

#Q3 2016

results

25 November 2016

Disclaimer

This document contains forward-looking statements. Any forward-looking statement does not constitute forecasts as defined in European regulation (EC) 809/2004. Although SoLocal Group believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include the effects of competition, usage levels, the success of the Group's investments in France and abroad, and the effects of the economic situation.

A description of the risks to which the Group is exposed appears in section 4 "Risk Factors" of the SoLocal Group's "Document de référence", which was filed with the French financial markets authority (AMF) on 29 April 2016 and its update filed on 17 October 2016.

The forward-looking statements contained in this document apply only from the date of this document. SoLocal Group does not undertake to update any of these statements to take account of events or circumstances arising after the date of said document or to take account of the occurrence of unexpected events.

Accounting data presented on an annual basis are in audited consolidated form, but accounting data indicated on a quarterly or half-yearly basis are in unaudited consolidated form.

Business indicators covered in the presentation are for continued activities.

All financial data and indicators are published in details within the report of Consolidated financial information as of 30 September 2016 which is available on the corporate website, www.solocalgroup.com (finance area).

Agenda



Business Update



Financial Performance



Outlook

Business Update

Jean-Pierre Remy
Chief Executive Officer

Confirmation of outlook for 2016

- ◆ **Internet revenues : €156M**, up +3%¹
 - Audience growth: visits +8%¹, of which +24%¹ mobile (47% of total audience)
 - Local search revenues: +1% resulting from
 - Local Search ARPA: +8%¹, above historical trend of +4%
 - Local Search Client base: -7%¹, still limited by reduced investments in telesales client acquisition
 - Digital Marketing revenues: +10%¹, with a steady growth of local programmatic, not yet fully reflecting very strong sales order dynamic
- ◆ **Recurring EBITDA³ : €60M, EBITDA margin⁴ of 30%**, down from -24% in 2015, mostly due to a drop in Print & Voice revenues that will be reduced in Q4
- ◆ **Free Cash Flow⁵: - €15M**, impacted in Q3 2016 by negative change in working capital due to higher pressure from clients and suppliers given the uncertainty linked to the financial restructuring of the Group.
- ◆ **Outlook for 2016 confirmed:**
 - Internet revenue growth rate between 0% and +2%
 - EBITDA/revenue margin²: ≥ 28%
- ◆ **“Conquer 2018” plan postponed by 6 months** due to the delay in the financial restructuring plan impacting the sales performance and cash flow generation

¹ Q3 2016 vs Q3 2015 ² Total (Internet + Print & Voice) recurring EBITDA ³ Total (Internet + Print & Voice) recurring EBITDA to revenue margin ⁴ Q3 2016 Total (Internet + Print & Voice) recurring EBITDA to revenue margin ⁵ Q3 2016 FCF

Internet update in Q3 2016

<i>in millions of euros</i>	Q3 2015	Q3 2016	Change
Internet revenues	152	156	+3%
Local Search revenues	119	120	+1%
◆ # visits (in million)	569	616	+8%
◆ ARPA (in €)	226	245	+8%
◆ # clients (in thousand)	525	490	-7%
Digital Marketing revenues	33	36	+10%
◆ Penetration rate	22%	23%	+1pt

Business highlights

Local Search

Revenues Q3 2016: €120 million (+1%)

- ◆ Record reach of 57%¹ and record quarterly number of visits > 610 million²



mappy

ooreka



- ◆ Partnerships with Apple, Google, Bing, Yahoo and now Facebook enabling SoLocal to tap into additional mobile audience, representing 47%² of total audience and growing at +24%²



Google

bing

facebook

YAHOO!

