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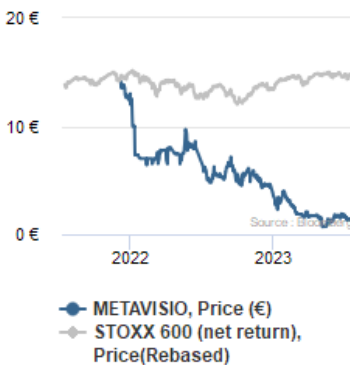
METAVISIO

Moving swiftly around the globe

Opinion	Buy
Upside (%)	809
Price (€)	1.32
Target Price (€)	12.0
Bloomberg Code	ALTHO FP
Market Cap (€M)	10.4
Enterprise Value (€th)	29,502
Momentum	UNFAVORABLE
Sustainability	4/10
Credit Risk	BBB→

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PROS

- Well recognised retail brand name catering to a lucrative and underserved market segment
- Agile manufacturing not only helps operational profitability but also offers customers the opportunity to optimise
- Possibility of using a similar model to enter adjacent markets such as gaming

CONS

- Nearly complete dependence on a concentrated base of suppliers (based in Asia)
- Seasonal working capital swings due to lumpy orders could occasionally weigh on liquidity

KEY DATA	12/20A	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	3.19	33.6	25.5	1.38	0.68
Dividend yield (%)	0.00	0.00	2.37	15.2	15.2
EV/EBITDA(R) (x)	18.9	17.3	12.4	2.23	0.87
Adjusted EPS (€)	4.34	0.39	0.25	0.96	1.94
Growth in EPS (%)	n/a	-91.0	-36.5	285	103
Dividend (€)	0.00	0.00	0.15	0.20	0.20
Sales (€th)	47,282	63,351	68,665	135,245	223,928
EBITDA/R margin (%)	9.22	10.3	8.28	9.77	10.9
Attributable net profit (€th)	1,219	1,299	1,769	7,547	15,326
ROE (after tax) (%)	28.0	19.7	15.2	38.8	50.1
Gearing (%)	388	380	156	85.1	39.5

Conflicts of interest

Corporate broking	No
Trading in corporate shares	No
Analyst ownership	No
Advice to corporate	No
Research paid for by corporate	Yes
Corporate access	No
Brokerage activity at AlphaValue	No
Client of AlphaValue Research	No

Detailed financials at the end of this report

Key Ratios

		12/21A	12/22E	12/23E	12/24E
Adjusted P/E	x	33.6	25.5	1.38	0.68
EV/EBITDA	x	17.3	12.4	2.23	0.87
P/Book	x	11.1	3.17	0.45	0.27
Dividend yield	%	0.00	2.37	15.2	15.2
Free Cash Flow Yield	%	4.90	3.05	11.6	78.4
ROE (after tax)	%	19.7	15.2	38.8	50.1
ROCE	%	13.4	10.2	22.6	36.1
Net debt/EBITDA	x	4.40	3.57	1.45	0.45

Consolidated P&L

		12/21A	12/22E	12/23E	12/24E
Sales	€th	63,351	68,665	135,245	223,928
EBITDA	€th	6,510	5,683	13,207	24,499
Underlying operating profit	€th	6,149	4,757	12,481	23,286
Operating profit (EBIT)	€th	4,339	4,757	12,481	23,286
Net financial expenses	€th	-2,477	-2,300	-2,000	-2,000
Pre-tax profit before exceptional items	€th	1,862	2,457	10,481	21,286
Corporate tax	€th	174	-688	-2,935	-5,960
Attributable net profit	€th	1,299	1,769	7,547	15,326
Adjusted attributable net profit	€th	1,299	1,769	7,547	15,326

Cashflow Statement

		12/21A	12/22E	12/23E	12/24E
Total operating cash flows	€th	7,141	4,481	4,390	12,139
Capital expenditure	€th	-567	-657	-1,188	-1,986
Total investment flows	€th	-567	-657	-1,188	-1,986
Dividends (parent company)	€th	0.00	0.00	0.00	0.00
New shareholders' equity	€th	556	0.00	0.00	0.00
Total financial flows	€th	-6,755	-2,957	3,000	-3,000
Change in net debt position	€th	7,131	8,365	1,202	8,154
Free cash flow (pre div.)	€th	4,097	1,524	1,202	8,154

Balance Sheet

		12/21A	12/22E	12/23E	12/24E
Goodwill	€th	0.00	0.00	0.00	0.00
Total intangible	€th	471	505	505	505
Tangible fixed assets	€th	642	657	1,188	1,765
WCR	€th	33,368	33,882	39,764	46,164
Total assets (net of short term liabilities)	€th	39,488	39,044	45,758	52,935
Ordinary shareholders' equity (group share)	€th	7,518	15,743	23,158	37,989
Provisions for pensions	€th	450	0.00	0.00	0.00
Net debt / (cash)	€th	28,667	20,302	19,099	10,946
Total liabilities and shareholders' equity	€th	39,488	39,044	45,758	52,935

Per Share Data

		12/21A	12/22E	12/23E	12/24E
Adjusted EPS (bfr goodwill amort. & dil.)	€	0.39	0.25	0.96	1.94
Net dividend per share	€	0.00	0.15	0.20	0.20
Free cash flow per share	€	1.23	0.21	0.15	1.03
Book value per share	€	1.18	2.00	2.94	4.82
Number of diluted shares (average)	Th	3,322	7,120	7,881	7,881

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Businesses & Trends

Incorporated in 2013 and with headquarters in Pontault Combault, France, Metavisio (products under the licence of Thomson Computing) is a French enterprise engaged in designing and marketing laptops alongside selling tablets and other related peripherals. Metavisio is a market leader in affordable PCs (entry-level), priced at <€300, and currently occupies a 36% market share in France in this segment. The company sells its products in more than 15 countries and, in 2021, achieved total revenues of €63m, a sharp increase from €11m eight years earlier. Most of the 2021 revenues came from Products with nearly 20% derived from exports. As of the first semester 2022, nearly 50% of sales came from exports, implying strong diversification of the customer base, making Metavisio a global company. The company employs about 40 people, and its products are made in China. The company also has an aftersales and service center in France to serve its European customers.

Targeting an underserved market

According to Statista, the global computer hardware market recorded sales of about €260bn in 2020. The share of laptops and tablets stood at c. €160bn, or about 62%. In terms of volumes, this translates into 390 million units sold. The remainder of the market is made up of Desktop PCs, Storage units and Peripherals. With regards to the French market, where Metavisio generates most of its sales, the market for laptops and tablets amounted to around €3.3bn.

Globally, a little more than 80% of the market is dominated by the top six players whose main products are mostly in the range of €500-2000. These are HP, Lenovo, Dell, Apple, Asus and Acer. Consequently, a very small number of products from these players are available below €500 and this is where Metavisio stands with its product offerings. The group has become a key player in this corner of the market by offering a better optimised product without it costing a lot to the end customer. Going forward the group aims to capitalise not only on this segment but also replicate this success in a slightly premium range, i.e. up to €600.

Well recognised

Metavisio occupies a 7% share in the overall French laptop PC market and counts among its distributor's supermarkets also electronic retail chains. The company's distributor base includes Leclerc, CDiscount, Auchan, Intermarche, etc. Additionally, the name 'Thomson' has a good brand recall as Technicolor also licenses the brand across multiple products. This also helps the group to prune its marketing expenses.

Product catalogue

Neo Classic: A traditional notebook available in different configurations and the ability to mix-and-match is available in the price range of €200-700. Although, despite a mid-range offering, the bulk of sales comes from laptops under €300.

Neo X: This product has all the features of a Neo Classic but in an aluminium body and makes for a premium offering by the group with a maximum price of

€600.

Neo 360: A convertible (360) notebook offering two products, the Neo360X and Neo360XS.

Notebook 15: The Notebook 15 is the only Intel® Evo™-certified (see below) notebook on the market offering a 15.6-inch high-brightness touchscreen, and the thinnest at 15mm.

EVO certification: Launched in September 2020, the Intel® Evo™ Certification Program is a guarantee of performance, responsiveness and battery life. It aims to ensure users an optimal experience with a computer that combines thinness, lightness and power. The hardware components are chosen and optimized to meet all requirements, especially during video conferencing. To achieve Intel® Evo™ certification, laptops must have an 11th or 12th generation processor, but also 6E WIFI, ambient noise suppression and a webcam with a minimum definition of 1080p.

