

APRIL

H1 2019 results

Solid growth in the Group's core business

- › Sales up 7.0% to €526.5m (up 4.1% like-for-like¹)
- › Gross margin² up 5.8% to €234.6m
- › Current EBIT up 17.5% to €49.5m
- › Net income impacted by the refocusing plan of the group

The APRIL group posted H1 2019 consolidated sales of €526.5m, up 7.0% as reported compared to last year, and current EBIT up 17.5% to €49.5m.

Following this announcement, APRIL Group deputy CEO Emmanuel Maillet made the following comments:

"We recorded good operating performances during the first half of 2019. Brokerage is up in our two business divisions, Health & Personal Protection and Property & Casualty, and specifically on our key markets, which contributed to the growth in our main financial indicators.

We have also begun the Group's transformation towards a more open, multi-brand model: our loan insurance offer currently includes APRIL products and products from brands representative of the market, such as AXA, and more recently Generali. This enhanced range will be available on our Marketplace, which is set to be launched soon, enabling us to guarantee our partner brokers access to the best offer in order to meet the needs of each of their clients.

Finally, we have continued to refocus the Group's business, specifically selling non-strategic activities such as local health insurance in the United Kingdom and Ireland, as well as Property & Casualty insurance in Colombia. "

¹ Proforma or like-for-like (LFL): sales at constant consolidation scope and exchange rates. This figure is adjusted for acquisitions, disposals and changes in consolidation method, as well as exchange rate fluctuations, calculated on the basis of the prior year financial statements converted using the exchange rate for the current year.

² Gross margin allows a comparison between the various brokerage business models and the insurance businesses and shows the contribution of each business to Group value-added:

- With regard to brokerage, gross margin is the difference between (i) commissions recognised under sales and (ii) commissions paid to intermediaries recognised under purchases and external expenses.
- With regard to risk carrying operations, gross margin is the sum of the underwriting result and the financial result.

GROUP

<i>Group (IFRS - €m)</i>	H1 2019	H1 2018	Change
Consolidated sales	526.5	492.1	+7.0% PF: +4.1%
<i>Brokerage commissions and fees</i>	289.9	261.0	+11.1% PF: +5.5%
<i>Insurance premiums</i>	236.6	231.0	+2.4% PF: +2.3%
Gross margin	234.6	221.6	+5.8%
Net financial income	9.0	5.5	+62.4%
Current EBIT	49.5	42.2	+17.5%
EBIT	37.2	42.3	-12.2%
Net income (Group share)	14.0	27.5	-49.0%

The Board of Directors met on 5 September 2019 to approve APRIL's company and consolidated half-year financial statements. The financial statements were the subject of a limited review by the statutory auditors, and the financial report is available on the Group's website.

APRIL posted consolidated sales of €526.5m for the first half of 2019, up 7.0% as reported from the same period last year.

2018 to 2019 sales progression - €m

Consolidated sales at 30/06/2018	492.1
Impact of exchange rate fluctuations	+0.1
Acquisitions	+15.5
Disposals	-1.7
Like-for-like sales at 30/06/2018	505.9
Growth in brokerage commissions and fees	+15.2
Growth in insurance premiums	+5.4
Consolidated sales at 30/06/2019	526.5

H1 2018 like-for-like **sales** amounted to €505.9m. They offset non-material impacts of exchange rate fluctuations during the period, (+€0.1m) and include net changes in consolidation scope amounting to +€13.7m. In particular, these correspond to the integration of Benecaid in April 2018 and La Centrale de Financement in September 2018, which contributed to the Health & Personal Protection division, as well as the sale of businesses in the second half of 2018 in Lithuania, Turkey, Serbia and Romania, which contributed to the Property & Casualty division.

Accordingly, at constant consolidation scope and exchange rates, insurance premiums in the first half of 2019 increased 2.3% to €236.6m. Brokerage commissions increased 5.5% to €289.9m, driven by the growth of APRIL's two business divisions (Property & Casualty up 7.4% and Health & Personal Protection up 4.3%).

The **gross margin** also followed this trend, which was up 5.8% to €234.6m. This growth results from the 8.5% increase in brokerage activities, up to €208.2m, and an 11.2% decline in risk carrying, down to €26.3m.

First half **net financial income** amounted to €9.0m, up €4.5m, €2.0m of which was generated by capital gains on the sale of financial assets, and €2.1m from the fair value adjustment of assets, in accordance with IFRS 9.

