Claranova

PlanetArt disposal agreement signed

Claranova has finalised the agreement to sell the PlanetArt business. The deal is subject to shareholder approval, with the shareholder meeting scheduled for 27 June, and Claranova is targeting completion on 30 June. The company plans to use the c €112m initial proceeds to pay down debt, which should result in a gross debt position of c €50m post disposal.

Year end	Revenue (€m)	Adj. EBITDA (€m)	PBT (€m)	EPS (€)	P/E (x)
6/23	507.0	32.5	2.2	0.05	56.2
6/24	495.6	45.9	5.8	0.09	28.6
6/25e	498.2	53.0	29.6	0.40	6.5
6/26e	534.6	58.2	33.7	0.45	5.7

Note: EBITDA is pre-IFRS 16. PBT and diluted EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. From FY25e, excludes myDevices as held for sale.

Proceeds broadly in line with original deal valuation

The agreed sale price of $175m (c €154m at current exchange rates) takes into account intra-group debts cancelled in favour of Claranova and transaction-related costs. This is split as cash proceeds of $140m to Claranova, debt forgiven of $6m and minority interests (existing PlanetArt management team) reinvesting $29.5m in PlanetArt. The buyers will retain $12.1m of the proceeds ($10m from Claranova, $2.1m from the minorities) for one year after completion as a guarantee for certain liabilities. After transaction costs and the retention, Claranova will receive net cash proceeds of $127m/c €112m on completion.

Becoming a pure-play software business

Post disposal, continuing operations will consist of the Avanquest SaaS software business, and the myDevices business will continue to be reported in discontinued operations while a buyer is sought. The company estimates that it will have a gross debt position of €50m (down from €153m at the end of H125) after paying down a large proportion of the Cheyne debt and all of the SaarLB pool debt. This leaves Avanquest with a more sustainable balance sheet and the potential to invest to grow the business. We will update our forecasts to reflect the disposal once it has completed and more detailed information on the split between divisions is available.

Valuation unchanged

From our sum-of-the-parts valuation, we calculate an enterprise value after minority interests of €312m and an equity value of €176m or €3.1 per share. This takes into account the disposal proceeds before retention. We have placed a relatively conservative valuation on Avanquest. If the latest initiatives to expand into the B2B market successfully accelerate revenue growth, we see scope for upside to our valuation.

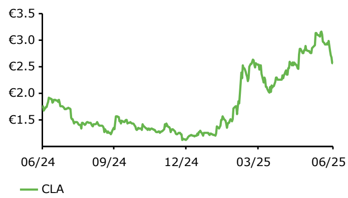
Disposal confirmed

Software and comp services

26 June 2025

Price	**€2.58**
Market cap	**€153m**
	US$1.16/€
Net cash/(debt) at end FY24	€(102.0)m
Shares in issue	57.2m
Free float	84.0%
Code	CLA
Primary exchange	NXT PA
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(4.5)	5.1	48.1
52-week high/low		€3.2	€1.1

Business description

Claranova consists of three businesses focused on mobile and internet technologies: PlanetArt (digital photo printing; personalised gifts), Avanquest (consumer software) and myDevices (IoT).

Next events

Q425 revenue update	31 July

Analyst

Katherine Thompson +44 (0)20 3077 5700

tmt@edisongroup.com

Edison profile page

Claranova is a research client of Edison Investment Research Limited

PlanetArt disposal on track

On 23 June, Claranova announced that it had signed an agreement to sell the PlanetArt division to General Atlantic Credit's Atlantic Park fund and PlanetArt's management team. The proposed deal was originally announced on 3 March when the company entered into negotiations with the buyers.

The deal is subject to approval at the shareholders' meeting on 27 June and satisfaction of other contractual and regulatory conditions, with a target closing date of 30 June.

The agreed sale price is $175m (c €154m at current exchange rates), which takes into account intra-group debts cancelled in favour of Claranova and transaction-related costs. This is split as follows:

- cash proceeds of $140m to Claranova,
- debt forgiven of $6m, and
- minority interests (existing PlanetArt management team) reinvesting $29.5m in PlanetArt.

Of the proceeds, the buyers will retain $12.1m ($10m from Claranova, $2.1m from the minorities) for one year after completion as a guarantee for certain liabilities.

After transaction costs and the retention, Claranova will receive net cash proceeds of $127m/c €112m on completion.

