



Rating
Hold

North America
United States

TMT
Software

Company
Cision

Reuters
CISN.N

Bloomberg
CISN US

Exchange
NYS

Ticker
CISN

Date
8 November 2018

Results

Price at 7 Nov 2018 (USD)	14.92
Price target	18.00
52-week range	18.18 - 11.19

Americas Strength Offset by Weakness in EMEA

Q3 results point to gradual improvements

Cision's Q3 print was mostly in-line with our expectations – with total revenue of \$177M (+11% but just 2.1% organic) and Adjusted EBITDA of \$63M (+10%, 35% margin). Strength from the Americas business (+4.6% organic growth) and APAC (+16%) was offset by some challenges in EMEA (-5.6%) – specifically related to the UK/France media monitoring businesses. Management remains focused on driving improvements in both ARPU and retention alongside a new product vision centered around the C3 platform and enhanced capabilities such as Impact (earned media attribution), which can help drive organic revenue growth rates higher over time (targeting 150-200 bps increase per year). We maintain our 'Hold' rating and await additional signs of a more notable uptick in organic growth and/or EBITDA margin expansion (beyond the company's current 35%) before becoming more constructive around shares.

Some notable items

1) Subscription revenue grew 4% y/y (in-line with prior two qtrs.), driven by a 2.8% increase in subscription customers and a 1.2% increase in subscription customer ARPU; 2) Transactional revenue continues to decline, -2% y/y (vs. -1% in 2Q), with transactional customers also down -6.6%, and offset by transactional customer ARPU growth +5.4%; 3) Consistent with last quarter, the high end of FY18 revenue guidance decreased by \$2M (maintained high point of EBITDA guidance vs. \$3M decline in Q2), which to us points to a more gradual pace for improvement rather than any near-term inflection.

Maintain \$18 PT

For 2018, we're adjusting our revs estimate slightly from \$729m to \$728m and our adjusted EBITDA estimate from \$252m to \$250m (34.4% margins). For 2019, we are keeping our outlook largely consistent, tweaking revenue down to \$728m from \$729m (4% y/y) and adj. EBITDA margin remaining at 35.2%. Our \$18 PT is based on 4.5x EV/S CY19 estimates (implying 22x uFCF), which to us sounds reasonable given the revenue growth profile of 15% in FY18 (but still <3% organic). Upside risks to our PT include acceleration of organic growth and additional margin expansion. Downside risks include competition and use of leverage.

Valuation & Risks

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Key changes

EPS (USD)	-	↑	0.0%
Revenue (USDm)	729.1 to 728.2	↓	-0.1%

Source: Deutsche Bank

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Appendix 1

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*Other information available upon request

Disclosure checklist			
Company	Ticker	Recent price*	Disclosure
Cision	CISN.N	14.45 (USD) 6 Nov 2018	1, 2, 7, 8

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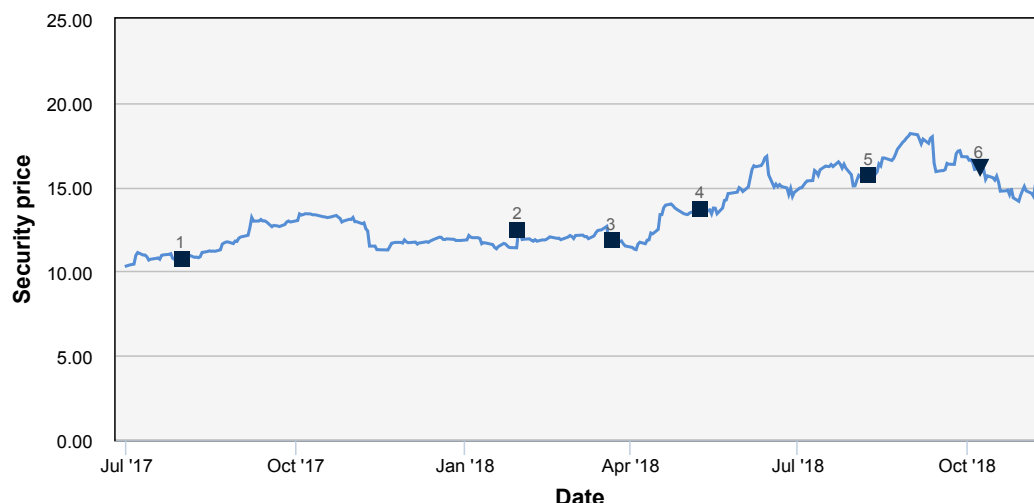
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Historical recommendations and target price. Cision (CISN.N)

(as of 11/07/2018)



Current Recommendations

Buy
Hold
Sell
Not Rated
Suspended Rating

** Analyst is no longer at Deutsche Bank

1.	07/31/2017	Buy, Target Price Change USD 16.00	Nandan Amladi**
2.	01/30/2018	Buy, Target Price Change USD 17.00	Nandan Amladi**
3.	03/22/2018	Buy, Target Price Change USD 20.00	Nandan Amladi**
4.	05/09/2018	Buy, Target Price Change USD 16.00	Karl Keirstead
5.	08/09/2018	Buy, Target Price Change USD 18.00	Karl Keirstead
6.	10/08/2018	Downgraded to Hold, Target Price Change USD 18.00	Michael Turrin

Equity Rating Key

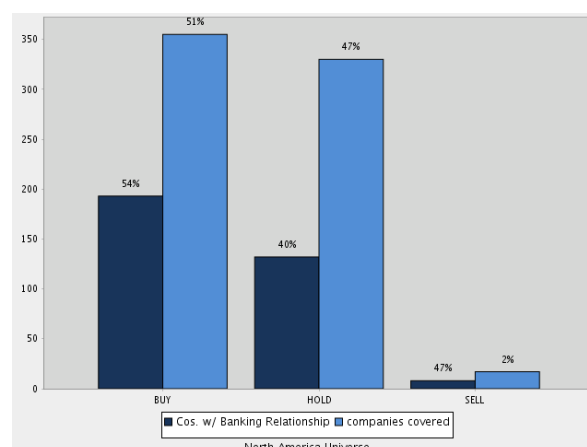
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Equity rating dispersion and banking relationships



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