

Verve Group

Short-term impacts of platform unification

Verve Group's Q225 results show year-on-year growth slowing to 10% (-4% organic), from 32% (16% organic) in Q125, affected by technical challenges over the integration and unification onto a single supply-side platform (SSP), now resolved. FY25 revenue guidance is revised down 9% at the mid-point, affecting the anticipated EBITDA margin, which is also affected by adverse fx moves. The platform unification was a major exercise in enabling the business to scale more efficiently and effort is now being focused on driving sales, including expansion into new geographic markets. The group's ID-less, AI-driven advertising solutions have established a leading position in the important US mobile market and the medium- to longer-term prospects remain attractive.

Year end	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (€)	EV/EBITDA (x)	P/E (x)
12/23	322.0	95.2	26.9	0.36	8.3	6.1
12/24	437.0	133.2	46.3	0.22	5.9	9.7
12/25e	499.5	132.2	62.9	0.25	6.0	8.8
12/26e	546.0	142.8	78.0	0.30	5.5	7.3

Note: EBITDA is adjusted. PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments

SSP temporary disruption

Verve has historically grown both organically and via acquisition, resulting in a number of different tech stacks, which it has been progressively integrating. This latest unification project, bringing together all the group's in-app marketplace activities (from five), was significantly larger (handling over 1bn bids/day) and more complex, and proved more technically challenging. This affected platform stability, bidding activity and new customer onboarding through Q225 and into July. Management believes the issues are now resolved. Financial guidance has been revised down for FY25, with a knock-on impact to FY26. Longer-term ambitions remain intact, with organic growth prioritised. The (oversubscribed) directed share issue in June has eased the pressure on financial leverage.

Capital market day focuses on market opportunity

The adtech market is complex and generally poorly understood, so the content of Verve's CMD was primarily oriented at demystification, particularly regarding the importance of privacy in the value exchange between publishers, advertisers and audiences. We looked at this in some detail in our recent report, [Triangulating Perspectives](#), which includes an interview with Verve CEO Remco Westermann.

Valuation: Discount to adtech peers

Verve's share price fell an initial 25% on the trading update on 14 August, but has recovered around half of that in subsequent days. Adtech sector share prices have underperformed over the year to date as macroeconomic prospects stuttered, with an average decline of 17% and little protection offered by scale. Their median FY25 rating is 1.4x revenue and 7.1x EBITDA. If Verve was trading at par on EV/EBITDA across FY25 and FY26, this would imply a share price of €2.71 (May 25: €3.25). This is 24% higher than the current level. Our DCF-based approach returns a higher value at €6.06 (was €6.52).

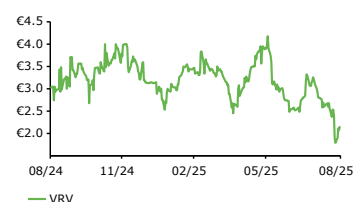
Q2 results and CMD

Media

22 August 2025

Price	€2.18
Market cap	€423m
Net cash/ (debt) as at 30 June 2025	€(368.3)m
Shares in issue	200.1m
Code	VRV
Primary exchange	FSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(31.8)	(46.0)	(22.6)
52-week high/low		€4.2	€1.8

Business description

Verve operates a software platform for the automated buying and selling of digital advertising spaces in real time. It is the market leader in in-app advertising in the US and among the largest providers in Europe. Verve also serves substantial CTV volumes, plus channels such as mobile web and digital out-of-home.

Next events

Q3 results	18 November 2025
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Technical issues and ad market weakness dampen Q225 growth

The more recently established demand-side group offering continues to build strongly, and now represents around a quarter of group revenue (pre inter-segment eliminations), up 82% on the prior year with the inclusion of Jun Group, consolidated from 1 August 2024. (We note that 'demand side' works aligned with advertisers, 'supply side' with third-party publishers and Verve's own games studio).

The company-specific issues behind the guidance revision relate to the major project undertaken on the SSP integration. This was the culmination of an extended programme to pull the tech stacks together, the considerable scale of which can be seen in the exhibit below.

Exhibit 1: Progress on tech integration



Source: Verve Group

The US advertising market (and those of other markets less directly relevant to Verve) continues to suffer from a lack of confidence both at the business and consumer level, reflecting the uncertainty surrounding the potential impact of tariffs on the economy. It can be argued, though, that a difficult market should mean that advertisers migrate towards solutions that deliver better returns on their advertising spend. This underlying dynamic is positive for the group's medium-term prospects, with a growing body of case studies showing the successful outcomes of campaigns using its privacy-first approaches.