Current EBIT amounted to €49.5m, up €17.5% compared to first half 2018. Excluding the impact of the fair value adjustment of assets under IFRS 9, which represented €3.8m, growth was mainly driven by the strong momentum of Health & Personal Protection.

Disposals and restructuring carried out by the Group in the first half gave rise to expenses accounting for most of the €12.3m in non-current items recorded during the period. **EBIT** thus amounted to €37.2m, down €12.2%.

After application of an estimated €21.7m tax charge and an additional €5m allowance for tax contingencies, **net income (Group share)** came to €14.0m, down from €27.5m in H1 2018.

HEALTH & PERSONAL PROTECTION

<i>Health & Personal Protection (IFRS - €m)</i>	H1 2019	H1 2018	Change
Consolidated sales	332.0	302.3	+9.8% PF: +4.5%
<i>Brokerage commissions and fees</i>	191.7	168.3	+13.9% PF: +4.3%
<i>Insurance premiums</i>	140.4	134.0	+4.7% PF: +4.7%
Gross margin	152.0	137.7	+10.4%
Net financial income	6.4	5.4	+19.8%
Current EBIT	48.0	43.5	+10.3%

The Health & Personal Protection division reported a 9.8% increase in sales comprising a 13.9% increase in brokerage commissions as reported (up 4.3% like-for-like) and a 4.7% increase in premiums as reported and like-for-like.

The increase in insurance premiums was driven by growth in the individual Health & Personal Protection insurance portfolios.

Strong growth in brokerage commissions was primarily due to loan insurance activities, which benefited from the integration of La Centrale de Financement. IPMI and individual Health & Personal Protection business was up.

The increase in the gross margin (up 10.4% to €152.0m) was driven by the integration of La Centrale de Financement, the growth of international health insurance business lines, as well as the development of health and personal protection for private individuals and professionals.

The division's current EBIT amounted to €48.0m, up 10.3% compared to the first half of 2018. In particular, it benefited from the increase in the gross margin over the period and cost optimisation measures.

PROPERTY & CASUALTY

<i>Property & Casualty (IFRS - €m)</i>	H1 2019	H1 2018	Change
Consolidated sales	195.2	191.0	+2.2% PF: +3.1%
<i>Brokerage commissions and fees</i>	98.6	93.6	+5.4% PF: +7.4%
<i>Insurance premiums</i>	96.6	97.4	-0.8% PF: -1.0%
Gross margin	82.6	83.9	-1.6%
Net financial income	1.6	0.9	+82.2%
Current EBIT	5.7	5.7	+0.5%

The **Property & Casualty** division reported an 2.2% increase in sales comprising a 5.4% increase in brokerage commissions as reported and up 7.4% like-for-like, and a slight 0.8% decline in premiums as reported and 1.0% like-for-like.

Brokerage commissions posted strong results in wholesale brokerage, particularly in car, two-wheeled, and sailing insurance. However, growth was hampered by declining portfolios in certain niches areas in Canada.

The decrease in the gross margin (down 1.6% to €82.6m) can primarily be explained by an increase in wholesale brokerage in France and travel insurance, counterbalanced by a decrease in the gross margin of insurance activities, in line with the Group's decision to refocus its efforts on brokerage.

Current EBIT in Property & Casualty was stable compared to the previous year, amounting to €5.7m.

FINANCIAL POSITION

Group (IFRS - €m)	30/06/2019	31/12/2018	Change
Shareholders' equity (Group share)	630.2	617.7	+2.0%
Provisions for contingencies and charges	40.4	37.8	+6.9%
Financial debt (excluding IFRS 16)	43.3	51.9	-16.5%
<i>% of shareholders' equity</i>	6.9%	8.4%	-1.5pp
Adjusted net cash	214.6	184.7	16.2%

At 30 June 2019, APRIL continued to show a healthy financial structure:

- › Consolidated **shareholders' equity** (Group share) of €630.2m, up €12.5m compared to 2018, with provisions for contingencies and charges³ up €2.6m to €40.4m.
- › **Financial debt** of €43.3m, i.e. 6.9% of shareholders' equity (Group share), comprising a loan taken out in 2017 under favourable market conditions and commitments made as part of the Group's acquisition policy (earnouts and commitments to buy out minority interests).

CHALLENGES AND OUTLOOK

For the first half of 2019, current EBIT benefited from the impact of IFRS 9. Excluding this effect, current EBIT growth would have amounted to 8.1%.

In light of these factors, the group has adjusted its current EBIT growth target, which is now expected to reach 6-10% compared to 2018 before any potential impact of the refocusing plan.

