

Claranova

Adding new sales channels for myDevices

myDevices, Claranova's internet of things (IoT) business, has announced two distribution agreements for IoT in a Box. These deals provide access to the reseller and distributor networks of Alibaba Cloud and Ingram Micro, substantially widening the business's access to the Chinese and US markets. We maintain our forecasts for the myDevices division but note that these deals offer the potential for material revenue contributions once the reseller networks are fully trained up on the product.

Year end	Revenue (€m)	EBITDA** (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	EV/EBITDA (x)
06/17	130.2	(5.0)	(6.6)	(0.02)	0.0	N/A	N/A
06/18e	161.5*	3.4	2.1	0.01	0.0	168.0	110.3
06/19e	232.0	16.7	13.0	0.02	0.0	49.7	22.4
06/20e	271.9	28.2	24.6	0.04	0.0	25.6	13.3

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. **Claranova definition. *Actual.

myDevices has just announced two distribution agreements for IoT in a Box, its plug-and-play IoT solution. The first is with the IoT unit of Alibaba Cloud in China: myDevices will market and sell IoT in a Box through Alibaba Cloud's existing reseller distribution network. The second agreement is with Ingram Micro (a global technology distributor with 200,000 resellers), in collaboration with Sprint, myDevices' existing partner in the US. In this case, myDevices is offering a 30-day free trial period to qualified potential customers. In both cases, resellers will be provided with sales & marketing materials and training. As it will take time to educate resellers about the product, we do not expect an immediate impact on revenues. However, we see scope for these relationships to add materially to myDevices' revenues in the longer term. Pending evidence on the rate of adoption of the solution through both schemes, we maintain our forecasts.

Distributor agreements

Software & comp services

14 September 2018

Price €0.97

Market cap €381m

Net cash (€m) at end FY18e 32.6

Shares in issue 392.3m

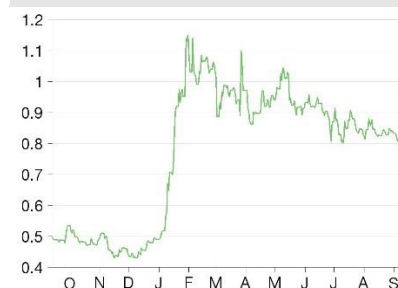
Free float 91%

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), Avanquest (consumer software) and myDevices (Internet of Things, IoT). It is headquartered in Paris with operations in Europe, the US and Canada.

Analysts

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