



METAVISIO

Comput. related Hardware / France

Progressing in the right direction since moving to Euronext Growth

Strategic Plan - 18/11/2022

In June 2022, Metavisio was successfully listed on the Euronext Growth platform. The company raised €4.2m at a price of €6.30 per share. The company also put forward a strategy through which it aims to reach €120m in revenues and a 13% EBITDA margin. Following the listing, Metavisio has been moving in the right direction across many fronts.

Fact

Key announcements since the listing

- As part of its recent partnership with Metavisio (Thomson Computing), ABSIS, one of the leading European distributors of computer equipment and software, has placed its first order with Metavisio for \$1.2m for the sale of 14- and 15-inch laptops. ABSIS covers mainly Eastern Europe, the Baltics and the Commonwealth of Independent States which, in 2020, includes nine of the fifteen former Soviet republics. In total, ABSIS is present in more than 20 countries.
- In July, Metavisio announced the offering of three of its products in all Lidl outlets. These products include a 14-inch laptop, a 10-inch tablet and a laser printer. Going forward, this development could result in an order of up to 75,000 units to be delivered from Q4 22.
- Similarly, the company announced the offering of five of its products in Carrefour Spain. The products selected by Carrefour include four gaming laptop models and Metavisio's new Notebook 15 model.
- In September, Metavisio signed a distribution contract in Scandinavia with DCS ApS. Founded in 1994 in Denmark, DCS ApS generated turnover of €140m in 2021. With a workforce of c.60 employees, it has a warehouse of 4,500m², offering a catalogue of more than 250,000 products to its customers. The customers of DCS ApS can directly integrate the distributor's digital catalogue into their online stores or their purchasing systems thanks to the integration solutions developed by DCS ApS.
- Metavisio has also obtained the listing of seven models of its PC range in 380 Bureau Vallée stores. This new agreement concerns the permanent listing of seven THOMSON Computing 14 and 15 inch laptops in a price range of €199-849 for the new Intel® Evo™ certified range (recommended retail prices). These models are therefore integrated into Bureau Vallée's central purchasing platform from which all stores are supplied. The first deliveries were expected to hit the shelves in October.
- On 12 September, Metavisio announced that it had entered into exclusive negotiations with US-based SPAC. Following the necessary approvals in the US and France, the combined entity would be listed on NASDAQ. The proposed transaction supported by the necessary due diligence could value the company at an EV of \$140-160m.
- Metavisio achieved a share of 30% in the sub-€300 laptop segment in France in September thanks, in particular, to the success of its back-to-school sales operation launched in partnership with the Leclerc group. This success has enabled Metavisio to gain 9% of the total PCE+ market share in France for the first time and reach 30% of the sub-€300 PC segment in

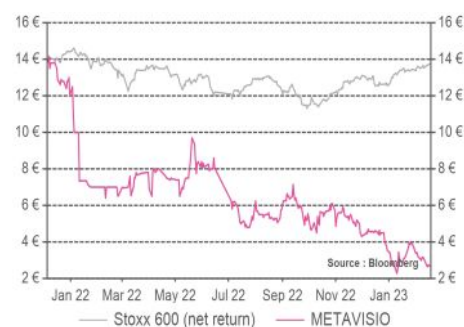


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This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

Buy	Upside: 388%
Target Price (6 months)	€ 13.2
Share Price	€ 2.70
Market Cap. €M	21.3
Price Momentum	NEGATIVE
Extremes 12Months	2.28 ▶ 9.70
Sustainability score	4.6 /10
Credit Risk	BBB →
Bloomberg	ALTHO FP Equity
Reuters	MLTHO.EUA

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PERF	1w	1m	3m	12m
METAVISIO	-12.3%	-12.9%	-50.0%	-61.4%
IT Hardware	1.83%	-0.95%	-3.37%	-22.1%
STOXX 600	1.40%	1.48%	8.39%	-0.05%

Last updated: 21/11/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	33.6	25.5	2.82	1.39
Dividend yield (%)	0.00	2.37	7.41	7.41
EV/EBITDA(R) (x)	17.3	12.3	3.06	1.32
Adjusted EPS (€)	0.39	0.25	0.96	1.94
Growth in EPS (%)	-91.0	-36.5	285	103
Dividend (€)	0.00	0.15	0.20	0.20
Sales (€th)	63,351	68,665	135,245	223,928
EBITDA/R margin (%)	10.3	8.28	9.77	10.9
Attributable net profit (€th)	1,299	1,769	7,547	15,326
ROE (after tax) (%)	19.7	15.2	38.8	50.1
Gearing (%)	380	156	85.1	39.5

[Company Valuation](#) - [Company Financials](#)

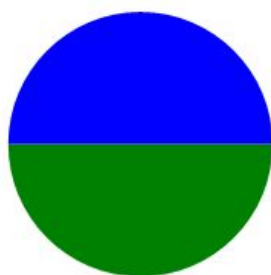
week 36, i.e. from week 36, from 5 to 11 September (source GFK3). By comparison, Thomson Computing market share was 9% over the same period in 2021.

