

ADLPartner: STRONG EARNINGS GROWTH FOR 2018

- Net asset value¹ (Group share) stable at €126m, representing €31.3 per share
- Net sales at €125m up 3% compared to 2017
- Proposed dividend of €1 per share

The ADLPartner Group is releasing its full-year earnings for 2018.

HIGHLIGHTS

In 2018, the ADLPartner Group demonstrated the robustness of its business models and the quality of its strategy to create value and capitalize on its marketing expertise in new high-growth markets:

- The press services activities optimized their partnership-based commercial investments for the open-ended subscription business, while scaling back their prospecting for the other product lines.
- The marketing services activities recorded strong growth, further enhanced by the consolidation of Leoo from July 2017 and Converteo of which the Group owns 67% of the shares since July 2018.
- The subsidiary ADLP Assurances, the direct marketing insurance brokerage specialist, maintained a high level of partnership-based commercial investments, enabling it to achieve sustained growth in its brokerage fees and its portfolio of insurance policies.

EARNINGS

Consolidated net sales² climbed to €125.0m, up 3.0% from 2017, while the gross sales volume³ came to €276.2m, down 0.5%.

Operating income is up 134% from 2017 to €13.9m. This change primarily reflects: i/ the lower level of commercial investments in the open-ended subscription business in 2018, ii/ the reduction of the loss for the subsidiary ADLP Assurances, iii/ the improvement in earnings for the Spanish subsidiary, and iv/ the consolidation of Converteo's earnings over the second half of the year.

After factoring in a higher tax expense (€5.4m) and the share in income from Converteo for the first half of the year (€0.3m), consolidated net income (Group share) represents €9.25m, with a net margin of 7.4%, versus 3.4% in 2017.

Consolidated data (€m)	2018	2017 restated ⁴	Change	2017 reported
Net sales	124.99	121.35	+3%	124.20
Operating income	13.91	5.95	+134%	6.54
% of net sales	11.1%	4.9%		5.3%
Net income (Group share)	9.25	4.18	+121%	4.57
% of net sales	7.4%	3.4%		3.7%

FINANCIAL STRUCTURE

Consolidated shareholders' equity represented €21.2m at 31 December 2018, up €4.6m from 31 December 2017, taking into consideration consolidated income for the year (+€8.7m) and the ordinary dividend paid out for 2017 (-€4.0m).

The Group's cash position is up €3m to €35.2m at 31 December 2018. Financial debt represents €9.5m, compared with €3.6m at 31 December 2017, primarily comprising the commitment to buy out the minority interests in Leoo and Convertéo.

Net asset value¹ (Group share), calculated based on shareholders' equity and the value of the active open-ended subscription portfolio, is up 0.3% to €125.9m at 31 December 2018 (€31.3 per share excluding treasury stock). It does not include the portfolio of insurance policies.

PROPOSED DIVIDEND OF €1 PER SHARE

The Management Board will be submitting a proposal at the General Shareholders' Meeting on 7 June 2019 to keep the dividend at €1 per share for 2018, in line with the previous year. This dividend will be released for payment on 14 June 2019.

OUTLOOK

The ADLPartner Group is continuing to move forward with its commercial investments in the open-ended subscription business and its ADLP Assurances subsidiary to further strengthen its portfolios generating recurrent revenues. These investments could have an impact on 2019 results.

The BtoB marketing services are continuing to develop, particularly with the contribution by Convertéo over the whole year in 2019.

ADDITIONAL INFORMATION

The consolidated financial statements for 2018 were approved by the Management Board on 22 March 2019 and checked and controlled by the Supervisory Board during its meeting on 29 March 2019. The statutory auditors have completed the audit procedures on the consolidated accounts. The certification report will be issued once the necessary procedures have been finalized for publishing the full-year financial report.

Next date: 2019 first-quarter net sales on 28 May 2019 (after close of trading)

ADLPartner in brief

With its extensive track record in performance marketing, ADLPartner designs, markets and implements customer relationship management and loyalty services on its own behalf or for its major partners (banks, retailers, services, e-commerce, etc.) across all distribution channels.

ADLPartner is listed on the regulated market Euronext Paris – Compartment C.

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¹ 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.

² 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.

³ Gross sales volume represents the value of subscriptions and other products sold. It is equal to net sales for the insurance business.

⁴ The ADLPartner Group has applied IFRS 15 since 1 January 2018. To present comparable data between financial years, the full-year accounts for 2017 have been restated.