Planned use of proceeds

The company intends to use the proceeds to pay down debt, namely the Cheyne and SaarLB debts. Of the proceeds of c €112m, €93m will be used to pay down loan principal, €4m for accrued interest and €8.3m for an early repayment penalty. This leaves €6.7m to bolster cash.

Cheyne debt to be materially reduced

Cheyne debt stood at €121m at the end of H125 (31 December 2024) and was net of fees yet to be amortised. The final capital amount repayable is €128m (€108m original debt taken out on 1 April 2024 plus an additional €20m borrowed in November 2024). In addition, there will be accrued interest to pay dependent on how much interest the company has paid over the term of the loan. The loan has guaranteed interest until 1 April 2026, so the company will incur a penalty of €8.3m for early repayment of the debt.

The company intends to pay down €87.5m of the principal, pay accrued interest of €3.8m and pay the €8.3m penalty. This leaves principal outstanding of €40.5m before accrued interest.

Fully paying off the SaarLB pool debt

At the end of H125, the SaarLB pool debt stood at €9.1m. The company repaid €4m on 1 January 2025 and intends to pay down the remaining €5.5m plus €0.2m in accrued interest with the completion proceeds.

The company estimates that post disposal, the group will have gross debt of €50m including €3m of current debt.

Pro forma estimates for Avanquest

Post the disposal of PlanetArt, Claranova's continuing operations will consist of the Avanquest software business; myDevices is accounted for in discontinued operations while a buyer is sought for it. In the table below we show the pre- and post-disposal headline data. As divisional data is only available to the level of EBITDA, we have not attempted to model continuing operations earnings post disposal. The company noted that with PlanetArt included in the accounts at a value of €36.2m, the gain on disposal will be at least €84m.

Exhibit 1: Pro forma estimates

€m	FY25e	FY26e	FY27e
Pre-disposal			
Revenue	498.2	534.6	567.8
Adjusted EBITDA	53.0	58.2	62.7
Adjusted EBITDA margin	10.6%	10.9%	11.0%
Net debt	118.0	90.9	61.9
Post-disposal			
Revenue	126.4	137.0	146.3
Adjusted EBITDA	27.1	29.5	31.6
Adjusted EBITDA margin	21.4%	21.5%	21.6%
Net debt*	39.6	30.4	19.7

Source: Edison Investment Research. Note: *Initial estimate.