The full CMD presentation can be found [here](#).

Underlying metrics indicate fundamental business resilience

The total number of software clients increased in Q225, and the retention rate of those generating revenues in excess of \$100k has remained strong. Some of the decline in absolute numbers of customers in this cohort quarter-on-quarter is attributable to retained customers simply spending less in light of the unfavourable underlying consumer market conditions. Personnel expenses in the period represented 22% of revenues, up from 18% in Q224, explained by the inclusion of Jun Group for the period.

Exhibit 2: Quarterly key performance indicator progression

€m	Q124	Q224	Q324	Q424	Q125	Q225
Ad impressions (bn)	199	224	243	274	248	259
Total software clients >\$100K	764	851	1,076	1,140	1,152	954
Total software clients	2,410	2,518	2,842	2,948	3,056	3,079
>US\$100k client retention rate	96%	98%	96%	97%	94%	98%
Revenue	83	97	114	144	109	106
y-o-y revenue growth (%)	20%	27%	45%	46%	32%	10%
q-o-q revenue growth (%)	-16%	17%	18%	27%	-24%	-3%
EBITDA	20	28	36	44	27	27
Adjusted EBITDA	22	29	34	49	30	30
Adjusted EBITDA margin (%)	27%	30%	30%	34%	28%	28%

Source: Company accounts

Forecast adjustments reflect revised guidance

The complications from the unification project affected the volumes and bidding mechanisms from existing clients and delayed the onboarding of new clients, with recovery slower than initially anticipated. Management sizes the impact at around €34m of net revenues. The guided range has been lowered from €530–565m to €485–515m, and our revised forecast sits just below the midpoint. We have made the same percentage reduction to our FY26 revenue number, which remains highly tentative due to the volatile market conditions.

The guidance for adjusted EBITDA has been lowered from €155–175m to €125–140m, with the bulk of the revision (€19m) attributable to the unification project on trading impact with an additional €4m impact on cost, and a further €9m reduction due to adverse fx movements.

With the bulk of the integration now effected, the focus is shifting to scaling the volume of business being transacted. This involves a greater focus in building expertise within particular verticals and, more importantly, a considerable expansion of the sales teams. From around 35 at the start of the year (c 50 currently), the ambition is to recruit at least 100 more, a process that has already started. The general rule is that a new salesperson should start covering their remuneration after six months, making a positive contribution before 12 months, with those who fail to achieve this hurdle replaced.

With the intended expansion into new markets, the payback is likely to be slower than additional resource would be in the group's established US market position, which delivered 79% of group revenues in Q225. The UK, Scandinavia, Brazil and Mexico are listed as targets for the current year, with the ambitions for FY26 extending to three to five new markets, most probably in other parts of Europe and then expanding in the longer term to the Asia-Pacific region.

This accelerated expansion knocks a further €4m off adjusted EBITDA guidance for FY25, making a total reduction of €32m. Our forecast assumes a marginal improvement on this outcome, with a reduction of €30m. We have taken a comparatively cautious view on how the expanded sales effort plays out in FY26, with an assumption of a flat adjusted EBITDA margin.

Exhibit 3: Summary changes to forecasts

€m	FY25e			FY26e		
	New	Old	% change	New	Old	% change
Net revenue	499,500	540,000	-8%	546,000	593,000	-8%
EBITDA	127,000	157,000	-19%	142,250	181,500	-22%
Adjusted EBITDA	132,200	162,000	-18%	142,750	182,000	-22%
Adjusted EBITDA margin (%)	26%	30%		26%	31%	
Normalised basic EPS (€)	25	35	-30%	30	44	-32%
Net debt	258,721	247,716	4%	205,185	170,289	20%
Net debt/EBITDA (x)	2.0	1.6		1.4	0.9	

Source: Edison Investment Research

Valuation

As of May 2025, Verve is listed on the Frankfurt Regulated Market and is included in SDAX, having moved from the Scale segment to General Standard.

As previously, we have looked at Verve's rating when compared with adtech peers, which are primarily listed in

North America. The general stock market performance of the sector has been weak over the year to date, in line with sentiment towards advertising markets, with the notable exception of Digital Turbine, which has surprised on the upside and raised guidance.

