

ADLPartner: 2020 NET SALES OF €139.3M (+0.5%)

- **2020 FOURTH-QUARTER GROWTH OF 4.2%**
- **FULL-YEAR GROWTH OF 19.7% FOR THE DIGITAL MARKETING BUSINESS**

Mr Bertrand Laurioz, ADLPartner's Chairman and CEO: *"Our business model is demonstrating its resilience during this difficult period. Despite the end of prospecting under the France Abonnements brand, the results achieved in 2020 confirm the relevance of our actions, with solid performances across our BtoC activities and continued strong growth for our BtoB activities. Our robust development was supported by three external growth operations during the year and the rollout of our new organization around business divisions, which is enabling us to accelerate our growth in each of our areas. In a still uncertain environment, we are confident that the ADLPartner Group has outstanding capabilities in place to sustainably strengthen its position as a major player for cross-channel marketing and data in Europe"*.

The ADLPartner Group is reporting full-year net sales¹ of €139.3m for 2020, up 0.5% from 2019, with the gross sales volume² stable at €287.5m.

Following a resilient first half of the year, with a limited contraction of 3% in a highly disrupted environment, the Group recorded an improvement in its commercial performance levels over the second half of the year, with sales growth of 3.6%. The fourth quarter confirmed the strength of this upturn, with net sales climbing 4.2% to €40.2m.

This dynamic performance has been supported by the new organization rolled out around six business divisions, enabling the Group to further strengthen the development of its cross-channel data marketing solutions for BtoC and BtoB with key account clients and large numbers of mid-market firms.

Sales for the year were also marked by the impact of the planned end of magazine prospecting under the France Abonnements brand (-€8.8m), as well as by the integration of the three acquisitions made during the year in the digital marketing sector (+€3.1m).

The quarterly change in the Group's sales for each business line is presented below:

Gross sales volume			
€m	2020	2019	Change
1st quarter	72.7	70.3	+3.4%
2nd quarter	63.8	70.7	-9.7%
3rd quarter	70.3	69.0	+1.8%
4th quarter	80.6	77.7	+3.7%
Full-year	287.5	287.8	-0.1%
<i>Of which:</i>			
Magazines	221.7	231.9	-4.4%
Digital marketing	59.6	50.3	+18.6%
Insurance	6.2	5.7	+9.0%

Net sales			
€m	2020	2019	Change
1st quarter	35.6	33.4	+6.4%
2nd quarter	29.2	33.4	-12.6%
3rd quarter	34.2	33.2	+3.3%
4th quarter	40.2	38.6	+4.2%
Full-year	139.3	138.6	+0.5%
<i>Of which:</i>			
Magazines	82.5	90.7	-9.0%
Digital marketing	50.9	42.5	+19.7%
Insurance	5.9	5.5	+8.3%

The breakdown of the Group's sales for each region is as follows:

€m	2020	2019	Change
Gross sales volume	287.5	287.8	-0.1%
France	272.4	273.8	-0.5%
Iberia	15.1	14.1	+7.3%
Net sales	139.3	138.6	+0.5%
France	125.9	126.5	-0.5%
Iberia	13.4	12.1	+10.3%

Magazines: robust prospecting through partnerships

Net sales - Magazines			
€m	2020	2019	Change
1st quarter	21.6	23.3	-7.4%
2nd quarter	18.8	22.1	-15.2%
3rd quarter	20.1	22.3	-9.8%
4th quarter	22.2	23.1	-4.1%
Full-year	82.6	90.8	-9.0%

Active open-ended subscription portfolio			
At 31 December	2020	2019	Change
In subscription units	2,698,544	2,729,521	-1.1%

Net sales for the magazine business came to €82.6m, down €8.2m (-9%) compared with 2019. This change primarily reflects the decision to stop selling offers under the France Abonnements brand in 2020, with an -€8.8m impact on net sales for the year. For the partnership-based activities, subscription sales were supported by the ramping up of commercial investments at the end of the year, helping increase subscription recruitments by 6.4% in the second half of 2020 compared with the same period in 2019. The active open-ended subscription portfolio at 31 December 2020 is virtually stable at 2.7 million units.

