

Triboo

Sector: Digital Services



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Exit from Friendz with 7.5x return on investment

Triboo Group supports Italian corporates by providing eCommerce services and digital advertising / editorial solutions aimed at fully exploiting the opportunities of the digital revolution

Disposal of 20% stake in Friendz leads to €3.0mn cash in

Triboo has announced the disposal of its 20.32% stake in Friendz S.r.l. to Friendz S.A. (a company not belonging to Triboo Group) for an amount of €2.955.000. As Triboo had this stake at ca. €0.4mn carrying value, the implied capital gain for Triboo Group stands at €2.6mn, which leads to an impressive 7.5x cash return multiple in less than two years.

Founded back as of 2016, Friendz S.r.l. is a start up whose main goal is to connect brands with its over 200.000 users target audience, taking advantage of the world of month on social media. At the end of March, Friendz S.A. launched a successful Initial Coin Offering (ICO) raising more than €20mn.

€2.6mn positive impact on 2018E Reported Net Profit

We calculate that Triboo has posted a ca. €2.6mn one off capital gain already net of tax (indeed, tax rate stands at ca. 1% as benefitting from PEX) to be accounted in 2018E P&L leading to ca. €4.5mn Reported Net Profit (up from our previous €2.0mn estimate). Net Financial Position should benefit from the entire €2.95mn cash in, driving 2018 year end Net Debt down to €3.8mn vs. €7.1mn as of 2017 year end.

Incubation activity could lead to further surprises

This is the second disposal occurring in 2018, after the sale of Independent Ideas share for €1.8mn.

Friendz exit signals the ability of Triboo to leverage on its digital know-how to seek valuable opportunities and act as an “incubator” for digital businesses. We believe the success of the transaction would stimulate further transactions.

Among other successful stories in which Triboo invested, we remind Scuola Zoo, Sos Tariffe and Independent Ideas. At the moment, the Group owns stakes in Ephoto, Spedire.com, RMC Sport.

Fair Value at €3.45 per share (up from previous €3.36)

The €3.0mn reduction in Net Debt corresponds to ca. €0.09 per share fair value increase. Therefore, we upgrade our Fair value to €3.45 per share (from the previous €3.36).

Fair Value (€)	3.45
Market Price (€)	2.06
Market Cap. (€m)	59.3

KEY FINANCIALS (€m)	2017A	2018E	2019E
REVENUES	65.3	70.1	81.7
EBITDA	7.7	10.4	12.5
EBIT	1.9	3.4	4.6
NET PROFIT	1.4	4.5	2.7
EQUITY	35.7	39.2	40.7
NET FINANCIAL POS.	-7.1	-3.8	-1.0
EPS ADJ. (€)	0.09	0.09	0.09
DPS (€)	0.03	0.04	0.05

Source: Triboo (historical figures),
Value Track (2018E-19E estimates)

RATIOS & MULTIPLES	2017A	2018E	2019E
EBITDA MARGIN (%)	11.8%	14.9%	15.2%
EBIT MARGIN (%)	2.9%	4.9%	5.6%
NET DEBT / EBITDA (x)	0.9	0.4	0.1
NET DEBT / EQUITY (%)	19.9%	9.7%	2.6%
EV/EBITDA (x)	9.2	6.1	4.8
EV/EBIT (x)	37.8	18.5	13.2
P/E ADJ. (x)	25.4	23.2	22.1
DIV YIELD (%)	1.6%	1.8%	2.3%

Source: Triboo (historical figures),
Value Track (2018E-19E estimates)

STOCK DATA

FAIR VALUE (€)	3.45
MARKET PRICE (€)	2.06
SHS. OUT. (m)	28.3
MARKET CAP. (€m)	59.3
FREE FLOAT (%)	31.9
AVG. -20D VOL. ('000)	28.3
RIC / BBG	TB.MI / TB.IM
52 WK RANGE	1.9-3.8

Source: Stock Market Data



Business Description

Triboo is a young digital company that provides Italian corporates with eCommerce consulting / outsourcing support and digital advertising services, also through direct online editorial content production.

As such, Triboo can be defined as a digital ecosystem enabler helping companies at 360 degrees in their effort to maximise opportunities provided by the digital revolution.

Key Financials

€mn	2017A	2018E	2019E
Net Revenues	65.3	70.1	81.7
Chg. % YoY	5.3%	7.3%	16.6%
EBITDA	7.7	10.4	12.5
EBITDA Margin (% of Net Revenues)	11.8%	14.9%	15.2%
EBIT	1.9	3.4	4.6
EBIT Margin (% of Net Revenues)	2.9%	4.9%	5.6%
Net Profit	1.4	4.5	2.7
Chg. % YoY	-62.6%	nm	-40.8%
Adjusted Net Profit	2.5	2.6	2.7
Chg. % YoY	-35.6%	2.4%	4.8%
Net Fin. Position	-7.1	-3.8	-1.0
Net Fin. Pos. / EBITDA (x)	0.9	0.4	0.1
Capex	-7.8	-6.5	-7.0
OpFCF b.t.	0.5	1.6	5.8
OpFCF b.t. as % of EBITDA	6.8%	15.2%	46.5%

Source: Triboo SpA (historical figures), Value Track (estimates)

Investment case

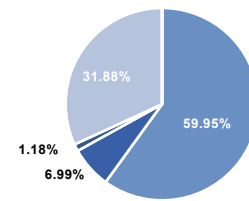
Strengths / Opportunities

- ◆ eCommerce Service Provisioning business is highly scalable, sustained by revenue-sharing agreements, free of credit / inventory / faulted goods risks and exposed to Made in Italy success, now also in China;
- ◆ Media business leverages on wide / competitive editorial content and cutting edge technology (programmatic advertising).

Weaknesses / Risks

- ◆ Competition in the eCommerce service provision is increasing;
- ◆ Disintermediation of Media agencies and Advertising concessionaries.

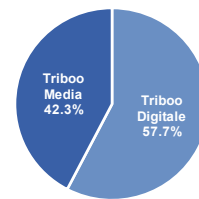
Shareholders structure



* Compagnia Digitale Italiana * First Capital * Owned Shares * Free Float *

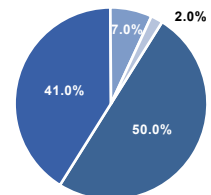
Source: Triboo SpA

Sales breakdown by divisions



Source: Triboo

TBD sales breakdown by geography



* Italy * EU (except Italy) * North America * Asia

Source: Triboo

Stock multiples @ €3.45 Fair Value

	2018E	2019E
EV / SALES (x)	1.5	1.2
EV / EBITDA (x)	9.9	8.1
EV / EBIT (x)	30.2	22.0
EV / CAP.EMP. (x)	2.4	2.4
OpFCF Yield (%)	3.8	5.4
P / E (x)	38.8	37.0
P / BV (x)	2.5	2.4
Div. Yield. (%)	1.2	1.4

Source: Value Track

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