

PRESS RELEASE
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ADLPartner / ADLPerformance STRONG EARNINGS GROWTH FOR THE FIRST HALF OF 2021

- **Net sales: €75.5m (+16%)**
- **Gross margin: €63.9m (+12%)**
- **EBITDA: €9.3m, representing 14.5% of the gross margin**
- **Net income (Group share): €4.7m (+23%)**

Bertrand Laurioz, ADLPerformance Group Chairman and CEO: *“We achieved both growth and profitability during the first half of 2021. Our Group is progressing across all its business lines and confirming the strength of its diversified multi-entrepreneur model, combining consulting, cross-channel marketing know-how and digital and data expertise serving brands.*

We still have major market opportunities and prospects, in terms of both our highly recurrent portfolio-based activities and our strong-growth digital marketing activities, which are expected to represent more than 50% of our Group’s net sales by the end of 2022.

Over the coming months, we will continue with our acceleration towards digital marketing and data marketing, rolling out our solutions and ramping up synergies between our business units. Depending on the opportunities, we will continue moving forward with our external growth, as illustrated by our recent acquisition of Reech, an influence marketing expert, with a view to further strengthening our capabilities and our leading position on a buoyant market.

We are very optimistic about our Group’s development. The progress made, led by our talented teams and their drive to conquer, is effectively consolidating our ambition to become a European leader for data marketing by 2025”.

HALF-YEAR KEY DEVELOPMENTS

During the first half of 2021, the Group recorded strong growth in business despite the continued uncertainty relating to the economic and health situation.

The portfolio-based activities confirmed their robust business model, supported by recurrent revenues. Despite an unfavorable basis for comparison due to the end of sales under the France Abonnements brand in 2020, the Magazine business recorded 3% net sales growth and a 1% increase in its active open-ended subscription portfolio thanks to progress with partnership-based recruitments. The Insurance business is continuing to develop its policyholder portfolio, generating recurrent revenues, and recorded 25% growth in its half-year net sales.

The Digital Marketing business (marketing services and consulting) generated 41% net sales growth. This performance reflects the robust development of the subsidiary Converteo, a market leader for data and digital strategy consulting, and the extension of the scope for marketing services activities with the integration of AWE (BtoB digital marketing agency) and Pschhh’s assets (strategic planning and creation agency) since the second half of 2020.

EARNINGS

Consolidated data (€m)	H1 2021	H1 2020	Change
Net sales	75.53	64.84	+16%
Gross margin	63.89	57.05	+12%
Restated EBITDA³	9.25	8.48	+9%
% of gross margin	14.5%	14.9%	
Operating income	6.89	5.84	+18%
% of gross margin	10.8%	10.2%	
Consolidated net income	4.91	3.83	+28%
% of gross margin	7.7%	6.7%	
Net income (Group share)	4.75	3.87	+23%
% of gross margin	7.4%	6.8%	

Net sales¹ came to €75.5m, up 16% from the first half of 2020, while the gross margin² is up 12% to €63.9m.

Against a backdrop of sustained investments, with major recruitment efforts, restated EBITDA³ came to €9.3m, up €0.8m versus the previous year, to represent 14.5% of the half-year gross margin.

Operating income came to €6.9m, representing 10.8% of the gross margin, compared with 10.2% for the first half of 2020. The growth in earnings for ADLPartner SA, Converteo and the Spanish subsidiary, and the continued reduction in the loss of the subsidiary ADLP Assurances offset the drop in performance levels for the marketing services business in France, which continued to be affected by the consequences of the health crisis.

Consolidated net income totaled €4.9m, up 28%. It includes a €2.1m tax expense.

After deducting minority interests, net income (Group share) totaled €4.7m, compared with €3.9m for the first half of 2020.

FINANCIAL STRUCTURE

The Group's shareholders' equity at 30 June 2021 is up €1.9m to €25.1m, compared with €23.1m at 31 December 2020, factoring in half-year earnings and the €3.2m ordinary dividend paid out in June.

The Group's net cash came to €34.9m at 30 June 2021, compared with €42.0m at 31 December 2020 and €38.6m at 30 June 2020. Financial debt represents €13.2m, compared with €13.3m at 31 December 2020, primarily comprising commitments to buy out the minority interests in Converteo and AWE.

Net asset value⁴ (Group share), calculated based on shareholders' equity and the value of the active open-ended magazine subscription portfolio, came to €134.6m at 30 June 2021, with €34.1 per share, excluding treasury stock. It does not include the portfolio of insurance policies.

OUTLOOK

Confident about its prospects, the Group is moving forward with its expansion strategy aiming to become a European leader for data marketing by 2025. With its extensive financial resources, it is effectively positioned to support an aggressive growth strategy in digital marketing with a view to strengthening its positions in this sector, while moving forward with its commercial investments in its portfolio-based activities generating recurrent revenues.

GROUP BRAND CHANGE

In order to support the ambition of the Group and its employees within the framework of the “Ambition 2025 plan”, the board of directors unanimously validated the change of the Group’s commercial brand. The new brand will be announced on Tuesday September 28 (before market)

ADDITIONAL INFORMATION

The corporate and consolidated financial statements for the first half of 2021 were approved by the Board of Directors on 24 September 2021. The accounts have been subject to the usual limited review by the statutory auditors for half-year accounts. The half-year financial report will be available on 30 September 2021 on the Company website at: <https://www.adlperformance.com/en/financial-documentation>

Next date: 2021 third-quarter net sales on 26 November 2021 (after close of trading)

ADLPartner / ADLPerformance in brief

With its extensive cross-channel marketing track record and deep data expertise, the Group designs, markets and implements customer acquisition, loyalty and relationship management services on its own behalf or for its partners and clients across all distribution channels. The Group works with two-thirds of the companies from the CAC 40 and large numbers of mid-market firms. The Group employs more than 700 people.

ADLPartner is listed on the regulated market Euronext Paris – Compartment C.
ISIN: FR0000062978–ALP - Bloomberg: ALP:FP – Reuters: ALDP.PA

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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 For the digital marketing business, the gross margin 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. It is equal to net sales for the magazine and insurance business lines.

³ EBITDA (earnings before interest, tax, depreciation and amortization) is restated for the IFRS 2 impact of bonus share awards and the IFRS 16 impact relating to the restatement of lease charges.

⁴ Net asset value represents the amount of equity plus the discounted value of future net revenues generated by the active open-ended subscription portfolio. It does not include the portfolio of insurance policies.