

ADLPartner: 2019 FIRST-HALF EARNINGS

The ADLPartner Group is releasing its earnings for the first half of 2019. Operating income totaled €5.1m, representing 7.6% of net sales, compared with 10.5% for the first half of 2018. Net income (group share) came to €3.0m, versus €4.3m the previous year.

HIGHLIGHTS

The ADLPartner Group has continued moving forward with its strategy to create value and capitalize on its marketing expertise and solutions with a view to improving its growth profile:

- The magazine services business has increased its commercial investments in the white-label operations for the open-ended subscription business to consolidate its subscription portfolio, while scaling back its prospecting for the other product lines, in line with previous periods.
- The marketing services business is reporting strong sales growth, linked primarily to the full consolidation of the company Converteo since July 2018.
- The insurance brokerage business, operated through the subsidiary ADLP Assurances, has maintained its development, while recording sustained progress with its brokerage fees and its portfolio of insurance policies.

EARNINGS

Net sales¹ are up 14% from the first half of 2018 to €66.9m, with the gross sales volume² climbing 5% to €141.1m.

Operating income came to €5.1m for the first half of 2019, down 17% compared with the first half of 2018. This change is the result of two contradictory trends: on the one hand, negative, with the ramping up of commercial investments in the open-ended subscription business, and on the other hand, positive, with the reduction of the loss for the subsidiary ADLP Assurances, the progress with earnings for the Spanish subsidiary and the positive contribution by Converteo.

Taking into account a slightly lower tax expense (€2.1m), net income (group share) is down 31% from the first half of 2018 to €3.0m.

Consolidated data (€m)	H1 2019	H1 2018 restated ³	Change	H1 2018 reported
Net sales	66.88	58.77	+13.8%	58.20
Operating income	5.09	6.15	-17.1%	5.41
% of net sales	7.6%	10.5%		9.3%
Net income (group share)	2.99	4.33	-30.9%	3.84
% of net sales	4.5%	7.4%		6.6%

FINANCIAL STRUCTURE

The Group's shareholders' equity represented €20.3m at 30 June 2019, factoring in half-year earnings and the ordinary dividend paid out for FY 2018 (€4.0m).

The Group's net cash position came to €23.6m at 30 June 2019, compared with €34.7m at 31 December 2018 and €31.5m at 30 June 2018. Financial debt represents €7.6m, compared with €9.5m at 31 December 2018, primarily comprising the commitment to buy out the minority interests in Leoo and Converteo.

Net asset value⁴ (group share), calculated based on shareholders' equity and the value of the active open-ended magazine subscription portfolio, came to €122.9m at 30 June 2019, or €30.89 per share, excluding treasury stock. It does not include the portfolio of insurance policies.

OUTLOOK

The ADLPartner Group is continuing to move forward with its commercial investments in the open-ended subscription business and its subsidiary ADLP Assurances to develop its portfolios of contracts generating recurrent revenues. Alongside this, the development of its marketing services is being driven by the full contribution by Converteo, which will have a positive impact on full-year net sales in 2019.

EVENTS AFTER THE REPORTING PERIOD

As announced on 23 April 2019, Mr Bertrand Laurioz was appointed as Chairman of the ADLPartner Group's Management Board on 1 July 2019, and he has been operational in this role since the start of September 2019.

Bertrand Laurioz, Chairman of the Management Board, concludes: *"I am enthusiastic and honored to be starting out with my actions to support this outstanding business. Thanks to its talented and dedicated teams, ADLPartner is very well positioned as a marketing and digital specialist. Together, we will be focusing all our efforts on accelerating the transformation of our Group, targeting profitable growth".*

ADDITIONAL INFORMATION

The Management Board approved the social and consolidated financial statements on 20 September 2019 and the Supervisory Board confirmed on 27 September 2019 that it did not have any observations concerning the consolidated financial statements at 30 June 2019. The accounts have been subject to the usual limited review by the statutory auditors for half-year accounts. The half-year financial report is available on the company website at www.adlpartner.com.

Next date: 2019 third-quarter net sales on 29 November 2019 (after close of trading)

ADLPartner in brief

As a specialist in relational 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.).

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 ADLPartner Group has applied IFRS 15 since 1 January 2018. To present comparable data between reporting periods, the accounts for the first half of 2018 have been restated.

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.