- ◆ Limited growth of Local Search due to reduced investment in client acquisition

Digital Marketing

Revenues Q3 2016: €36 million (+10%)

- ◆ Launch of new programmatic offering "Tract Digital" with Facebook



- ◆ Sustained performance of a new Adwords offering



- ◆ Steady success of high-end content based website offering

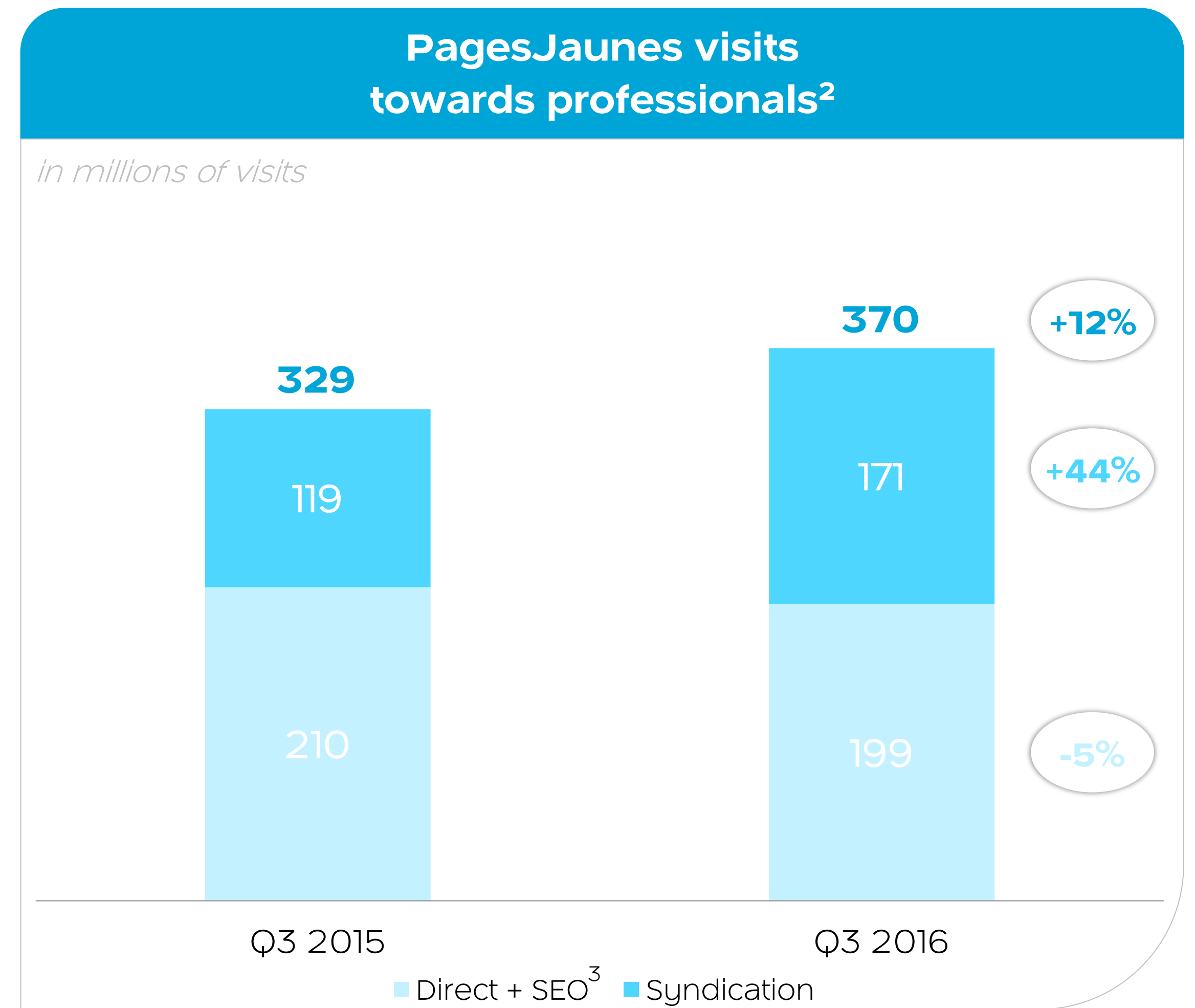
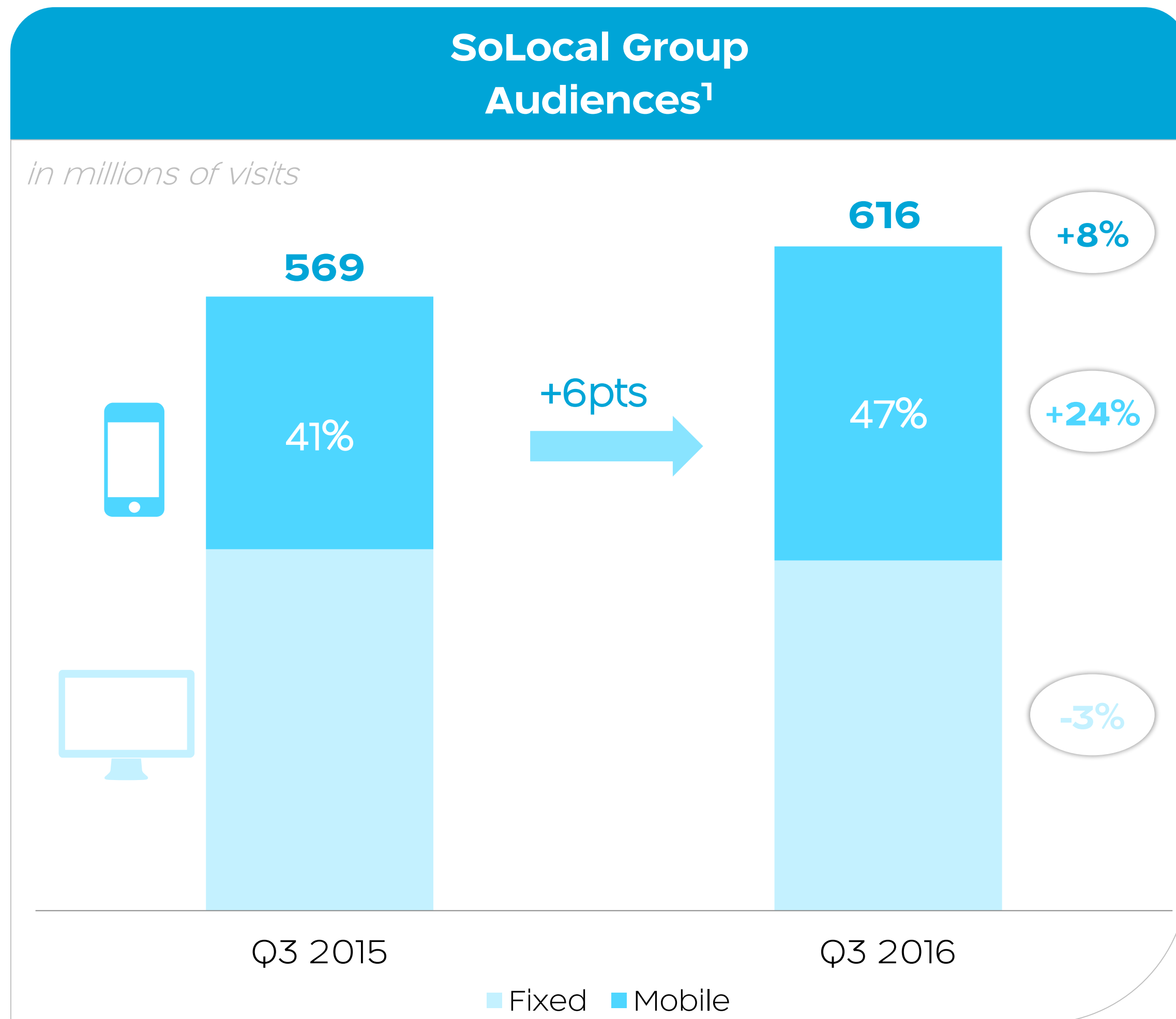