Aside from the above-mentioned products, the group also offers gaming laptops, tablets, peripherals, and accessories. However, they represent only a very small percentage of total sales.

Divisional Breakdown Of Revenues

Sector	12/21A	12/22E	12/23E	12/24E	Change 22E/21		Change 23E/22E	
					€th	of % total	€th	of % total
Total sales	63,347	68,665	135,245	223,928	5,318 ↑	100%	66,580 ↑	100%
Products	60,764	65,665	131,945	220,628	4,901 ↑	92%	66,280 ↑	100%
Other	2,583	3,000	3,300	3,300	417 ↑	8%	300 ↑	0%

Key Exposures

	Revenues	Costs	Equity
Dollar	10.0%	0.0%	0.0%
Emerging currencies	0.0%	0.0%	0.0%
Long-term global warming	100.0%	0.0%	100.0%

Sales By Geography

France	50.0%
Other	50.0%

We address exposures (eg. how much of the turnover is exposed to the \$) rather than sensitivities (say, how much a 5% move in the \$ affects the bottom line). This is to make comparisons easier and provides useful tools when extracting relevant data. Actually, the subject is rather complex on the ground. The default position is one of an investor managing in €. An investor in £ will obviously not react to a £ based stock trading partly in € as would a € based investor. In addition, certain circumstances can prove difficult to unravel such as for eg. a € based investor confronted to a Swiss company reporting in \$ but with a quote in CHF... Sales exposure is probably straightforward but one has to be careful with deep cyclicals. Costs exposure is a bit less easy to determine (we do not allow for hedges as they can only be postponing the day of reckoning). How much of the equity is exposed to a given subject is rarely straightforward but can be quite telling. In addition, subjects are frequently intertwined. A \$ exposure may encompass all revenues in \$ pegged currencies and an emerging currency exposure is likely to include \$ pegged currencies as well. Exposure to global warming issues is frequently indirect and may require to stretch a bit imagination.

Money Making

Made-to-order

Contrary to the larger players which offer laptops in rather rigid configurations, Metavisio operates an agile model. In other words, the company's products are modular, and orders are driven by the requirements put forth by the distributors and customers. As a result, the company can offer its customers the latest technologies while also being budget friendly. And, while this induces a certain lumpiness in pre-ordering, in the last three years the company has reduced its supplier base from 20 to 6, thus, allowing it to manage distribution better while also obtaining better pricing and the latest technologies.

Three-pronged strategy

Replicating the formula internationally: The first pillar of Metavisio's strategy is to mimic the success of its entry-level laptops in the French market overseas. The principle of providing better technology at a decent price is the foundation to help create more exports across Europe as well as the rest of the World. The company, in 2017, already began to distribute its products in North Africa followed by the Middle East. Moreover, at the end of 2020, the company started selling its products in the US through two wholesalers, Digital Gadget and Stampede. Furthermore, the company added Solution 2 Go and Circuit City, and EET Europe for North America and Scandinavia, respectively.

Value through premium segment: By using its agile model, the company aims to offer premium ultrabooks at relatively lower prices, thereby striving to repeat the success obtained in the affordable laptop segment. The company aims to do this with its Neo Z product, which comes equipped with competitive technology and offers all the necessary characteristics of an ultrabook within a range of €499-999. With this product, the company will not only be able to accelerate its sales but also generate higher margins.

High-growth markets: Metavisio aims to make more sales in international markets and, in particular, wants to target higher-growth markets such as Africa and India. In these markets, the average selling price of the company's products can attract a loyal customer base and boost the top line.

Supported by operational prudence

In addition to moving towards a margin-accretive segment, the company will also pull some levers on the cost side. With the advantage of lower fixed costs due to its make-to-order model, the company has recently also brought down its aftersales costs by setting up an in-house team. This team works from a separate building near the headquarters and has about 20 employees. Another area where the company has been diligent is in reducing freight costs, which in the last year have gone through the roof. At the start of 2021, Metavisio partnered a new transport arrangement with its freight forwarder, which allows it to reduce its freight costs by a third during this period of high prices.

Divisional EBITDA/R

	12/21A	12/22E	12/23E	12/24E	Change 22E/21		Change 23E/22E	
					€th	of % total	€th	of % total
Total	6,510	5,683	13,207	24,499	-827 ↓	100%	7,524 ↑	100%
Group EBITDA	6,510	5,683	13,207	24,499	-827 ↓	100%	7,524 ↑	100%
Other/cancellations	0.00	0.00	0.00	0.00	0 ↑	0%	0 ↑	0%

Divisional EBITDA/R margin

	12/21A	12/22E	12/23E	12/24E
Total	10.3%	8.28%	9.77%	10.9%

Valuation

While the pandemic impacted sales in the first half of 2021, the company recorded a huge surge in orders in the second half. So, ideally, the company has a good runway ahead to convert these orders into revenues. Moreover, with the company's strategy to enter a slightly premium price segment, to expand its geographic presence, and to execute operational improvements, we believe Metavisio will be able to accelerate revenue growth and expand EBITDA margins.

Our DCF valuation assumes a sales and EBITDA growth of 5% with modest capex and working capital requirements. For the NAV, we take only one segment into account as it makes for almost all the sales. For any revenues coming from other means, we value these at a P/E multiple of 12x. For our peer-based valuation, we pick Logitech, Acer, Redington India and Aures Technologies. We assign a 50% premium on all metrics to reflect the strong growth of the group in the entry-level market.

Valuation Summary

Benchmarks		Values (€)	Upside	Weight
DCF		18.9	1,330%	35%
NAV/SOTP per share		21.0	1,493%	20%
EV/Ebitda	Peers	2.64	100%	20%
P/E	Peers	2.64	100%	10%
Dividend Yield	Peers	2.64	100%	10%
P/Book	Peers	2.64	100%	5%
Target Price		12.0	809%	

Comparison based valuation

Computed on 18 month forecasts	P/E (x)	Ev/Ebitda (x)	P/Book (x)	Yield(%)
Peers ratios	21.4	7.97	2.95	2.66
METAVISIO's ratios	0.88	1.28	0.33	15.2
Premium	50.0%	50.0%	50.0%	50.0%
Default comparison based valuation (€)	2.64	2.64	2.64	2.64
Logitech International	27.3	18.2	5.07	2.02
Acer	20.1	8.96	1.43	4.01
Redington India	10.2	7.48	2.04	3.86

DCF Valuation Per Share

WACC	%	9.72	Avg net debt (cash) at book value	€th	19,701
PV of cashflow FY1-FY11	€th	72,701	Provisions	€th	0.00
FY11CF	€th	19,179	Unrecognised actuarial losses (gains)	€th	0.00
Normalised long-term growth "g"	%	2.00	Financial assets at market price	€th	0.00
Sustainability "g"	%	1.80	Minorities interests (fair value)	€th	0.00
Terminal value	€th	242,184	Equity value	€th	148,792
PV terminal value	€th	95,791	Number of shares	Th	7,881
<i>PV terminal value in % of total value</i>	%	56.9	Implied equity value per share	€	18.9
Total PV	€th	168,493	Sustainability impact on DCF	%	-1.64

Assessing The Cost Of Capital

Synthetic default risk free rate	%	3.50	Company debt spread	bp	500
Target equity risk premium	%	5.00	Marginal Company cost of debt	%	8.50
Tax advantage of debt finance (normalised)	%	25.0	Company beta (leveraged)	x	2.32
Average debt maturity	Year	5	Company gearing at market value	%	195
Sector asset beta	x	1.05	Company market gearing	%	66.1
Debt beta	x	1.00	Required return on geared equity	%	15.1
Market capitalisation	€th	10,403	Cost of debt	%	6.38
Net debt (cash) at book value	€th	20,302	Cost of ungeared equity	%	8.76
Net debt (cash) at market value	€th	16,785	WACC	%	9.72

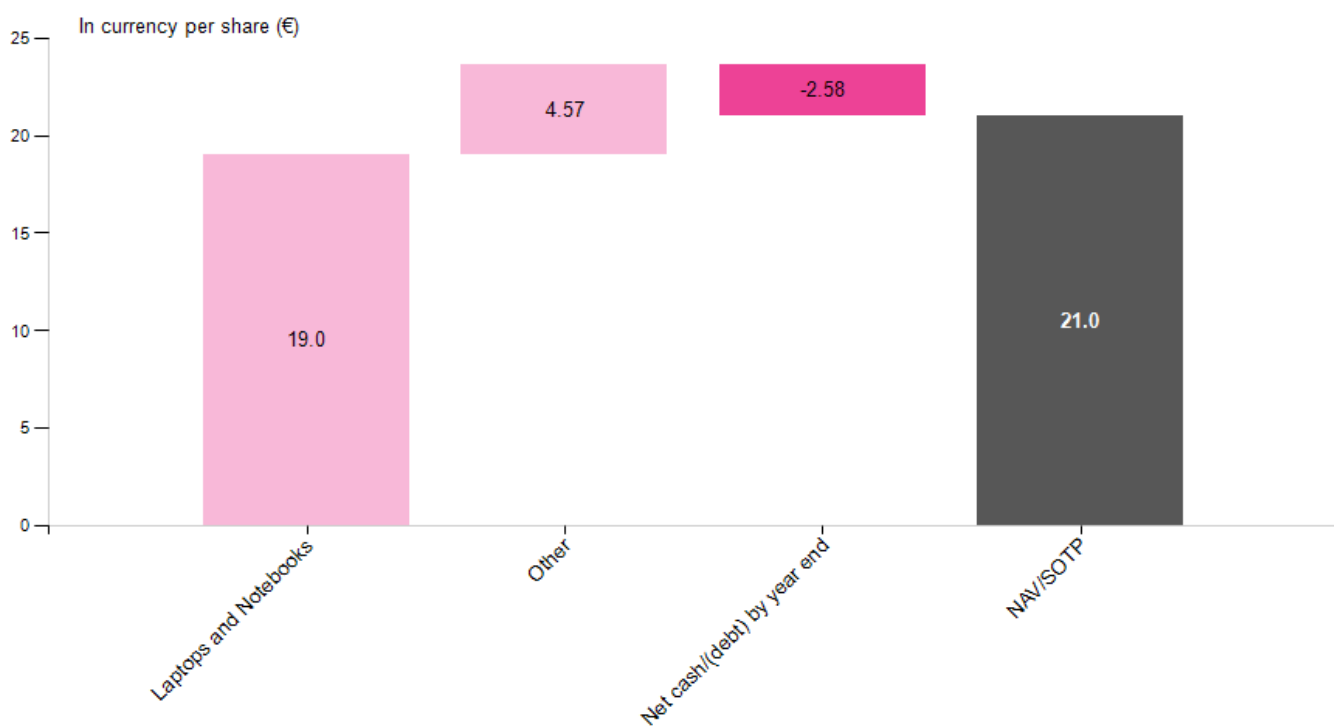
DCF Calculation

		12/21A	12/22E	12/23E	12/24E	Growth	12/25E	12/32E
Sales	€th	63,351	68,665	135,245	223,928	5.00%	235,124	330,844
EBITDA	€th	6,510	5,683	13,207	24,499	5.00%	25,724	36,197
<i>EBITDA Margin</i>	%	10.3	8.28	9.77	10.9		10.9	10.9
Change in WCR	€th	457	-514	-5,882	-6,400	2.00%	-6,528	-7,499
Total operating cash flows (pre tax)	€th	6,967	5,169	7,325	18,099		19,196	28,698
Corporate tax	€th	174	-688	-2,935	-5,960	2.00%	-6,079	-6,983
Net tax shield	€th	-619	-575	-500	-500	2.00%	-510	-586
Capital expenditure	€th	-567	-657	-1,188	-1,986	2.00%	-2,025	-2,327
<i>Capex/Sales</i>	%	-0.90	-0.96	-0.88	-0.89		-0.86	-0.70
Pre financing costs FCF (for DCF purposes)	€th	5,955	3,249	2,702	9,654		10,582	18,802
Various add backs (incl. R&D, etc.) for DCF purposes	€th							
Free cash flow adjusted	€th	5,955	3,249	2,702	9,654		10,582	18,802
Discounted free cash flows	€th	5,955	3,249	2,463	8,019		8,011	7,437
Invested capital	€	34.5	35.0	41.5	48.4		49.4	56.7

NAV/SOTP Calculation

	% owned	Valuation technique	Multiple used	Valuation at 100% (€th)	Stake valuation (€th)	In currency per share (€)	% of gross assets
Laptops and Notebooks	100%	EV/Sales	1.5	150,000	150,000	19.0	80.6%
Other					36,000 ⁽¹⁾	4.57	19.4%
Total gross assets					186,000	23.6	100%
Net cash/(debt) by year end					-20,302	-2.58	-10.9%
Commitments to pay							
Commitments received							
NAV/SOTP					165,698	21.0	89.1%
Number of shares net of treasury shares - year end (Th)					7,881		
NAV/SOTP per share (€)					21.0		
Current discount to NAV/SOTP (%)						93.7	

1. All other estimated average other sales valued at a P/E of 12x.



Debt

Metavisio has three outstanding convertible bonds with amounts of €577k, €5m and €7.1m issued in 2016, 2019 and 2020 respectively. The first bond will mature in June 2022 and the other two bonds have a maturity period of three years. The total outstanding convertible obligations amounted to €6.8m at the end of September 2022. The company also has access to an unlimited EDEBEX credit line.

Detailed financials at the end of this report

Funding - Liquidity

		12/21A	12/22E	12/23E	12/24E
EBITDA	€th	6,510	5,683	13,207	24,499
Funds from operations (FFO)	€th	6,685	2,695	8,272	16,539
Ordinary shareholders' equity	€th	7,518	15,743	23,158	37,989
Gross debt	€th	28,498	21,000 ⁽¹⁾	26,000	25,000
+ Gross Cash	€th	-168	698	6,901	14,054
= Net debt / (cash)	€th	28,667	20,302	19,099	10,946
Gearing (at book value)	%	380	156	85.1	39.5
Equity/Total asset (%)	%	19.0	40.3	50.6	71.8
Adj. Net debt/EBITDA(R)	x	4.40	3.57	1.45	0.45
Adjusted Gross Debt/EBITDA(R)	x	4.45	3.70	1.97	1.02
Adj. gross debt/(Adj. gross debt+Equity)	%	79.4	57.2	52.9	39.7
Ebit cover	x	2.48	2.07	6.24	11.6
FFO/Gross Debt	%	23.1	12.8	31.8	66.2
FFO/Net debt	%	23.3	13.3	43.3	151
FCF/Adj. gross debt (%)	%	14.2	7.26	4.62	32.6
(Gross cash+ "cash" FCF+undrawn)/ST debt	x	3.97	2.22	8.10	22.2
"Cash" FCF/ST debt	x	6.64	1.52	1.20	8.15

1. Of which €6.8m is convertible bonds and the remainder is financial debt.

Worth Knowing

The company was initially listed on the Euronext Access+ platform with the objective of moving to Euronext Growth in June 2022. This was achieved in July 2022.

Metavisio has a wholly-owned subsidiary in Delaware, US. While currently there are no activities being carried out through this subsidiary, the company intends to use it for its planned international expansion.

The group sells its products under the Thomson brand with licensing obtained from Technicolor SA for 15 years and on a renewable basis.

Shareholders

Name	% owned	Of which % voting rights	Of which % free to float
Stéphan Français	55.9%	55.9%	0.00%
ISP Asset Integrated	8.87%	8.87%	0.00%
TR Leader Group	6.06%	6.06%	0.00%
Esfm Participations	3.22%	3.22%	0.00%
HH Equity Partners	3.11%	3.11%	0.00%
Apparent free float			22.9%

Sustainability

Sustainability score

Sustainability is made of analytical items contributing to the E, the S and the G, that can be highlighted as sustainability precursors and can be combined in an intellectually acceptable way. This is the only scale made available

	Score	Weight
Governance		
Independent directors rate	5/10	25%
Board geographic diversity	5/10	20%
Chairman vs. Executive split	✓	5%
Environment		
CO ² Emission	1/10	25%
Water withdrawal	3/10	10%
Social		
Wage dispersion trend	0/10	5%
Job satisfaction	10/10	5%
Internal communication	10/10	5%
Sustainability score	4.3/10	100%

Governance & Management

The board of directors has one independent director and two executives. The CEO of the company represents two seats on the board, one as the CEO and the other through SF Developpement. There are no committees set up by the Board of Directors.