Verve's share price dropped an initial 25% on the brought-forward Q225 figures and revision to the full-year outlook last week, but it has since clawed some of that fall back, sitting at around 13% below pre-announcement levels.

Verve is trading ahead of peers on EV/sales but below on EV/EBITDA. If we average these measures and look across both the current year and FY26, parity to peers on EV/EBITDA would equate to a share price of €2.71, down from €3.25 in our previous calculations in June, but still roughly 25% higher than the current level. A DCF analysis (WACC: 10%, terminal growth of 2%, unchanged) suggests a higher value at €6.06, down from €6.52 previously.

Exhibit 4: Peer group valuations

	Price	YTD performance	Market Cap	Net Debt	EV/Sales (x)			EV/EBITDA (x)		
Company	(local CCY)	(%)	(€m)	(€m)	FY0	FY1e	FY2e	FY0	FY1e	FY2e
Ad-tech										
The Trade Desk	55.0	(24)	23,042	(1,856)	8.9	8.7	7.4	21.3	21.9	18.3
Pubmatic	8.5	(56)	332	(135)	0.7	0.8	0.8	2.3	4.4	3.9
Viant Technology	9.7	(51)	525	(198)	1.2	1.2	1.0	7.8	7.2	5.7
Magnite	24.3	34	2,970	68	5.2	5.3	4.7	15.9	15.7	13.8
Perion	9.4	4	361	(361)	0.0	0.0	0.0	0.0	0.0	0.0
Fluent	2.2	(21)	39	25	0.3	0.3	0.3	-	-	8.3
Taboola	3.3	(13)	837	(110)	0.4	0.5	0.4	3.8	4.0	3.9
Outbrain	1.8	(76)	148	(160)	-	-	-	-	-	-
DoubleVerify Holdings	15.7	(21)	2,198	(297)	3.0	2.9	2.6	8.9	9.2	8.1
Integral Ad Science Hold	9.3	(18)	1,325	(49)	2.5	2.5	2.2	7.2	7.1	6.2
LiveRamp Holdings	26.8	(12)	1,508	(389)	1.7	1.6	1.5	9.0	7.1	6.1
Digital Turbine	4.2	121	386	341	1.6	1.6	1.4	11.3	9.0	6.9
Nexxen	806.0	(15)	524	(145)	1.3	-	-	5.0	-	-
Criteo	23.6	(40)	1,059	(303)	0.7	0.8	0.7	2.2	2.2	2.2
YOC	14.4	(1)	50	(1)	1.4	1.2	1.1	8.9	8.4	6.6
Median		(18)			1.3	1.2	1.1	7.8	7.1	6.2
Ad-software and content										
AppLovin	438.5	18	127,218	2,673	29.3	27.4	21.1	51.4	35.5	26.2
Azerion	1.4	8	168	203	0.7	0.6	0.6	6.5	4.8	4.1
Future	764.0	(21)	907	354	1.3	1.5	1.5	4.4	4.9	4.8
Median		8			1.3	1.5	1.5	6.5	4.9	4.8
Total average		(17)			1.3	1.4	1.2	7.5	7.1	6.2
Verve	2.1	(33)	424	333	1.8	1.6	1.4	5.9	6.0	5.5
Premium/(discount) to ad-tech		(15)			36%	28%	35%	(24%)	(16%)	(11%)
Premium/(discount) to ad-software and content		(41)			36%	8%	(1%)	(9%)	22%	14%
Premium/(discount) to total		(17)			36%	17%	16%	(21%)	(15%)	(10%)

Source: LSEG Data & Analytics, Edison Investment Research Note: Prices as at 20 Aug 25

