	27.4
Minorities	0.1	0.1	0.0	0.0	0.0	0.0	0.0
NFP	-1.0	-7.3	-6.5	-5.4	-7.9	-13.6	-22.2
Invested capital	6.1	6.6	5.8	5.1	4.2	2.8	1.4
<i>check</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>

Source: Fidentiis Estimates, MailUp

4. Valuation

We use a DCF valuation to set our fair value for MailUp. We understand that a DCF approach can be too geared on future achievements and too little on current fundamentals. However, we believe that such approach can better reflect MailUp's expansion stage and management's track record at delivering continued profitable earnings growth, well above the current marketing technology sector average.

MailUp trades at a discount compared to marketing technology companies on EV/Sales and EV/EBITDA multiples. However, we believe that such a valuation does not take into account the company's superior growth projections and profitability, as well as the rather limited competition in this segment.

Figure 12: MailUp - Peers

Company	1M Chg. (%)	YTD Chg. (%)	18E EV/Sales	19E EV/Sales	18E EV/EBITDA	19E EV/EBITDA
HubSpot, Inc.	-19.2%	46.5%	9.5	7.5	n.m.	n.m.
dotDigital Group plc	-13.0%	-21.9%	5.4	4.0	18.5	14.2
salesforce.com, inc.	-9.9%	38.9%	8.0	6.5	33.2	27.3
Twilio, Inc. Class A	-12.8%	222.6%	12.3	9.6	n.m.	n.m.
Link Mobility Group ASA	1.3%	55.1%	1.9	1.5	15.5	11.6
SharpSpring, Inc.	-10.5%	157.5%	5.1	3.9	n.m.	n.m.
SendGrid, Inc.	-14.6%	29.0%	8.7	6.9	n.m.	n.m.
Average Peer Companies	-11.2%	75.4%	7.3	5.7	22.4	17.7
Median Peer Companies	-12.8%	46.5%	7.6	6.1	20.5	16.0
MailUp	5.0%	-7.8%	0.7	0.6	7.8	5.6
Discount % vs. average			-90%	-90%	-66%	-69%
Discount % vs. med.			-91%	-90%	-62%	-66%

Source: Fidentii's Estimates, MailUp

MAIL-IT: Summarised P&L Account and key ratios

€m	2016	2017	2018E	2019E	2020E	2021E
Sales	21.6	27.3	35.5	44.2	54.5	65.0
EBITDA	2.4	2.9	3.4	4.9	7.2	10.1
Depreciation & Amort.	1.3	1.6	2.1	2.7	3.4	4.2
EBIT	1.1	1.3	1.3	2.2	3.7	5.8
Net Interest Cost	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Impairment & Other	0.0	0.0	0.0	0.0	0.0	0.0
PBT	1.1	1.2	1.2	2.1	3.6	5.8
Taxes	-0.3	-0.6	-0.4	-0.7	-1.3	-2.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit	0.8	0.6	0.8	1.4	2.4	3.7
EPS	0.1	0.0	0.1	0.1	0.2	0.3
Sales growth	nm	26%	30%	24%	23%	19%
EBITDA growth	nm	11%	16%	45%	47%	41%
Net Profit growth	nm	-37%	22%	80%	72%	58%
EBITDA margin	11%	11%	9%	11%	13%	15%
EBIT margin	5%	5%	4%	5%	7%	9%
Net Pr. Margin	3%	2%	2%	3%	4%	6%
Interest Cover (1) (x)	19.4	16.5	16.1	28.3	47.8	74.9

MAIL-IT: Summarised Balance Sheet and key ratios

€m	2016	2017	2018E	2019E	2020E	2021E
Fixed assets	15.0	15.0	15.4	15.6	15.8	15.7
Goodwill	10.4	10.4	10.4	10.4	10.4	10.4
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade Receivables	3.4	3.7	4.6	5.7	7.1	8.4
Cash + S/T Inv. + other	4.5	10.7	9.8	10.4	13.4	19.2
Total Assets	33.3	39.8	40.2	42.1	46.6	53.7
Sharehold. Equity	7.0	14.0	14.7	16.1	18.5	22.2
L-T Financial Debt	-2.2	-1.8	-1.6	-2.0	-2.5	-2.6
S-T Financial Debt	-1.3	-1.7	-1.7	-1.7	-1.7	-1.7
Trade Payables	-2.9	-4.7	-6.7	-8.5	-10.7	-13.0
Provisions + Other	32.7	34.0	35.5	38.2	43.1	48.8
Total Liabilities	33.3	39.8	40.2	42.1	46.6	53.7
Net Financial Position	-1.0	-7.3	-6.5	-5.4	-7.9	-13.6
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Debt/Equity	-13.6%	-51.8%	-44.4%	-33.6%	-42.7%	-61.3%
ROCE (2)	17.2%	10.1%	14.1%	28.2%	57.7%	134.6%
ROE	14.3%	4.5%	5.2%	8.6%	12.8%	16.8%
ROCE/WACC (x)	1.7	1.0	1.4	2.8	5.8	13.5

MAIL-IT: Simplified Cash Flow Statement and key ratios

€m	2016	2017	2018E	2019E	2020E	2021E
Net Profit	1.0	0.6	0.8	1.4	2.4	3.7
+ Depreciation & Amort.	-1.2	-1.6	-2.1	-2.7	-3.4	-4.2
+/- Other	2.6	4.7	5.4	6.0	7.8	9.5
= Operating CF	2.4	3.7	4.0	4.7	6.8	9.0
- Chg in Working Capital	-0.1	-1.4	-1.1	-0.6	-0.9	-1.0
- CAPEX of which	-1.8	-2.1	-2.5	-2.7	-2.9	-3.1
Expansionary CPX	0	0	0	0	0	0
- Dividends/Net Equity	0.0	6.0	0.0	0.0	0.0	0.0
= FCF	0.5	6.2	0.4	1.4	3.0	4.9
FCF Yld (M.Cp)	1.5%	0.7%	1.4%	4.4%	9.3%	15.4%
FCF Yld (EV)	2.8%	4.2%	4.0%	5.5%	9.7%	13.0%
FCF (3)	0.5	6.2	0.4	1.4	3.0	4.9
FCF Yld (M.Cp)	1.5%	0.7%	1.4%	4.4%	9.3%	15.4%
FCF Yld (EV)	2.8%	4.2%	4.0%	5.5%	9.7%	13.0%

MAIL-IT: EV Valuations

€m	2018E	2019E	2020E
+ Mkt Cap	32	32	32
+ NFP	-6.5	-5.4	-7.9
- Non-core assets	0.2	0.2	0.2
+/- Other	0.0	0.0	0.0
= EV	26	27	25
EV/Sales (x)	0.7	0.6	0.5
EV/EBITDA (x)	7.8	5.6	3.5
EV/EBIT (x)	20.7	12.4	6.6
EV/IC (x)	3.2	2.5	2.3

MAIL-IT: Share Information

Outstanding no. shares (m)	14.2
Market Cap (€ m)	32
Avg daily volume (m sh, last 3 m)	0.01
Free float %	34%
Major shareholders	
Management team	66%
Free Float	34%

(1) calculated as EBIT/Int. expenses (2) calculated as ROCE after taxes (3) calculated ex-expansory CAPEX

(*) Source: company data and Fidentiis estimates

This publication has been reviewed and approved by the "Committee for the Independence of the Publications of the Research Department".



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