- ◆ Continuous acceleration of transactional services, especially with PagesJaunes Doc



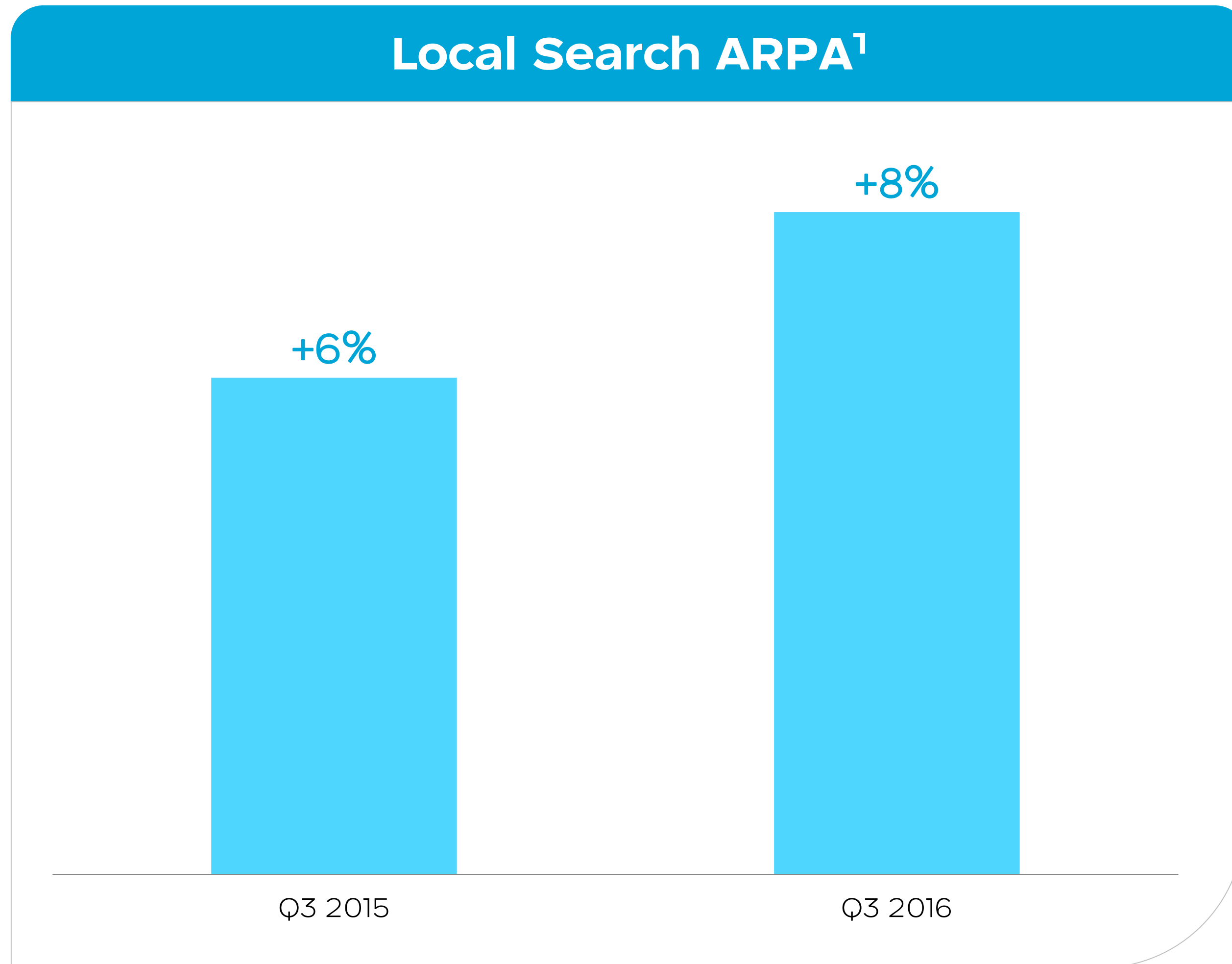
¹As of July 2016 ² for Q3 2016

Steady audience growth in Q3 2016



¹ Sources: AT Internet and SoLocal Group ² Internal source: PagesJaunes only, excluding PagesBlanches ³ Search Engine Optimisation