Governance score

Company (Sector)

4.4 (7.3)

Independent board

Yes

Parameters	Company	Sector	Score	Weight
Number of board members	4	9	10/10	5.0%
Board feminization (%)	0	29	1/10	5.0%
Board domestic density (%)	75	54	5/10	10.0%
Average age of board's members	54	60	8/10	5.0%
Type of company : Small cap, controlled			4/10	10.0%
Independent directors rate	50	43	5/10	20.0%
One share, one vote			✗	10.0%
Chairman vs. Executive split			✓	0.0%
Chairman not ex executive			✗	5.0%
Full disclosure on mgt pay			✗	5.0%
Disclosure of performance anchor for bonus trigger			✗	5.0%
Compensation committee reporting to board of directors			✗	5.0%
Straightforward, clean by-laws			✓	15.0%
Governance score			4.4/10	100.0%

Management

Name	M	Function	Birth date	Date in	Date out	Compensation, in k€ (year)	
						Cash	Equity linked
Stéphan FRANÇAIS	M	CEO	1970	2021			

Board of Directors

Name	M	Indep.	Function	Completion of current mandate	Birth date	Date in	Date out	Fees / indemnity, in k€ (year)	Value of holding, in k€ (year)
Stéphan FRANÇAIS	M	✗	President/Chairman of th...		1970	2021			
Marc DESCHAMPS	M	✓	Member		1964	2021			
Nicolas GAUDIN DE SAINT-R...	M	✗	Member		1972	2021			
Loic POIRIER	M	✓	Member						

Environmental score

Data sets evaluated as trends on rolling calendar, made sector relative

Parameters	Score	Sector	Weight
CO ² Emission	1/10	4/10	30%
Water withdrawal	3/10	4/10	30%
Energy	3/10	4/10	25%
Waste	3/10	4/10	15%
Environmental score	2.4		100%







Company (Sector)

2.4 (4.2)

Environmental metrics

	Company 2022	2023
	2.6	2.4

Sector figures

Company	Country	Environment score	Energy (total, in GJ)	CO2 Emissions (in tons)	Water Withdrawal (in m3)	Waste (total, in tons)
u-blox		7/10	100,000	430	1,700	2,000
METAVISIO		2/10				
Nokia		3/10	3,812,400	348,800	1,182,000	8,400
Ericsson		8/10	2,271,600	96,000	1,200,000	6,777
Logitech International		7/10	109,821	1,461	360,269	933
Inficon		6/10	55,544	1,237	12,000	386

Social score

Company (Sector)

6.4 (7.2)

Quantitative metrics (67%)

Set of staff related numerical metrics available in AlphaValue proprietary modelling aimed at ranking on social/HR matters

Parameters	Score	Weight
Staffing Trend	8/10	20%
Average wage trend	10/10	35%
Share of added value taken up by staff cost	1/10	25%
Share of added value taken up by taxes	1/10	20%
Wage dispersion trend	0/10	0%
Pension bonus (0 or 1)	0	
Quantitative score	5.6/10	100%

Qualitative metrics (33%)

Set of listed qualitative criterias and for the analyst to tick

Parameters	Score	Weight
Accidents at work	10/10	25%
Human resources development	6/10	35%
Pay	7/10	20%
Job satisfaction	10/10	10%
Internal communication	10/10	10%
Qualitative score	8.0/10	100%

AlphaValue analysts tick boxes on essential components of the social/HR corporate life. Decision about ticking Yes or No is very much an assessment that combines the corporate's communication on relevant issue and the analyst's better judgment from experience.

Qualitative score

Parameters	Yes  / No 	Weight
Accidents at work		25%
Set targets for work safety on all group sites?		10.0%
Are accidents at work declining?		15.0%
Human resources development		35%
Are competences required to meet medium term targets identified?		3.5%
Is there a medium term (2 to 5 years) recruitment plan?		3.5%
Is there a training strategy tuned to the company objectives?		3.5%
Are employees trained for tomorrow's objectives?		3.5%
Can all employees have access to training?		3.5%
Has the corporate avoided large restructuring lay-offs over the last year to date?		3.5%
Have key competences stayed?		3.5%
Are managers given managerial objectives?		3.5%
If yes, are managerial results a deciding factor when assessing compensation level?		3.5%
Is mobility encouraged between operating units of the group?		3.5%
Pay		20%
Is there a compensation committee?		6.0%
Is employees' performance combining group AND individual performance?		14.0%
Job satisfaction		10%
Is there a measure of job satisfaction?		3.3%
Can anyone participate ?		3.4%
Are there action plans to prop up employees' morale?		3.3%
Internal communication		10%
Are strategy and objectives made available to every employee?		10.0%
Qualitative score	8.0/10	100.0%

Staff & Pension matters

The company had about 40 employees at the end of 2020 with nearly all its workforce located in France. The company has no foreseeable pension risks.

Recent updates

21/11/2022

Moving swiftly around the globe

Change in Target Price € 16.1 vs 14.0 +15.1%

Change in EPS 2022 : € 0.25 vs 0.61 -59.6%
2023 : € 0.96 vs 0.83 +15.5%

We have revised our EPS 2022 estimate following the half-year results announcement. Our EPS goes down as the company now foresees lower EBITDA growth than previously expected. For our 2023 and 2024 EPS estimates, we use the updated business plan provided by the company. This updated business plan is influenced by various developments since the company's listing on Euronext Growth in July 2022. Please see our latest for more information.

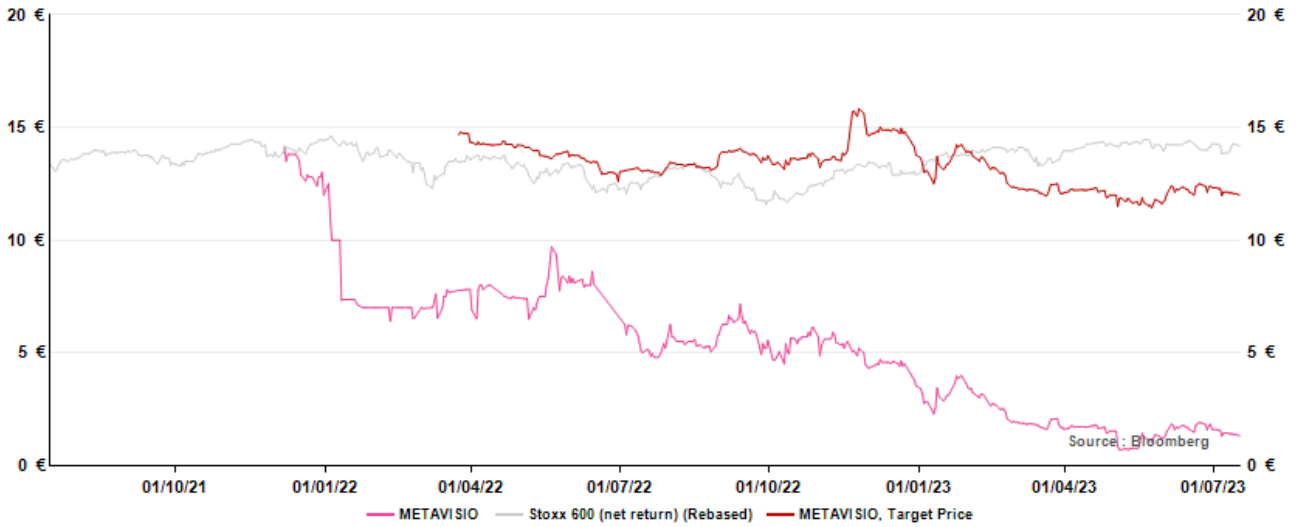
Change in NAV € 21.0 vs 18.0 +16.6%

Following the company's upwards revision to its sales forecasts for 2023 and 2024, we have revised our reference sales multiple from €105m to €150m. Consequently, this results in an increase to our NAV-based valuation.

