

Claranova

Disposal

Potential sale of non-core Avanquest activities

Claranova has announced that it is in discussions to sell Avanquest's non-core activities in Europe. These activities make up less than 15% of Avanquest's revenues and do not fit with the division's strategy of developing proprietary SaaS solutions focused on three key segments. On a lower margin than the divisional average, the disposal should improve the profitability of Avanquest.

Year end	Revenue (€m)	EBITDA* (€m)	PBT** (€m)	Diluted EPS** (€)	DPS (€)	P/E (x)
06/21	470.6	32.9	24.2	0.37	0.0	4.9
06/22	473.7	25.5	7.2	0.11	0.0	17.3
06/23e	516.8	31.8	9.8	0.16	0.0	11.3
06/24e	541.8	43.8	22.3	0.34	0.0	5.5

Note: *Pre-IFRS 16. **PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Claranova is in discussions with several potential investors to sell Avanquest's non-core activities in Europe. This includes third-party software distribution and activities linked to the Micro-Application brand, ie paper products, labels, stickers, etc. These activities currently generate revenue of around \$12m/€11m in a contracting market and are less profitable than the Avanquest pre-IFRS 16 EBITDA margin, which was 11.4% in FY22 and 11.0% in H123. Claranova expects to continue discussions throughout June with a view to finalising the sale by the end of July. This leaves the division free to focus on developing proprietary subscription-based SaaS software in the key segments of PDF, Security and Photo.

Software and comp services

7 June 2023

Price €1.85
Market cap €84m

Net debt (€m) at end H123	64.8
Shares in issue	45.5m
Free float	84%
Code	CLA
Primary exchange	Euronext Paris
Secondary exchange	N/A

Share price performance



Business description

Claranova consists of three businesses focused on mobile and internet technologies: PlanetArt (digital photo printing; personalised gifts), Avanquest (consumer-focused software) and myDevices (internet of things/IoT). Its headquarters are in Paris, France, and it has operations in Europe, the United States and Canada.

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