APRIL Deputy CEO Emmanuel Maillet will be holding a conference call in French with a live slideshow on Thursday 5 September at 6.30 pm (French time). It will be available at www.april.com/investisseurs/webcast and will be uploaded for listening the next day (See *Investisseurs / Nos actualités financières / Webcasts - audiocasts* on the French website).

If you want to attend the conference by phone only, please enter one of the following numbers and give the operator the password "APRIL":

- › France: +33 (0) 1 7037 7166
- › UK: +44 (0) 20 3003 2666
- › Switzerland: +41 (0) 43 456 9986

³ The company received a tax reassessment proposal from the authorities on the Group's reinsurance operations. As stated in the notes to the consolidated financial statements, a €20.0m provision has been recognised in the financial statements for the period ending 30 June 2019.

APPENDICES

- › Sales analysis
- › Summary consolidated income statement
- › Summary consolidated balance sheet
- › Summary consolidated cash flow statement
- › Gross margin bridge
- › Adjusted net cash bridge

RELEASE OF HALF-YEAR FINANCIAL REPORT

The half-year financial report is available to the public as of this day and has been filed on the website of the Autorité des Marchés Financiers. It can be downloaded in French on APRIL's website at www.april.com and on the AMF website (www.amf-france.org).

UPCOMING RELEASES

- › Q3 2019 sales: 29 October 2019 after market close

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This release contains forward-looking statements that are based on assessments or assumptions that were reasonable at the date of the release, and which may change or be altered due, in particular, to random events or uncertainties and risks relating to the economic, financial, regulatory and competitive environment, the risks set out in the 2018 Registration Document, and any risks that are unknown or non-material to date that may subsequently occur. The Company undertakes to publish or disclose any adjustments or updates to this information as part of the periodic and permanent information obligation to which all listed companies are subject.

About the APRIL Group

Founded in 1988, APRIL is an international insurance services group operating in 28 countries, whose primary goal is to offer its clients a simpler and more accessible insurance experience. Its 3,900 staff members design, distribute and manage specialised insurance solutions (Health & Personal Protection, Property & Casualty, Mobility and Legal Protection) and assistance services for its partners and customers, including private individuals, professionals and businesses. Listed on Euronext Paris (Compartment B), the group posted sales of €997.2m in 2018.



APPENDIX 1: SALES ANALYSIS

Sales by division

<i>IFRS – €m</i>	H1 2019	H1 2018	Change	H1 2018 LFL	Change LFL
Health & Personal Protection	332.0	302.3	+9.8%	317.7	+4.5%
<i>Commissions and fees</i>	191.7	168.3	+13.9%	183.7	+4.3%
<i>Insurance premiums</i>	140.4	134.0	+4.7%	134.0	+4.7%
P&C	195.2	191.0	+2.2%	189.4	+3.1%
<i>Commissions and fees</i>	98.6	93.6	+5.4%	91.8	+7.4%
<i>Insurance premiums</i>	96.6	97.4	-0.8%	97.6	-1.0%
Inter-division eliminations	-0.8	-1.2	+38.6%	-1.2	+38.3%
Consolidated sales	526.5	492.1	+7.0%	505.9	+4.1%

Quarterly sales

<i>IFRS – €m</i>	2019	2018	Change	2018 LFL	Change LFL
Q1	259.2	240.6	+7.7%	247.6	+4.7%
Q2	267.4	251.4	+6.3%	258.3	+3.5%
Q3	-	256.8	-	-	-
Q4	-	248.4	-	-	-
Total	-	997.2	-	-	-

APPENDIX 2: SUMMARY CONSOLIDATED INCOME STATEMENT

<i>(IFRS – €m)</i>	H1 2019	H1 2018
Sales	526.5	492.1
Net financial income (excluding financing cost)	9.0	5.5
Total income from ordinary activities	535.5	497.6
Insurance underwriting expenses	(218.8)	(198.5)
Income or expenses net of ceded reinsurance	1.3	(9.3)
Other purchases and external expenses	(132.9)	(124.9)
Taxes, duties and similar payments	(14.8)	(13.0)
Staff costs	(105.1)	(100.0)
Depreciation allowance	(17.0)	(9.4)
Provisions (net of reversals)	1.9	(0.8)
Other current operating income and expenses	(0.5)	0.5
Current EBIT	49.5	42.2
Other non-current income and expenses	(12.3)	0.2
EBIT	37.2	42.3
Financing cost	(0.6)	(0.0)
Share of companies integrated on an equity basis	(0.1)	(0.1)
Income tax	(21.7)	(14.1)
Net income from continuing operations	14.8	28.1
Net income/(loss) from discontinued operations	(0.0)	(0.0)
Consolidated net income	14.8	28.1
Share of minority interests	0.7	0.6
Net income (Group share)	14.0	27.5
Earnings per share (in €)	0.34	0.68