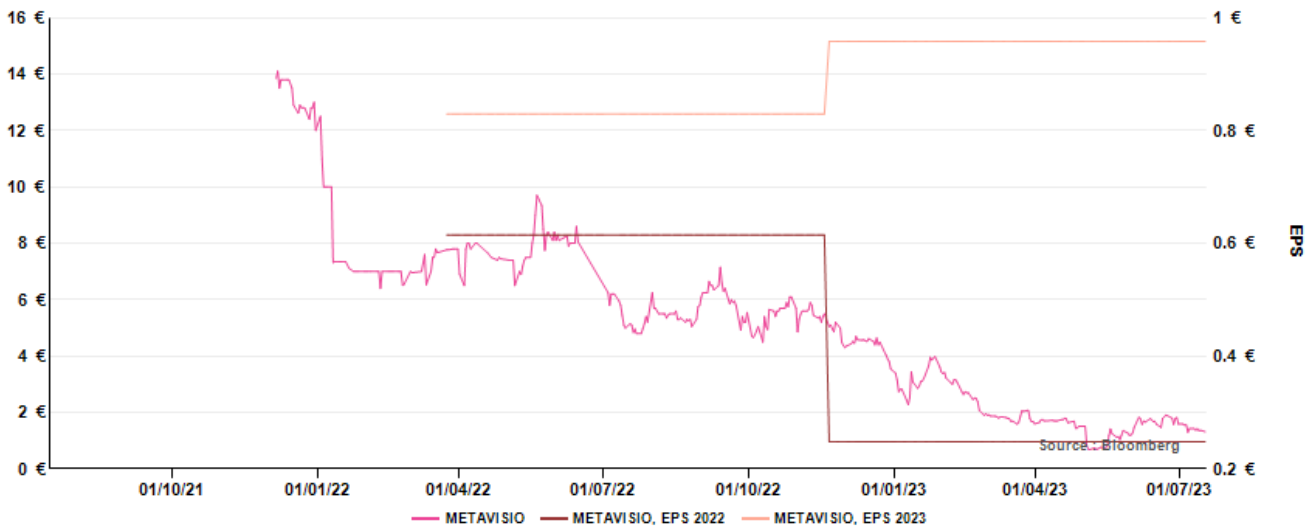
Change in DCF € 19.9 vs 16.9 +17.8%

Our DCF valuation has been upgraded as a result of a better free cash flow profile due to the revised forecasts. This better cash flow profile drives the valuation in the outer-years and beyond.

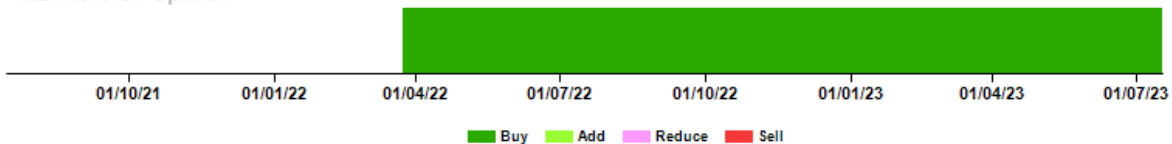
Stock Price and Target Price



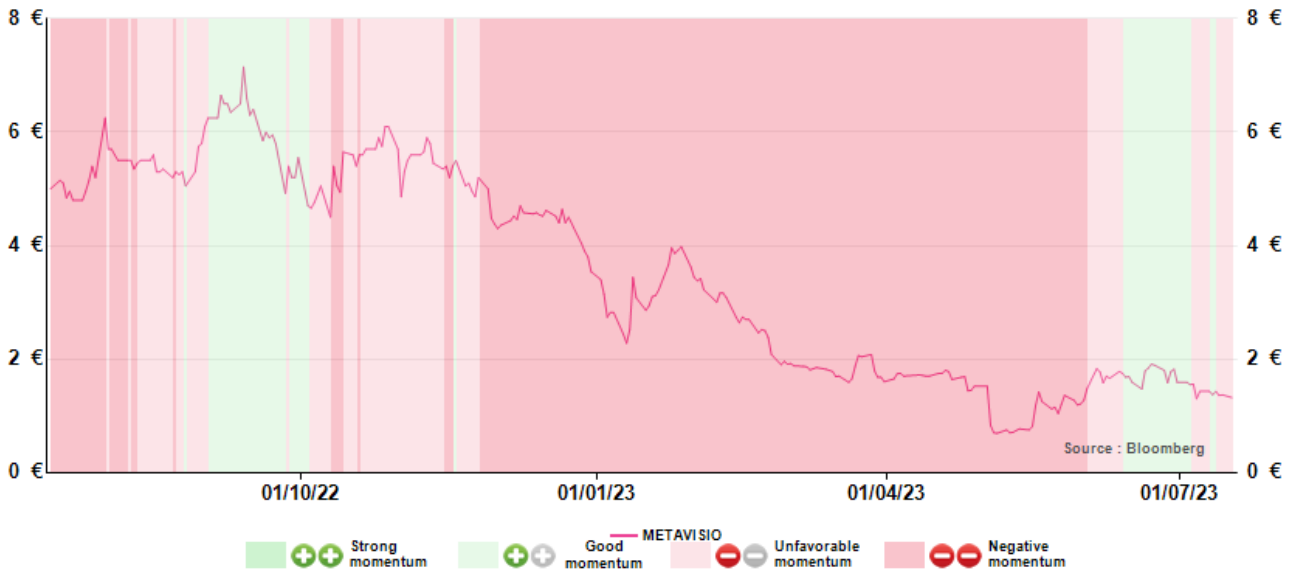
Earnings Per Share & Opinion



METAVISIO : Opinion



Momentum






Momentum analysis consists in evaluating the stock market trend of a given financial instrument, based on the analysis of its trading flows.



The main indicators used in our momentum tool are simple moving averages over three time frames: short term (20 trading days), medium term (50 days) and long term (150 days). The positioning of these moving averages relative to each other gives us the direction of the flows over these time frames.


For example, if the short and medium-term moving averages are above the long-term moving average, this suggests an uptrend which will need to be confirmed. Attention is also paid to the latest stock price relative to the three moving averages (advance indicator) as well as to the trend in these three moving averages - downtrend, neutral, uptrend - which is more of a lagging indicator.

The trend indications derived from the flows through moving averages and stock prices must be confirmed against trading volumes in order to confirm the signal. This is provided by a calculation based on the average increase in volumes over ten weeks together with a buy/sell volume ratio.