Digital marketing: strong growth

Net sales - digital marketing			
€m	2020	2019	Change
1st quarter	12.9	8.9	+44.6%
2nd quarter	9.1	10.1	-9.6%
3rd quarter	12.8	9.7	+31.3%
4th quarter	16.1	13.8	+16.9%
Full-year	50.9	42.5	+19.7%

The digital marketing business (marketing services and consulting) has continued to see significant growth, with net sales up 19.7% and 20.0% growth for the gross margin³.

The consulting activities are still the main contributors, with the subsidiary Converteo recording 27.4% growth in its gross margin to €19.0m in 2020.

The marketing services business in France was affected by the contraction in marketing efforts by certain clients in a globally uncertain environment, although its gross margin is up 19.7% to €7.1m due to a €3.1m scope effect linked to the acquisition of Ividence's assets (adtech specialized in programmatic native advertising for media newsletters) in February, followed by the company AWE (BtoB digital marketing agency) in July and Pschhh's assets (strategic planning and creation agency) in August. In Spain, the business recorded a stable gross margin in a challenging environment.

Gross margin - digital marketing			
€m	2020	2019	Change
Consulting - France	19.0	14.9	+27.4%
Marketing services – France	7.1	6.0	+19.7%
Marketing services – Iberia	4.8	4.9	-2.1%
Total digital marketing	30.9	25.8	+20.0%

Insurance: effectively managed growth

Net sales - insurance			
€m	2020	2019	Change
1st quarter	1.2	1.2	+0.5%
2nd quarter	1.4	1.4	+3.9%
3rd quarter	1.4	1.2	+15.6%
4th quarter	1.9	1.7	+11.9%
Full-year	5.9	5.5	+8.3%

Net sales for the subsidiary ADLP Assurances (€5.9m) are up 8.3% from 2019 thanks to the upturn in new customer recruitments during the second half of the year, as well as the development of the policyholder portfolio.

Outlook

In a difficult environment, the results achieved in 2020 confirm the relevance of the actions taken to diversify the Group's markets and maintain its robust development. Although the future economic environment remains uncertain, the Group is confident about its prospects. It is continuing to optimize its commercial investments in its magazine and insurance activities to support its portfolios generating recurrent revenues. Alongside this, it is capitalizing on its financial resources to sustainably strengthen its position as a major player for data and digital marketing in Europe thanks to an aggressive external growth strategy.

Next date

- 2020 full-year earnings on March 26, 2021 (after close of trading)

ADLPartner in brief

With its extensive cross-channel marketing track record and deep data expertise, the ADLPartner Group, whose commercial brand is ADLPerformance, designs, markets and implements customer acquisition, loyalty and relationship management services on its own behalf or for its partners across all distribution channels. The Group works with 50% of the companies from the CAC 40 and large numbers of mid-market firms. The ADLPartner Group recorded net sales of €139m in 2020 and employs more than 500 people.

ADLPartner is listed on the regulated market Euronext Paris – Compartment C.
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¹ Net sales (determined in line with the French professional status for subscription sales) only include the amount of remuneration paid by magazine publishers; for subscription sales, net sales therefore correspond to a gross margin, deducting the cost of magazines sold from the amount of sales recorded. For acquisition and management commissions linked to sales of insurance policies, net sales comprise current and future commissions issued, acquired by the accounting reporting date, net of cancellations.

² Gross sales volume represents the value of subscriptions and other products sold. It is equal to net sales for the insurance business.

³ The gross margin for the digital marketing business represents the total amount of net sales (total invoices issued: fees, commissions and purchases charged back to customers) less the total amount of costs for external purchases made on behalf of customers (aggregate currently being audited).