

Company Profile

Corporate Events

Buy

Recommendation unchanged

Share price: EUR 3.60

closing price as of 29/10/2024

Target price: EUR 7.00

Target Price unchanged

Upside/Downside Potential 94.3%

Reuters/Bloomberg

AGIL.MC/AGIL SM

Market capitalisation (EURm) 84

Current N° of shares (m) 23

Free float 50%

Daily avg. no. trad. sh. 12 mth (k) 9

Daily avg. trad. vol. 12 mth (k) 34.23

Price high/low 12 months 4.45 / 3.10

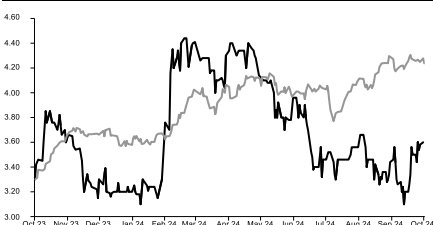
Abs Perfs 1/3/12 mths (%) 4.65/4.05/7.14

Key financials (EUR)

| | 12/23 | 12/24e | 12/25e |
|-----------------------------|-------|--------|--------|
| Sales (m) | 103 | 106 | 114 |
| EBITDA (m) | 14 | 15 | 18 |
| EBITDA margin | 13.7% | 14.3% | 15.6% |
| EBIT (m) | 3 | 5 | 7 |
| EBIT margin | 3.0% | 4.4% | 6.2% |
| Net Profit (adj.)(m) | 1 | 2 | 4 |
| ROCE | 3.4% | 5.1% | 7.7% |
| Net debt/(cash) (m) | 23 | 19 | 15 |
| Net Debt/Equity | 0.5 | 0.4 | 0.3 |
| Debt/EBITDA | 1.6 | 1.3 | 0.8 |
| Int. cover(EBITDA/Fin. int) | 7.6 | 7.4 | 7.9 |
| EV/Sales | 0.9 | 0.9 | 0.8 |
| EV/EBITDA | 6.8 | 6.5 | 5.3 |
| EV/EBITDA (adj.) | 6.7 | 6.5 | 5.3 |
| EV/EBIT | 30.5 | 21.2 | 13.4 |
| P/E (adj.) | 66.5 | 42.2 | 23.2 |
| P/BV | 1.8 | 1.8 | 1.7 |
| OpFCF yield | 1.3% | 3.8% | 5.4% |
| Dividend yield | 0.0% | 0.0% | 0.0% |
| EPS (adj.) | 0.05 | 0.09 | 0.16 |
| BVPS | 1.87 | 1.95 | 2.11 |
| DPS | 0.00 | 0.00 | 0.00 |

Shareholders

Knowkrs Consulting & Investment 16%; Inveready 10%; Onchena, S.L. 7%;



Source: FactSet

Analyst(s)

Juan Peña

juan.pena@gvcgaesco.es

+34 91 436 78 16

Results H124: Sequential improvement in H2

The facts: The company published yesterday audited half-year results and a preview of unaudited third quarter results to show the positive evolution of financial KPIs in the second half of the year after a first half with some delays in some projects. As a result, the company has confirmed guidance for FY24 which is in line with our estimates.

AGILE CONTENT. POST-H1 24 AUDITED RESULTS.

| EURm | H1'23 | H1'24 | Δ% y/y |
|--|--------------|--------------|---------------|
| Net Revenues | 51.0 | 46.6 | -8.7% |
| Works flows done for own fixed assets | 3.3 | 4.1 | 24.1% |
| OpCF | 3.3 | 1.3 | -61.3% |
| EBITDA | 6.6 | 5.4 | -18.6% |
| % EBITDA M. | 11.2% | 11.5% | .4pp |
| Net Debt Position * | 21.9 | 24.0 | 9.3% |
| ND/EBITDA adj. Annualized (vs FY23) | 2.0x | 1.9x | |

Source: Agile Content & GVC Gaesco Valores

Our analysis: The decline in half-year revenues is mainly due to two factors: first, the company has decided to discontinue the "traditional" advertising business line in order to focus its strategy on the technological evolution of the platform and the future monetisation of advertising on the platform. This line had revenues in H123 of EUR1.1m. Secondly, there has been a delay in the delivery of Set Top Boxes orders from one of the company's main customers as a result of one-off business situations that will be resolved during H2. The company will start to break down revenues into three categories: Platform, Technologies and Devices, to give greater visibility of the business KPIs. It will also report net revenues (excluding content sales and purchases, which do not generate margin).

On the other hand, the Group continued to invest in the launch of the platform contracts won during the second half of last year. Hence the increase in work on fixed assets (+EUR0.8m vs H123) and in personnel expenses (+EUR0.8m). These impacts explain the -19% drop in EBITDA vs H123.

The good news comes from cash generation (FCF), which is positive in the first half at EUR0.5m vs EUR-2m in H123 thanks to improved working capital management. Net debt stood at EUR24m at the end of H124 and we expect it to be reduced in FY24 to be close to our EUR19m estimate.

To show the company's confidence in meeting its FY24 guidance, it presented a Q3 earnings preview with an EBITDA of EUR4.1m (+18.4% yoy) and an OpCF of EUR2.8m (+61% yoy). We therefore think the company will be in the low end of the EBITDA (EUR14.5-16.2m) and OpCF (EUR7.3-8.2m) guidance range, slightly below our estimates (EUR15m and EUR8m respectively) but with a non-significant difference.

Conclusion & Action: Mixed results as H1 performance is below estimates, but part of the impacts are temporary and the company has demonstrated with the Q3 figures that the evolution in the second half of the year is very positive. In addition, the operational launches of the TV platform in Italy and Nordic countries will contribute positively. The company will hold a results conference call today at 13.00CET.