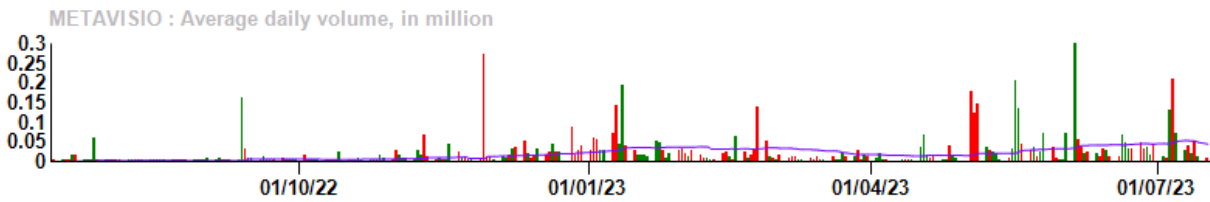
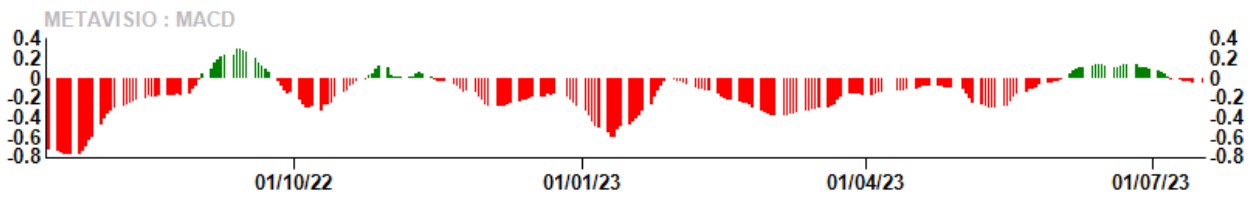
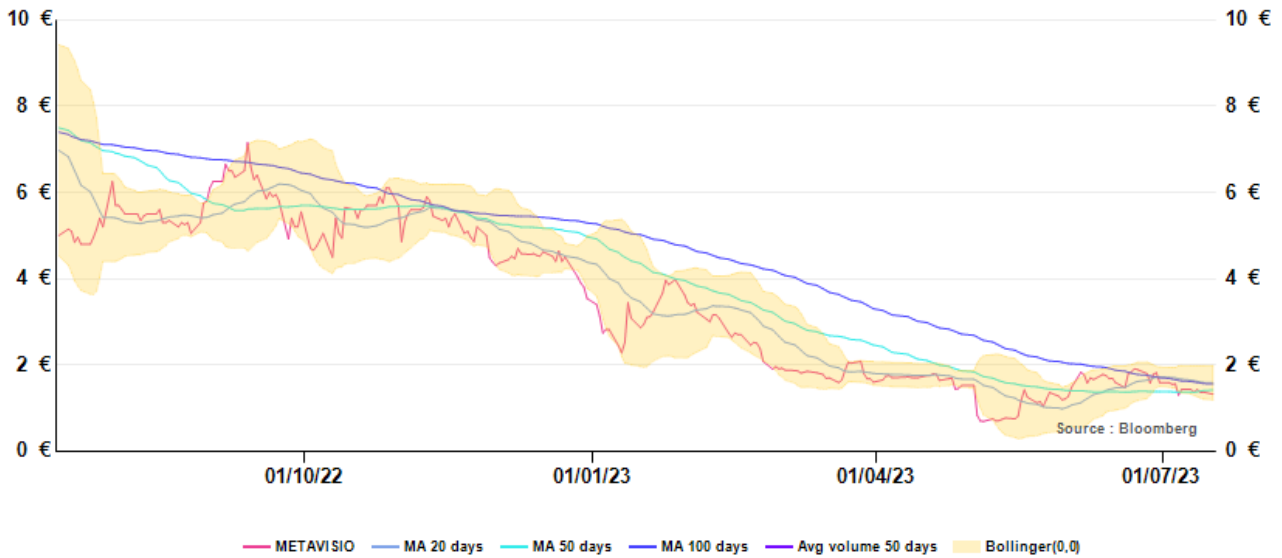
 : Strong momentum corresponding to a continuous and overall positive moving average trend confirmed by volumes

  : Relatively good momentum corresponding to a positively-oriented moving average, but offset by an overbought pattern or lack of confirmation from volumes

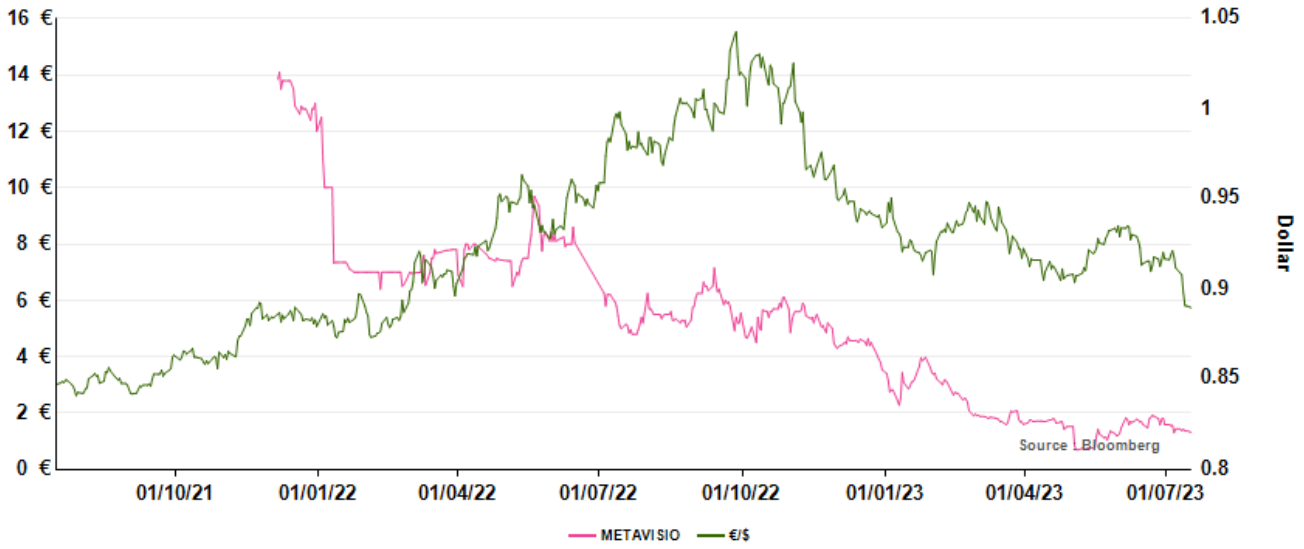
  : Relatively unfavorable momentum with a neutral or negative moving average trend, but offset by an oversold pattern or lack of confirmation from volumes

 : Strongly negative momentum corresponding to a continuous and overall negative moving average trend confirmed by volumes

Moving Average MACD & Volume



€/\$ sensitivity



Sector IT Hardware



Detailed Financials

Valuation Key Data		12/21A	12/22E	12/23E	12/24E
Adjusted P/E	x	33.6	25.5	1.38	0.68
Reported P/E	x	64.4	28.2	1.38	0.68
EV/EBITDA(R)	x	17.3	12.4	2.23	0.87
EV/EBIT	x	18.3	14.8	2.36	0.92
EV/Sales	x	1.78	1.02	0.22	0.10
P/Book	x	11.1	3.17	0.45	0.27
Dividend yield	%	0.00	2.37	15.2	15.2
<i>Free cash flow yield</i>	%	4.90	3.05	11.6	78.4
Average stock price	€	13.2	6.34	1.32	1.32

Consolidated P&L		12/21A	12/22E	12/23E	12/24E
Sales	€th	63,351	68,665	135,245	223,928
<i>Sales growth</i>	%	34.0	8.39	97.0	65.6
<i>Sales per employee</i>	€th	1,584	1,526	2,818	4,479
R&D Costs	€th		-450	-675	-800
R&D costs as % of sales	%	0.00	-0.66	-0.50	-0.36
Staff costs	€th	-2,629	-3,252	-3,874	-4,000
Operating lease payments	€th				
Cost of sales/COGS (indicative)	€th	-52,578	-58,365	-114,958	-190,339
EBITDA	€th	6,510	5,683	13,207	24,499
EBITDA(R)	€th	6,510	5,683	13,207	24,499
<i>EBITDA(R) margin</i>	%	10.3	8.28	9.77	10.9
<i>EBITDA(R) per employee</i>	€th	163	126	275	490
Depreciation	€th	-197	-460	-396	-662
<i>Depreciations/Sales</i>	%	0.31	0.67	0.29	0.30
Amortisation	€th	-163	-466	-330	-552
Underlying operating profit	€th	6,149	4,757	12,481	23,286
<i>Underlying operating margin</i>	%	9.71	6.93	9.23	10.4
Other income/expense (cash)	€th	-1,810	0.00	0.00	0.00
Impairment charges/goodwill amortisation	€th				
Operating profit (EBIT)	€th	4,339	4,757	12,481	23,286
Interest expenses	€th	-1,963	-1,800	-1,500	-1,500
<i>of which effectively paid cash interest expenses</i>	€th	1.00			
Financial income	€th				
Other financial income (expense)	€th	-515	-500	-500	-500
Net financial expenses	€th	-2,477	-2,300	-2,000	-2,000
<i>of which related to pensions</i>	€th		0.00	0.00	0.00
Pre-tax profit before exceptional items	€th	1,862	2,457	10,481	21,286
Exceptional items and other (before taxes)	€th	-737	0.00	0.00	0.00
Current tax	€th	174	-688	-2,935	-5,960
Deferred tax	€th				
Corporate tax	€th	174	-688	-2,935	-5,960
<i>Tax rate</i>	%	-9.35	28.0	28.0	28.0
<i>Net margin</i>	%	3.21	2.58	5.58	6.84
Equity associates	€th				
<i>Actual dividends received from equity holdings</i>	€th				
Minority interests	€th				
Income from discontinued operations	€th				
Attributable net profit	€th	1,299	1,769	7,547	15,326
Impairment charges/goodwill amortisation	€th	0.00	0.00	0.00	0.00
Other adjustments	€th				
Adjusted attributable net profit	€th	1,299	1,769	7,547	15,326
Fully diluted adjusted attr. net profit	€th	1,299	1,769	7,547	15,326
NOPAT	€th	4,612	3,568	9,361	17,464