- In October 2022, Metavisio obtained various public and private orders in India, one of the largest IT markets. For public orders, the company will first deliver a test order of 5,000 tablets in December 2022. This will then be followed by an additional order of 30,000 tablets, part of which will be delivered in 2022. There is also a possibility of further orders after this order, which could result in Metavisio selling nearly 400,000 units. Additionally, the company is also involved in two other public tenders. The first one requires the company to deliver a Thomson Computing server specially developed for the Indian government. Following successful validation, this could result in orders for 150 servers. The second tender is a solicitation to deliver 5-6 million laptops to students over two years.
- Regarding the private order, the company has signed a distribution contract with DCS Private Limited. With over 5,000 customers in India, DCS will promote the Metavisio/Thomson Computing brand to all national and regional retailers. The order requires a first test order worth €400k to be delivered in December 2022. It will allow DCS to evaluate the market and to prepare much more significant orders worth €4-5m for Metavisio/Thomson Computing, which will be placed in the second quarter of FY2023 in view of the major Indian events in September-October (festivals season), which represent months of exceptional sales.

■ Impact

Based on these updates, the company has made significant revisions to its business plan for the coming years. Upon the assimilation of this new business plan into our model, we expect the valuation of the company to increase by about 15%.

Sales by Geography



■ France (50.0%)
■ Other (50.0%)

Consolidated P&L Accounts

		12/21A	12/22E	12/23E
Sales	€th	63,351	68,665	135,245
Change in sales	%	34.0	8.39	97.0
Change in staff costs	%	44.0	23.7	19.1
EBITDA	€th	6,510	5,683	13,207
EBITDA(R) margin	%	10.3	8.28	9.77
Depreciation	€th	-197	-460	-396
Underlying operating profit	€th	6,149	4,757	12,481
Operating profit (EBIT)	€th	4,339	4,757	12,481
Net financial expense	€th	-2,477	-2,300	-2,000
of which related to pensions	€th		0.00	0.00
Exceptional items & other	€th	-737	0.00	0.00
Corporate tax	€th	174	-688	-2,935
Equity associates	€th			
Minority interests	€th			
Adjusted attributable net profit	€th	1,299	1,769	7,547
NOPAT	€th	4,612	3,568	9,361

Cashflow Statement

		12/21A	12/22E	12/23E
EBITDA	€th	6,510	5,683	13,207
Change in WCR	€th	457	-514	-5,882
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	174	-688	-2,935
Exceptional items	€th			
Other operating cash flows	€th	0.00	0.00	0.00
Total operating cash flows	€th	7,141	4,481	4,390
Capital expenditure	€th	-567	-657	-1,188
Total investment flows	€th	-567	-657	-1,188
Net interest expense	€th	-2,477	-2,300	-2,000
Dividends (parent company)	€th	0.00	0.00	0.00
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	556	0.00	0.00
Total financial flows	€th	-6,755	-2,957	3,000
Change in cash position	€th	-180	867	6,202
Free cash flow (pre div.)	€th	4,097	1,524	1,202

Per Share Data

		12/21A	12/22E	12/23E
No. of shares net of treas. stock (year...	Th	6,358	7,881	7,881
Number of diluted shares (average)	Th	3,322	7,120	7,881
Benchmark EPS	€	0.39	0.25	0.96
Restated NAV per share	€			
Net dividend per share	€	0.00	0.15	0.20

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 18.7	35%	● Logitech International
NAV/SOTP per share	€ 21.0	20%	
EV/Ebitda	€ 5.40	20%	
P/E	€ 5.40	10%	
Dividend Yield	€ 5.40	10%	
P/Book	€ 5.40	5%	
TARGET PRICE	€ 13.2	100%	

NAV/SOTP Calculation

Balance Sheet

		12/21A	12/22E	12/23E
Goodwill	€th	0.00	0.00	0.00
Total intangible	€th	471	505	505
Tangible fixed assets	€th	642	657	1,188
Financial fixed assets	€th	0.88	0.88	0.88
WCR	€th	33,368	33,882	39,764
Other assets	€th	2,921	3,000	3,300
Total assets (net of short term liab.)	€th	39,488	39,044	45,758
Ordinary shareholders' equity	€th	7,518	15,743	23,158
Quasi Equity & Preferred	€th			
Minority interests	€th			
Provisions for pensions	€th	450	0.00	0.00
Other provisions for risks and liabilities	€th	0.00	0.00	0.00
Total provisions for risks and liabilities	€th	450	0.00	0.00
Tax liabilities	€th			
Other liabilities	€th	2,853	3,000	3,500
Net debt (cash)	€th	28,667	20,302	19,099
Total liab. and shareholders' equity	€th	39,488	39,044	45,758

Capital Employed

		12/21A	12/22E	12/23E
Capital employed after depreciation	€th	34,481	35,044	41,458

Profits & Risks Ratios

		12/21A	12/22E	12/23E
ROE (after tax)	%	19.7	15.2	38.8
ROCE	%	13.4	10.2	22.6
Gearing (at book value)	%	380	156	85.1
Adj. Net debt/EBITDA(R)	x	4.40	3.57	1.45
Interest cover (x)	x	2.48	2.07	6.24

Valuation Ratios

		12/21A	12/22E	12/23E
Reference P/E (benchmark)	x	33.6	25.5	2.82
Free cash flow yield	%	4.90	3.06	5.65
P/Book	x	11.1	3.17	0.92
Dividend yield	%	0.00	2.37	7.41

EV Calculation

		12/21A	12/22E	12/23E
Market cap	€th	83,652	49,867	21,278
+ Provisions	€th	450	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	28,667	20,302	19,099
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th			
+ Minority interests (fair value)	€th			
= EV	€th	112,769	70,169	40,378
EV/EBITDA(R)	x	17.3	12.3	3.06
EV/Sales	x	1.78	1.02	0.30

Analyst : Kulwinder Rajpal, Changes to Forecasts : 21/11/2022.