

Sector: Media & entertainment

Price: NZ\$0.08
 Market cap: NZ\$20m
 Forecast net cash (NZ\$m) 6.6
 Forecast gearing ratio (%) N/A
 Market NZAX

Share price graph (NZ\$)

Company description

Snakk Media intends to be a leading multinational enabler of ads on mobile devices (including tablets), aggregating publishers' ad space inventory and matching it with advertisers' demand in a targeted, measurable and scalable way.

Price performance

%	1m	3m	12m
Actual	(30.9)	(24.8)	N/A
Relative*	(33.5)	(29.3)	N/A

* % Relative to local index

Analyst

Fiona Orford-Williams

Snakk Media (SNK)

INVESTMENT SUMMARY

Q114 revenues continued to grow well (+116% y-o-y) in the expanded Australian operation and the newly opened office in New Zealand, with trading Q2 to date also strong. May's Share Purchase Plan was heavily oversubscribed and raised NZ\$6.5m at 12c, with the proceeds intended to fund further geographic and operational expansion and allow strategic investments. SeaDragon placed 10m of its shares at 9c in August, leaving it with a holding of 15m shares. Our theoretical valuation range remains 14-17c.

INDUSTRY OUTLOOK

Rapid adoption of smartphones is dramatically changing patterns of media consumption globally. This is not yet reflected in the allocation of marketing dollars, which in Australasia further lags more mature markets. Constant technological advances are allowing brands to nurture a far closer relationship with consumers, offering added-value and tangible benefits using greater interactivity and engagement. Several Asia-Pacific markets offer good potential, subject to building quality relationships with publishers and advertisers.

Y/E Mar	Revenue (NZ\$m)	EBITDA (NZ\$m)	PBT (NZ\$m)	EPS (c)	P/E (x)	P/CF (x)
2012	2.0	(0.6)	(0.6)	(0.4)	N/A	N/A
2013	3.7	(1.2)	(1.2)	(0.6)	N/A	N/A
2014e	6.4	(0.3)	(0.3)	(0.1)	N/A	N/A
2015e	10.8	1.8	1.9	0.7	11.4	40.2