

MAKING SCIENCE

Q4 results: core business above, Ventis below

- **Q4 EBITDA in line.** Q4 revenues jumped by 71% YoY to €60m, slightly below our €65m estimate and mainly due to a weaker Ventis. Adj. EBITDA almost trebled to €2.9m, in line with our €3.0m estimate, with core business exceeding expectations despite rising integration costs. Reported EBITDA reached €2.3m, below our €2.7m after booking €0.3m one-off costs at Ventis.
- **Delivers on the core business ambitious targets.** Core business revenues reached a new all-time high of €58m, +84% YoY with: a) Spain up 20% organically to €33m (57% of the total) with continued client gains & upselling; and b) International jumping by >3X, mainly reflecting the integration of Tre Kronor in early 2022. Gross profit stood at €14.7m (+67%), 7% above estimates thanks to the sales mix (lower media & higher consultancy). Adj. EBITDA reached €3.1m, +67% YoY, and 7% above estimates thanks to cost control. The company delivered on its FY22 organic EBITDA growth guidance: +31% (+25-40% targeted), and a touch above our +29% estimate.
- **Ventis clouds Q4 results.** Ventis, the ecommerce platform, reported a 40% fall in sales YoY in Q4 (50% below estimates), yet also reported a much better gross margin (+€0.6m vs. -€0.5m a year ago). Adj. EBITDA was still negative at -€0.3m (Q4 is typically the strongest quarter) and worse than our breakeven estimate. On top of this, the company booked €0.4m of restructuring costs.
- **Our view.** Q4 preliminary results have shown two opposite trends: the core business ended strongly, benefiting from the structural growth prospects of digital marketing and Making Science's competitive advantages (Google partner, brand awareness, proprietary technology), whilst the ecommerce business was weaker than expected. Looking into 2023, we do not anticipate major changes in our EBITDA estimates: we expect +15% in the core business to €12m and Ventis still negative at -€0.8m, both combining for >25% organic growth. The company will release its FY22 results in the coming weeks and more comments will follow.

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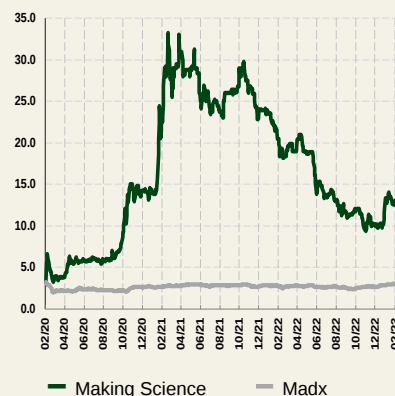
Share Price (*) € 13.00

*Share price at the close of 02 March 2023

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Market Cap	€ 108 m
Enterprise Value	€ 130 m
Free Float	€ 25 m
Nº Shares	8 m
Average Daily Volume	€ 11 k

Performance	1m	3m	12m
Absolute %	-6.6	13.3	-33.4
Relative %	-9.3	0.9	-52.2



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Financial Ratios	FY19	FY20	FY21	FY22E	FY23E	FY24E
EBITDA (€m)	2.4	3.7	5.7	9.3	11.7	14.3
Net profit (€m)	0.7	1.5	(3.5)	(1.3)	0.9	3.1
EPS (€)	0.10	0.22	(0.45)	(0.16)	0.10	0.37
Adj. EPS (*) (€)	0.28	0.39	0.45	0.38	0.58	0.82
P/E (x)		33.8	n.a	n.a	122.2	35.0
P/E Adj. (x)		19.2	56.1	33.9	21.9	15.6
EV/EBITDA (x)		14.8	38.7	14.5	11.1	8.6
Debt/EBITDA (x)	0.5	0.7	4.1	2.4	1.5	0.7
P/BV (x)		18.1	18.7	5.1	4.9	4.3
ROE (%)		53.6	(33.2)	(6.3)	4.0	12.4
DPS (€)	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0

(*) Historical multiples based on average share price of the year

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