Cashflow Statement

		12/21A	12/22E	12/23E	12/24E
EBITDA	€th	6,510	5,683	13,207	24,499
Change in WCR	€th	457	-514	-5,882	-6,400
<i>of which (increases)/decr. in receivables</i>	€th	21,042	-6,059	-8,281	-11,615
<i>of which (increases)/decr. in inventories</i>	€th	-8,084	-1,123	-9,981	-12,340
<i>of which increases/(decr.) in payables</i>	€th	-3,616	6,667	12,380	17,554
<i>of which increases/(decr.) in other curr. liab.</i>	€th	-8,885	0.00	0.00	0.00
Actual dividends received from equity holdings	€th	0.00	0.00	0.00	0.00
Paid taxes	€th	174	-688	-2,935	-5,960
Exceptional items	€th				
Other operating cash flows	€th	0.00	0.00	0.00	0.00
Total operating cash flows	€th	7,141	4,481	4,390	12,139
Capital expenditure	€th	-567	-657	-1,188	-1,986
<i>Capex as a % of depreciation & amort.</i>	%	157	70.9	164	164
Net investments in shares	€th				
Other investment flows	€th				
Total investment flows	€th	-567	-657	-1,188	-1,986
Net interest expense	€th	-2,477	-2,300	-2,000	-2,000
<i>of which cash interest expense</i>	€th	1.00	-2,300	-2,000	-2,000
Dividends (parent company)	€th	0.00	0.00	0.00	0.00
Dividends to minorities interests	€th	0.00	0.00	0.00	0.00
New shareholders' equity	€th	556	0.00	0.00	0.00
<i>of which (acquisition) release of treasury shares</i>	€th				
Change in gross debt	€th	-7,311	-7,498	5,000	-1,000
Other financial flows	€th		6,841		
Total financial flows	€th	-6,755	-2,957	3,000	-3,000
Change in cash position	€th	-180	867	6,202	7,154
Change in net debt position	€th	7,131	8,365	1,202	8,154
Free cash flow (pre div.)	€th	4,097	1,524	1,202	8,154
Operating cash flow (clean)	€th	7,141	4,481	4,390	12,139
<i>Reinvestment rate (capex/tangible fixed assets)</i>	%	53.5	56.8	70.4	87.7

Balance Sheet

		12/21A	12/22E	12/23E	12/24E
Goodwill	€th	0.00	0.00	0.00	0.00
Contracts & Rights (incl. concession) intangible assets	€th	4.86	5.00	5.00	5.00
Other intangible assets	€th	466	500	500	500
Total intangible	€th	471	505	505	505
Tangible fixed assets	€th	642	657	1,188	1,765
Financial fixed assets (part of group strategy)	€th	0.88	0.88	0.88	0.88
Other financial assets (investment purpose mainly)	€th	2,086	1,000	1,000	1,000
WCR	€th	33,368	33,882	39,764	46,164
<i>of which trade & receivables (+)</i>	€th	25,424	31,483	39,764	51,379
<i>of which inventories (+)</i>	€th	15,667	16,790	26,771	39,111
<i>of which payables (+)</i>	€th	7,724	14,391	26,771	44,325
<i>of which other current liabilities (+)</i>	€th	0.00	0.00	0.00	0.00
Other current assets	€th	2,921	3,000	3,300	3,500
<i>of which tax assets (+)</i>	€th				
Total assets (net of short term liabilities)	€th	39,488	39,044	45,758	52,935
Ordinary shareholders' equity (group share)	€th	7,518	15,743	23,158	37,989
Minority interests	€th				
Provisions for pensions	€th	450	0.00	0.00	0.00
Other provisions for risks and liabilities	€th	0.00	0.00	0.00	0.00
Deferred tax liabilities	€th				
Other liabilities	€th	2,853	3,000	3,500	4,000
Net debt / (cash)	€th	28,667	20,302	19,099	10,946
Total liabilities and shareholders' equity	€th	39,488	39,044	45,758	52,935
Average net debt / (cash)	€th	28,605	24,484	19,701	15,023

EV Calculations

		12/21A	12/22E	12/23E	12/24E
EV/EBITDA(R)	x	17.3	12.4	2.23	0.87
EV/EBIT	x	18.3	14.8	2.36	0.92
EV/Sales	x	1.78	1.02	0.22	0.10
EV/Invested capital	x	3.27	2.00	0.71	0.44
Market cap	€th	83,652	49,932	10,403	10,403
+ Provisions (including pensions)	€th	450	0.00	0.00	0.00
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00	0.00
+ Net debt at year end (ex Right-of-use from 2019)	€th	28,667	20,302	19,099	10,946
+ Right-of-use (from 2019)/Leases debt equivalent	€th	0.00	0.00	0.00	0.00
- Financial fixed assets (fair value) & Others	€th				
+ Minority interests (fair value)	€th				
= Enterprise Value	€th	112,769	70,234	29,502	21,349

Per Share Data

		12/21A	12/22E	12/23E	12/24E
Adjusted EPS (bfr goodwill amort. & dil.)	€	0.39	0.25	0.96	1.94
<i>Growth in EPS</i>	%	-91.0	-36.5	285	103
Reported EPS	€	0.20	0.22	0.96	1.94
Net dividend per share	€	0.00	0.15	0.20	0.20
Free cash flow per share	€	1.23	0.21	0.15	1.03
Operating cash flow per share	€	2.15	0.63	0.56	1.54
Book value per share	€	1.18	2.00	2.94	4.82

Number of ordinary shares	Th	6,358	7,881	7,881	7,881
Number of equivalent ordinary shares (year end)	Th	6,358	7,881	7,881	7,881
Number of shares market cap.	Th	6,358	7,881	7,881	7,881
Treasury stock (year end)	Th				
Number of shares net of treasury stock (year end)	Th	6,358	7,881	7,881	7,881
Number of common shares (average)	Th	3,322	7,120	7,881	7,881
Conversion of debt instruments into equity	Th				
Settlement of cashable stock options	Th				
Probable settlement of non mature stock options	Th				
Other commitments to issue new shares	Th				
Increase in shares outstanding (average)	Th	0.00	0.00	0.00	0.00
Number of diluted shares (average)	Th	3,322	7,120	7,881	7,881
Goodwill per share (diluted)	€	0.00	0.00	0.00	0.00
EPS after goodwill amortisation (diluted)	€	0.39	0.25	0.96	1.94
EPS before goodwill amortisation (non-diluted)	€	0.39	0.25	0.96	1.94
Payout ratio	%	0.00	66.8	20.9	10.3
Capital payout ratio (div +share buy back/net income)	%	0.00	0.00	0.00	

Funding - Liquidity

		12/21A	12/22E	12/23E	12/24E
EBITDA	€th	6,510	5,683	13,207	24,499
Funds from operations (FFO)	€th	6,685	2,695	8,272	16,539
Ordinary shareholders' equity	€th	7,518	15,743	23,158	37,989
Gross debt	€th	28,498	21,000 ⁽¹⁾	26,000	25,000
o/w Less than 1 year - Gross debt	€th	990	1,000	1,000	1,000
o/w 1 to 5 year - Gross debt	€th	27,508	20,000	25,000	24,000
+ Gross Cash	€th	-168	698	6,901	14,054
= Net debt / (cash)	€th	28,667	20,302	19,099	10,946
Bank borrowings	€th	16,000	9,000	14,000	13,000
Issued bonds	€th	12,000	12,000	12,000	12,000
Other financing	€th	498	0.00	0.00	0.00

1. Of which €6.8m is convertible bonds and the remainder is financial debt.

Gearing (at book value)	%	380	156	85.1	39.5
Equity/Total asset (%)	%	19.0	40.3	50.6	71.8
Adj. Net debt/EBITDA(R)	x	4.40	3.57	1.45	0.45
Adjusted Gross Debt/EBITDA(R)	x	4.45	3.70	1.97	1.02
Adj. gross debt/(Adj. gross debt+Equity)	%	79.4	57.2	52.9	39.7
Ebit cover	x	2.48	2.07	6.24	11.6
FFO/Gross Debt	%	23.1	12.8	31.8	66.2
FFO/Net debt	%	23.3	13.3	43.3	151
FCF/Adj. gross debt (%)	%	14.2	7.26	4.62	32.6
(Gross cash+ "cash" FCF+undrawn)/ST debt	x	3.97	2.22	8.10	22.2
"Cash" FCF/ST debt	x	6.64	1.52	1.20	8.15