Exhibit 2: Financial summary

Year end 30 June, €m	2021	2022	2023	2024	2025e	2026e	2027e
INCOME STATEMENT	**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Revenue	470.6	473.7	507.0	495.6	498.2	534.6	567.8
EBITDA	36.5	28.3	36.3	51.2	58.8	64.1	68.7
Company adjusted EBITDA	32.9	25.5	32.5	45.9	53.0	58.2	62.7
Normalised operating profit	31.0	23.7	30.3	40.2	49.7	54.1	57.6
Amortisation of acquired intangibles	(3.1)	(3.8)	(4.8)	(1.2)	(1.2)	(1.2)	(1.2)
Exceptionals	(4.4)	(0.7)	(5.3)	(7.7)	(3.1)	0.0	0.0
Share-based payments	0.0	(1.2)	(0.9)	(0.5)	0.0	0.0	0.0
Reported operating profit	23.5	18.0	19.3	30.8	45.4	52.9	56.4
Net Interest	(6.8)	(16.5)	(28.1)	(34.4)	(20.1)	(20.4)	(20.2)
Exceptionals	0.0	(5.7)	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (norm)	24.2	7.2	2.2	5.8	29.6	33.7	37.4
Profit Before Tax (reported)	16.7	(4.2)	(8.8)	(3.6)	25.2	32.5	36.2
Reported tax	(3.5)	(5.7)	(2.0)	(8.4)	(8.3)	(7.5)	(8.3)
Profit After Tax (norm)	18.6	5.5	2.1	4.4	22.8	25.9	29.0
Profit After Tax (reported)	13.2	(10.0)	(10.8)	(12.0)	17.0	25.0	27.8
Minority interests	(3.7)	(0.5)	0.2	0.7	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	(1.7)	(1.0)	(1.0)
Net income (normalised)	14.9	5.0	2.3	5.1	22.8	25.9	29.0
Net income (reported)	9.5	(10.5)	(10.6)	(11.3)	15.3	24.0	26.8
Basic average number of shares outstanding (m)	39.3	42.6	45.6	56.7	56.7	56.7	56.7
EPS - basic normalised (€)	0.38	0.12	0.05	0.09	0.40	0.46	0.51
EPS - diluted normalised (€)	0.37	0.11	0.05	0.09	0.40	0.45	0.51
EPS - basic reported (€)	0.24	(0.25)	(0.23)	(0.20)	0.27	0.42	0.47
Dividend (€)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	15.0	0.7	7.0	(2.2)	0.5	7.3	6.2
EBITDA Margin (%)	7.7	6.0	7.2	10.3	11.8	12.0	12.1
Company adjusted EBITDA margin (%)	7.0	5.4	6.4	9.3	10.6	10.9	11.0
Normalised Operating Margin (%)	6.6	5.0	6.0	8.1	10.0	10.1	10.1
BALANCE SHEET							
Fixed Assets	96.6	123.3	151.8	145.9	146.8	147.4	147.7
Intangible Assets	77.5	96.6	120.1	117.2	118.5	119.2	119.4
Tangible Assets	12.2	18.2	18.2	16.7	16.3	16.2	16.3
Investments & other	6.9	8.5	13.5	12.0	12.0	12.0	12.0
Current Assets	128.4	146.8	112.6	82.4	80.5	104.6	133.0
Stocks	16.1	22.0	20.4	15.7	20.9	22.4	23.8
Debtors	9.2	8.3	9.8	12.0	12.3	13.2	14.0
Cash & cash equivalents	90.4	100.3	66.8	36.8	29.4	51.1	77.4
Other	12.7	16.2	15.6	17.9	17.9	17.9	17.9
Current Liabilities	(76.7)	(106.0)	(176.2)	(110.3)	(94.0)	(100.1)	(104.8)
Creditors	(63.8)	(78.1)	(74.1)	(78.5)	(72.2)	(78.3)	(83.0)
Tax and social security	(2.0)	(1.9)	(2.1)	(2.4)	(2.4)	(2.4)	(2.4)
Short-term borrowings	(7.7)	(22.6)	(93.8)	(24.6)	(14.6)	(14.6)	(14.6)
Other	(3.2)	(3.4)	(6.2)	(4.8)	(4.8)	(4.8)	(4.8)
Long-term liabilities	(66.1)	(162.2)	(104.6)	(125.7)	(144.3)	(138.9)	(136.1)
Long-term borrowings	(57.4)	(148.9)	(85.0)	(114.2)	(132.8)	(127.4)	(124.6)
Other long-term liabilities	(8.7)	(13.3)	(19.6)	(11.5)	(11.5)	(11.5)	(11.5)
Net Assets	82.2	1.9	(16.4)	(7.7)	(11.0)	13.0	39.8
Minority interests	(16.2)	(3.3)	(2.9)	(2.2)	(2.2)	(2.2)	(2.2)
Shareholders' equity	66.0	(1.4)	(19.3)	(9.9)	(13.2)	10.8	37.6
CASH FLOW							
Op Cash Flow before WC and tax	36.5	28.3	36.3	51.2	58.8	64.1	68.7
Working capital	(3.1)	3.2	(12.9)	8.0	(11.8)	3.7	2.5
Exceptional & other	(8.9)	(4.2)	(8.1)	16.5	(4.8)	(1.0)	(1.0)
Tax	(5.1)	(9.4)	(6.0)	(10.0)	(8.3)	(7.5)	(8.3)
Net operating cash flow	19.4	17.9	9.3	65.7	34.0	59.3	61.9
Capex	(3.8)	(2.2)	(10.9)	(5.2)	(6.5)	(7.2)	(7.9)
Acquisitions/disposals	(3.8)	(73.3)	(21.2)	0.0	(18.5)	0.0	0.0
Net interest	(0.7)	(1.7)	0.0	(7.3)	(13.5)	(18.3)	(18.1)
Equity financing	2.4	13.3	(0.3)	1.9	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	(2.6)	1.9	(3.4)	(5.1)	(4.7)	(4.7)	(4.7)
Net Cash Flow	11.0	(44.1)	(26.5)	50.0	(9.2)	29.2	31.2
Opening net debt/(cash)	(13.9)	(25.3)	71.2	112.0	102.0	118.0	91.0
FX	1.8	2.1	(0.5)	0.3	(0.2)	0.0	0.0
Other non-cash movements	(1.3)	(54.5)	(13.8)	(40.3)	(6.6)	(2.1)	(2.1)
Closing net debt/(cash)	(25.3)	71.2	112.0	102.0	118.0	91.0	61.9

Source: Claranova, Edison Investment Research

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom