

# MailUp Group

Sector: Marketing Technology

## Gross Sales up 3% in 1Q21

MailUp Group is a leading cloud-based marketing technology provider offering its solutions to several thousand customers worldwide, with a consolidated expertise on small to medium-sized enterprises. The Group will soon change its legal name into Growens, a name which further reflects the continuous strive towards mindful growth and innovation.

### 1Q21: Cash Sales +3%, foreign sales +11%, SaaS +17%

MailUp Group unveiled its 1Q21 Cash Sales at €16.8mn, up +3% y/y despite negative implications linked to pandemic and the tough y/y comparison. Double-digit growth rates were recorded in terms of: *i*) recurring Sales, coming from SaaS subscriptions, at €5.7mn (+17% y/y, ~34% of total), and *ii*) foreign Sales, at €9.3mn (+11% y/y, ~55% of total). Moreover, the Group is steadily increasing its customer base up to 25,500# clients, which include newly acquired important names like Istat (Italian National Institute of Statistics), Morellato, Factorit, Lightricks, Uniced and so on.

### Growth trend on the same page of 4Q21

The business unit which recorded the largest % increase is Acumbamail (€0.5mn, +47% y/y), with Sales growth fuelled by self-provisioning sales of services, i.e., without a physical interaction in the sales process. A similarly strong performance was achieved by BEE (+43% y/y at €1.2mn, +53% at constant exchange), thanks to increased customer base and revenue per client on BEEPro component, only partially offset by BEEPlugin's sales cycle slowdown. The sharp reduction of drive-to-store marketing text messages hit Agile Telecom and MailUp, both posting an almost flattish y/y growth trend. We note, however, that email messages at MailUp level increased at double digit rate.

Datatrics marked the worst performance, at €0.7mn (-14% y/y), affected by the impact of the global crisis. The Group launched some reorganization of Datatrics operations through *i*) an enhanced infrastructure, (Amazon AWS) *ii*) a restated business model towards a more scalable and self-provisioning mode, *iii*) the enhancement of top managements with the introduction of Marketing Manager, Head of Sales and Head of Customer Value Management. Reorganization is expected to be effective by 3Q21.

### Estimates confirmed, Fair Value unchanged at €5.65

We maintain unchanged our revenues estimate for 2021 at ~€71mn (+9% y/y), which already embeds a slower recovery across 1Q, and a stronger rebound since mid-2Q. We confirm our fair valuation on MailUp Group at €5.65 per share obtained with a Sum of the Parts valuation. At fair value, shares would trade at 1.1x EV/Sales and 15.3x EV/EBITDA for 2021E.



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Fair Value (€) 5.65

Market Price (€) 4.33

Market Cap. (€m) 64.8

KEY FINANCIALS (€m)	2020A	2021E	2022E
TOTAL REVENUES	65.2	70.9	81.4
EBITDA	5.1	5.3	6.8
EBIT	1.4	1.5	2.9
NET PROFIT	0.6	1.0	2.0
NET PROFIT ADJ.	0.6	1.0	2.0
EQUITY	17.3	18.3	20.3
NET FINANCIAL POS.	2.5	3.1	6.6
EPS ADJ. (€)	0.04	0.07	0.13

Source: MailUp Group (historical figures), Value Track (2021E-22E estimates)

KEY FINANCIALS (€m)	2020A	2021E	2022E
EBITDA MARGIN (%)(*)	7.9	7.5	8.4
EBIT MARGIN (%)(*)	2.1	2.1	3.6
NET DEBT / EBITDA (x)	nm	nm	nm
NET DEBT / EQUITY (x)	nm	nm	nm
EV/SALES (x)	1.0	0.9	0.7
EV/EBITDA (x)	12.2	11.6	8.6
EV/EBIT (x)	45.7	40.7	20.0
P/E ADJ. (x)	nm	nm	33.0

Source: MailUp Group (2020A), Value Track (2021E-22E estimates)  
(\* ) As % of Revenues from Sales

### STOCK DATA

FAIR VALUE (€)	5.65
MARKET PRICE (€)	4.33
SHS. OUT. (m)	15.0
MARKET CAP. (€m)	64.8
FREE FLOAT (%)	36.8
AVG. -20D VOL. (#)	11,162
RIC / BBG	MAIL.MI / MAIL IM
52 WK RANGE	4.19-5.68

Source: Stock Market Data



## Business Description

MailUp Group is a leading cloud based digital marketing technology hub currently offering its solutions to several thousand customers worldwide, with a consolidated expertise on small to medium-sized enterprises.

In greater detail, MailUp Group is involved in the provisioning of email marketing services, delivery of mobile text messages (for both transactional and marketing purposes), email editing support, Predictive Marketing CDP and professional services to business clients.

## Key Financials

€mn	2020A	2021E	2022E	2023E
<b>Total Revenues</b>	<b>65.2</b>	<b>71.9</b>	<b>82.4</b>	<b>93.7</b>
Chg. % YoY	7.3%	10.3%	14.6%	13.7%
<b>EBITDA</b>	<b>5.1</b>	<b>5.3</b>	<b>6.8</b>	<b>8.2</b>
EBITDA Margin (%)	7.8%	7.4%	8.3%	8.7%
<b>EBIT</b>	<b>1.4</b>	<b>1.5</b>	<b>2.9</b>	<b>4.3</b>
EBIT Margin (%)	2.1%	2.1%	3.5%	4.6%
<b>Net Profit</b>	<b>0.6</b>	<b>1.0</b>	<b>2.0</b>	<b>2.0</b>
Chg. % YoY	-51.0%	80.5%	92.8%	43.0%
<b>Adjusted Net Profit</b>	<b>0.6</b>	<b>1.0</b>	<b>2.0</b>	<b>2.0</b>
Chg. % YoY	-51.0%	80.5%	92.8%	43.0%
<b>Net Fin. Position</b>	<b>2.5</b>	<b>3.1</b>	<b>6.6</b>	<b>10.7</b>
Net Fin. Pos. / EBITDA (x)	nm	nm	nm	nm
Capex	-3.0	-3.3	-3.6	-3.5
<b>OpFCF b.t.</b>	<b>1.5</b>	<b>1.1</b>	<b>4.4</b>	<b>5.6</b>
OpFCF b.t. as % of EBITDA	30.3%	20.7%	64.8%	68.7%

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

## Investment case

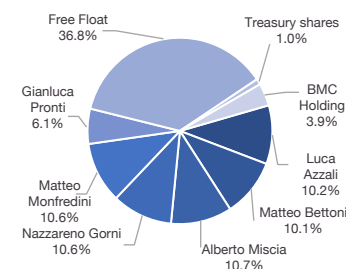
### Strengths / Opportunities

- ◆ Full range of marketing technology services (SMS, email, email editor, CDP services, professional ones);
- ◆ Highly diversified customer base ranging from professional marketers to developers and to wholesalers both at a domestic and international level;
- ◆ Intense and effective R&D effort generating high-value opportunities.

### Weaknesses / Risks

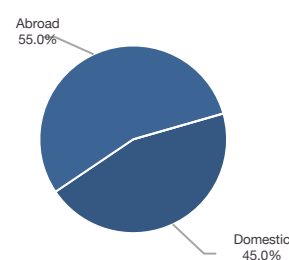
- ◆ Much smaller size if compared to Anglo-Saxons competitors;
- ◆ MarTech moves fast and MailUp group capability to keep up with the pace could be limited due to financial availabilities.

## Shareholders Structure



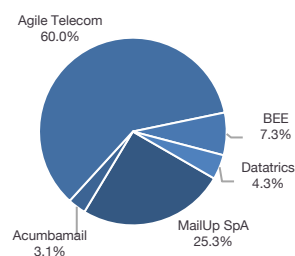
Source: MailUp SpA

## 1Q21 Gross Sales by geography



Source: MailUp SpA

## 1Q21 Gross Sales by business unit



Source: MailUp SpA

## Stock multiples @ €5.65 Fair Value

	2021E	2022E
EV / SALES (x)	1.1	1.0
EV / EBITDA (x)	15.3	11.5
EV / EBIT (x)	nm	26.8
EV / CAP.EMP. (x)	5.4	5.7
OpFCF Yield (%)	1.4	5.7
P / E (x)	nm	43.0
P / BV (x)	4.6	4.2
Div. Yield. (%)	0.0	0.0

Source: Value Track

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