ROE Analysis (Dupont's Breakdown)

		12/21A	12/22E	12/23E	12/24E
Tax burden (Net income/pretax pre excp income)	x	0.70	0.72	0.72	0.72
EBIT margin (EBIT/sales)	%	6.85	6.93	9.23	10.4
Assets rotation (Sales/Avg assets)	%	144	175	319	454
Financial leverage (Avg assets /Avg equity)	x	6.65	3.38	2.18	1.61
ROE	%	19.7	15.2	38.8	50.1
ROA	%	12.6	13.6	30.1	48.1

Shareholder's Equity Review (Group Share)

		12/21A	12/22E	12/23E	12/24E
Y-1 shareholders' equity	€th	5,766	7,620	15,743	23,158
+ Net profit of year	€th	1,299	1,769	7,547	15,326
- Dividends (parent cy)	€th	0.00	0.00	0.00	0.00
+ Additions to equity	€th	556	0.00	0.00	0.00
<i>o/w reduction (addition) to treasury shares</i>	€th	0.00	0.00	0.00	0.00
- Unrecognised actuarial gains/(losses)	€th	0.00	0.00	0.00	0.00
+ Comprehensive income recognition	€th		6,353	-131	-495
= Year end shareholders' equity	€th	7,620	15,743	23,158	37,989

Staffing Analytics

		12/21A	12/22E	12/23E	12/24E
Sales per staff	€th	1,584	1,526	2,818	4,479
Staff costs per employee	€th	-65.7	-72.3	-80.7	-80.0
<i>Change in staff costs</i>	%	44.0	23.7	19.1	3.26
<i>Change in unit cost of staff</i>	%	51.2	9.95	11.7	-0.87
<i>Staff costs/(EBITDA+Staff costs)</i>	%	28.8	36.4	22.7	14.0

Average workforce	unit	40.0	45.0	48.0	50.0
Europe	unit	40.0	45.0	48.0	50.0
North America	unit	0.00	0.00	0.00	0.00
South Americas	unit	0.00	0.00	0.00	0.00
Asia	unit	0.00	0.00	0.00	0.00
Other key countries	unit	0.00	0.00	0.00	0.00
Total staff costs	€th	-2,629	-3,252	-3,874	-4,000
Wages and salaries	€th	-2,629	-3,252	-3,874	-4,000
<i>of which social security contributions</i>	€th	-704	-832	-989	-1,000
Pension related costs	€th		0.00	0.00	0.00

Divisional Breakdown Of Revenues

		12/21A	12/22E	12/23E	12/24E
Total sales	€th	63,347	68,665	135,245	223,928
Products	€th	60,764	65,665	131,945	220,628
Other	€th	2,583	3,000	3,300	3,300

Divisional Breakdown Of Earnings

		12/21A	12/22E	12/23E	12/24E
EBITDA/R Analysis					
Group EBITDA	€th	6,510	5,683	13,207	24,499
Other/cancellations	€th	0.00	0.00	0.00	0.00
Total	€th	6,510	5,683	13,207	24,499
EBITDA/R margin	%	10.3	8.28	9.77	10.9

Revenue Breakdown By Country		12/21A	12/22E	12/23E	12/24E
United States	%	4.00	0.00		
China	%	0.00	0.00		
Europe	%	13.0	0.00		
France	%	83.0	50.0		
Other	%	0.00	50.0		

ROCE		12/21A	12/22E	12/23E	12/24E
ROCE (NOPAT+lease exp.*(1-tax))/(net) cap employed adjusted	%	13.4	10.2	22.6	36.1
CFROIC	%	11.9	4.35	2.90	16.8
Goodwill	€th	0.00	0.00	0.00	0.00
Accumulated goodwill amortisation	€th	0.00	0.00	0.00	0.00
All intangible assets	€th	471	505	505	505
Accumulated intangible amortisation	€th	1,169	1,170	1,170	1,170
Financial hedges (LT derivatives)	€th	0.00	0.00	0.00	0.00
Capitalised R&D	€th	0.00	0.00	0.00	0.00
Rights of use/ Capitalised leases	€th	0.00	0.00	0.00	0.00
Other fixed assets	€th	642	657	1,188	1,765
Accumulated depreciation	€th	419	500	500	500
WCR	€th	33,368	33,882	39,764	46,164
Other assets	€th	0.88	0.88	0.88	0.88
Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00	0.00
Capital employed after deprec. (Invested capital)	€th	34,481	35,044	41,458	48,435
Capital employed before depreciation	€th	36,069	36,714	43,128	50,105

Divisional Breakdown Of Capital Employed		12/21A	12/22E	12/23E	12/24E
Group EBITDA	€th				
Other	€th	34,481	35,044	41,458	48,435
Total capital employed	€th	34,481	35,044	41,458	48,435

Fundamental Opinion

It is implicit that recommendations are made in good faith but should not be regarded as the sole source of advice.

Recommendations are geared to a “**value**” approach.

Valuations are computed from the point of view of a **secondary market minority holder** looking at a medium term (say 6 months) performance.

Valuation tools are built around the concepts of **transparency**, all underlying figures are accessible, and **consistency**, same methodology whichever the stock, allowing for differences in nature between financial and non financial stocks. A stock with a target price below its current price should not and will not be regarded as an Add or a Buy.

Recommendations are based on target prices with no allowance for dividend returns. The thresholds for the four recommendation levels may change from time to time depending on market conditions. Thresholds are defined as follows, ASSUMING long risk free rates remain in the 2-5% region.

Recommendation	Low Volatility 10 < VIX index < 30	Normal Volatility 15 < VIX index < 35	High Volatility 35 < VIX index
Buy ●	More than 15% upside	More than 20% upside	More than 30% upside
Add ●	From 5% to 15%	From 5% to 20%	From 10% to 30%
Reduce ●	From -10% to 5%	From -10% to 5%	From -10% to 10%
Sell ●	Below -10%	Below -10%	Below -10%

There is deliberately no “neutral” recommendation. The principle is that there is no point investing in equities if the return is not at least the risk free rate (and the dividend yield which again is not allowed for).

Although recommendations are automated (a function of the target price whenever a new equity research report is released), the management of AlphaValue intends to maintain global consistency within its universe coverage and may, from time to time, decide to change global parameters which may affect the level of recommendation definitions and /or the distribution of recommendations within the four levels above. For instance, lowering the risk premium in a gloomy context may increase the proportion of positive recommendations.

Valuation

Valuation processes have been organized around transparency and consistency as primary objectives.

Stocks belong to different categories that recognise their main operating features : Banks, Insurers and Non Financials.

Within those three universes, the valuation techniques are the same and in relation to the financial data available.

The weighting given to individual valuation techniques is managed centrally and may be changed from time to time. As a rule, all stocks of a similar profile are valued using equivalent weighting of the various valuation techniques. This is for obvious consistency reasons.

Within the very large universe of Non Financials, there are in effect 4 sub-categories of weightings to cater for subsets: 1) 'Mainstream' stocks; 2) 'Holding companies' where the stress is on NAV measures; 3) 'Growth' companies where the stress is on peer based valuations; 4) 'Loss making sectors' where peers review is essentially pointing nowhere (ex: Bio techs). The bulk of the valuation is then built on DCF and NAV, in effect pushing back the time horizon.

Valuation Issue	Normal industrials	Growth industrials	Holding company	Loss runners	Bank	Insurers
DCF	35%	35%	10%	40%	0%	0%
NAV	20%	20%	55%	40%	50%	15%
PE	10%	10%	10%	5%	10%	20%
EV/EBITDA	20%	20%	0%	5%	0%	0%
Yield	10%	10%	20%	5%	10%	15%
Book	5%	5%	5%	5%	10%	10%
Banks' intrinsic method	0%	0%	0%	0%	10%	0%
Embedded Value	0%	0%	0%	0%	0%	40%
Mkt Cap/Gross Operating Profit	0%	0%	0%	0%	10%	0%