Exhibit 5: Financial summary

€000s	2022	2023	2024	2025e	2026e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Revenue	324,444	321,981	437,005	499,500	546,000
Operating costs excl. D&A	(239,691)	(193,523)	(308,485)	(372,500)	(403,750)
Adjusted EBITDA	93,202	95,171	133,249	132,200	142,750
EBITDA	84,753	128,458	128,520	127,000	142,250
Operating profit (before amort. and excepts.)	76,556	76,943	104,765	102,870	112,748
Amortisation of acquired intangibles	(14,853)	(13,706)	(15,409)	(15,150)	(15,150)
Exceptionals	(27,100)	(6,500)	(4,728)	(5,200)	(500)
Share-based payments	(1,613)	(1,613)	0	0	0
Reported operating profit	26,618	55,124	90,628	82,520	97,098
Net Interest	(37,959)	(50,066)	(58,479)	(39,951)	(34,709)
Joint ventures & associates (post tax)	0	0	0	0	0
Exceptionals	0	0	0	0	0
Profit Before Tax (norm)	38,597	26,877	46,286	62,919	78,039
Profit Before Tax (reported)	(11,341)	5,058	32,150	42,569	62,389
Reported tax	(9,064)	(2,718)	(2,998)	(10,217)	(14,973)
Profit After Tax (norm)	21,085	57,446	38,781	47,819	59,309
Profit After Tax (reported)	(20,405)	46,369	22,244	32,353	47,415
Minority interests	(88)	(513)	10	(13)	(16)
Discontinued operations	0	0	0	0	0
Net income (normalised)	20,947	57,159	38,761	47,832	59,327
Net income (reported)	(20,317)	46,882	22,224	32,365	47,431
Average Number of Shares Outstanding (m)	156.2	159.2	173.4	194.0	200.1
EPS - basic normalised (c)	13.4	35.9	22.4	24.7	29.6
EPS - normalised fully diluted (c)	12.0	32.2	20.0	22.3	26.9
EPS - basic reported (c)	(13.0)	29.4	12.8	16.7	23.7
Dividend (c)	0.0	0.0	0.0	0.0	0.0
Revenue growth (%)	28.7	(0.8)	35.7	14.3	9.3
Adjusted EBITDA Margin (%)	28.7	29.6	30.5	26.5	26.1
Normalised Operating Margin (%)	23.6	23.9	24.0	20.6	20.6
BALANCE SHEET					
Fixed Assets	823,637	813,516	1,013,147	1,023,636	1,037,708
Intangible Assets	791,284	796,607	986,855	997,844	1,012,166
Tangible Assets	5,522	3,963	4,313	3,813	3,563
Investments & other	26,831	12,945	21,979	21,979	21,979
Current Assets	221,022	193,513	239,302	383,275	441,524
Stocks	0	0	0	0	0
Debtors	52,229	32,281	60,871	50,634	55,348
Cash & cash equivalents	149,992	121,740	146,702	300,912	354,448
Other	18,801	39,493	31,729	31,729	31,729
Current Liabilities	219,471	240,769	303,082	296,057	309,395
Creditors	68,711	80,335	167,346	181,437	194,775
Short-term borrowings	31,903	32,000	50,090	50,090	50,090
Other financial liabilities	97,515	106,913	44,482	44,482	44,482
Other non-financial liabilities	21,342	21,521	41,164	20,048	20,048
Long-Term Liabilities	503,443	413,804	498,489	610,871	610,871
Long-term borrowings	389,386	348,038	445,782	558,164	558,164
Other long-term liabilities	114,057	65,766	52,707	52,707	52,707
Net Assets	321,745	352,456	450,878	499,982	558,966
Minority interests	(1,211)	182	200	200	200
Shareholders' equity	322,956	352,274	450,678	499,782	558,766
CASH FLOW					
Operating Cash Flow	(20,405)	46,369	22,244	32,353	47,415
Depreciation & amortisation	70,694	29,491	37,616	44,480	45,152
Working capital	55,284	12,051	8,064	24,328	8,624
Exceptional & other	1,907	(66,493)	15	0	0
Tax	1,340	(1,940)	4,500	0	0
Net finance cost	37,959	50,065	58,479	39,951	34,709
Net operating cash flow	146,779	69,543	130,918	141,111	135,901
Capex	(45,859)	(35,047)	(42,554)	(30,854)	(35,760)
Acquisitions/disposals	(138,000)	0	(119,493)	(24,115)	(23,464)
Equity financing	28,517	0	48,311	31,478	0
Dividends	0	0	0	0	0
Other	(53,413)	(52,301)	0	(21,575)	(23,141)
Net Cash Flow	(61,976)	(17,805)	17,181	96,046	53,536
Opening net debt/(cash)	198,600	273,900	294,917	354,767	258,721
FX	0	(2,881)	0	0	0
Other non-cash movements	(13,324)	(2,854)	(77,031)	0	0
Closing net debt/(cash)	273,900	297,440	354,767	258,721	205,185

Source: Company accounts, Edison Investment Research

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