APPENDIX 3: SUMMARY CONSOLIDATED BALANCE SHEET

<i>(IFRS – €m)</i>	30 June 2019	31 December 2018
Intangible assets	343.2	347.1
<i>of which goodwill</i>	264.6	269.5
Right of use assets	62.3	-
Tangible assets	13.0	13.6
Financial investments	573.2	608.4
Reinsurers' share of underwriting provisions	229.6	214.5
Other	24.5	27.7
Total non-current assets	1,245.8	1,211.4
Receivables from insurance and accepted reinsurance operations	142.2	126.8
Receivables from ceded reinsurance operations	38.9	33.6
Trade receivables	675.1	265.9
Cash and cash equivalents	176.9	136.2
Other	92.6	37.0
Total current assets	1,125.8	599.4
TOTAL ASSETS	2,371.6	1,810.8
Shareholders' equity (Group share)	630.2	617.7
Minority interests	(0.4)	(0.6)
Total shareholders' equity	629.8	617.1
Underwriting provisions for insurance policies	663.4	503.7
Provisions for contingencies and charges	40.4	37.8
Deferred tax liabilities	3.5	4.1
Financial debt	43.3	51.9
Lease liabilities	62.5	-
Total non-current liabilities	813.1	597.4
Current bank loans and overdrafts	19.4	16.3
Payables from insurance and accepted reinsurance operations	82.8	51.5
Payables from ceded reinsurance operations	73.1	61.8
Operating liabilities	522.0	344.1
Other	231.4	122.5
Total current liabilities	928.6	596.2
TOTAL EQUITY AND LIABILITIES	2,371.6	1,810.8

APPENDIX 4: SUMMARY CONSOLIDATED CASH FLOW STATEMENT

<i>(IFRS – €m)</i>	H1 2019	H1 2018
Net income (Group share)	14.0	27.5
Net income/(loss) from discontinued operations	0.0	(0.0)
Minority interest in consolidated companies' net income	0.7	0.6
Net income from continuing operations	14.8	28.1
<u>Cash flow</u>	<u>64.7</u>	<u>57.6</u>
Change in operating working capital	(32.6)	(23.1)
Operating cash flow from discontinued operations	(0.0)	(0.0)
Net cash flow from operating activities	32.1	34.4
Net investment in tangible and intangible assets	(10.6)	(11.0)
Net investment in financial assets	40.5⁴	(21.1)
Net cash flow from acquisition/disposal of consolidated companies	(10.4)	(23.2)
Investment in equity-accounted companies	-	(1.0)
Investment cash flow from discontinued operations	-	-
Net cash flow from investing activities	19.5	(56.4)
Capital increase linked to exercise of stock options	-	-
Capital increase linked to minority interests in consolidated companies	-	-
Purchase and sale of own shares	0.0	(0.0)
Dividends paid out	(7.8)	(11.7)
Net change in borrowings	(7.3)	(1.9)
Financing cash flow from discontinued operations	-	-
Net cash flow from financing activities	(15.1)	(13.6)
Impact of foreign exchange rate changes	1.0	(0.2)
Change in net cash and cash equivalents	37.6	(35.7)

⁴ Mostly due to the disposal of term deposits

APPENDIX 5: GROSS MARGIN BRIDGE

<i>(IFRS – €m)</i>	30 June 2019	30 June 2018
Sales	526.5	492.1
Financial income of insurance companies	7.0	5.6
Brokerage commissions paid to intermediaries	(81.4)	(68.3)
Insurance underwriting expenses	(218.8)	(198.5)
Income or expenses net of ceded reinsurance	1.3	(9.3)
Other	(0.0)	0.1
Gross margin	234.6	221.6
<i>Of which brokerage</i>	208.2	192.0
<i>Of which risk-carrying</i>	26.3	29.6

APPENDIX 6: ADJUSTED NET CASH BRIDGE

<i>(IFRS – €m)</i>	30 June 2019	1 January 2019
Cash and cash equivalents	176.9	136.2
Current bank loans and overdrafts	(19.4)	(16.3)
Net cash	157.5	119.9
Term deposits	57.1	64.8
Adjusted net cash	214.6	184.7