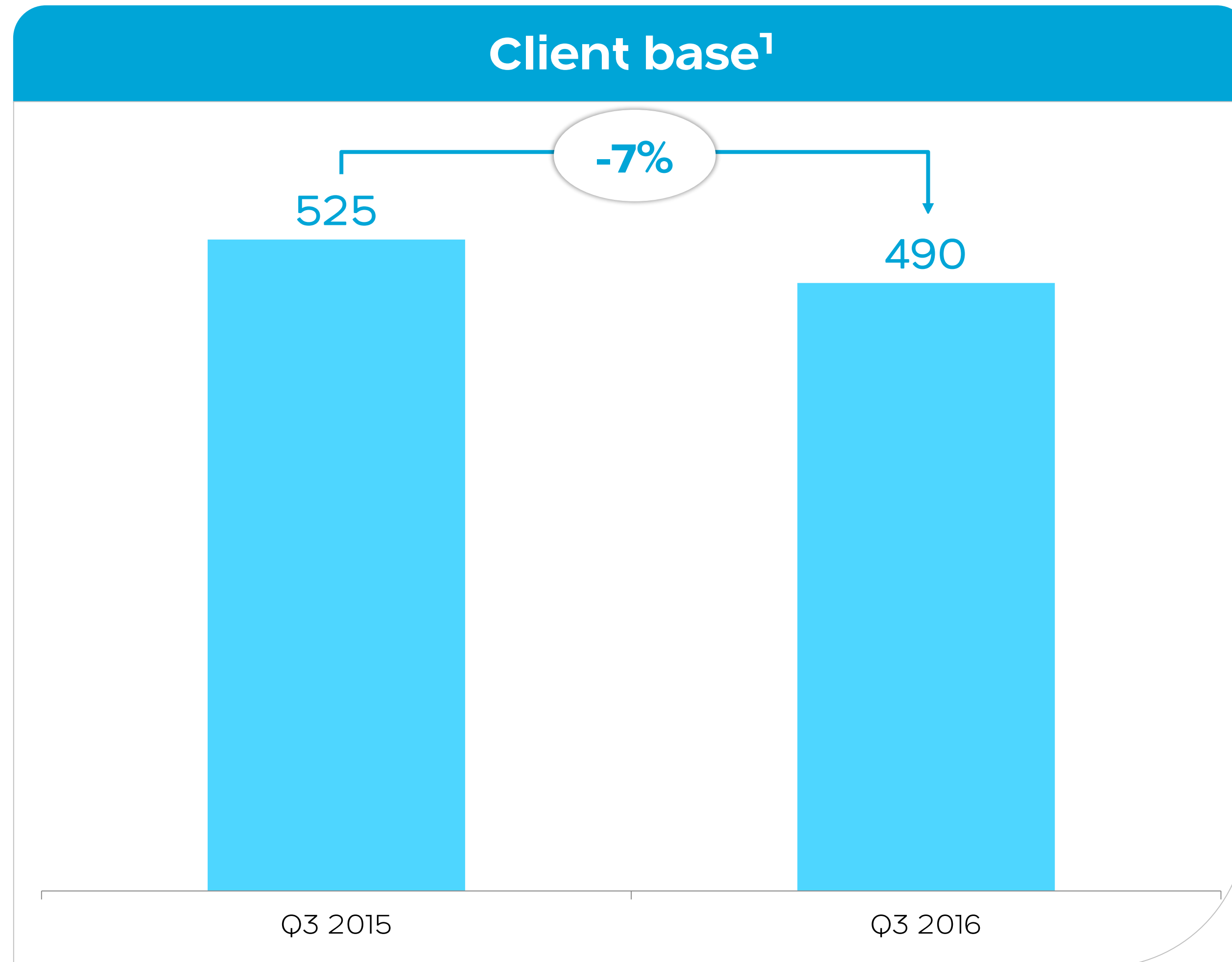
Local Search ARPA leading to year-to-date growth in line with historical trends



- ◆ Quarterly Local Search ARPA growth: +8% leading to year-to-date growth of +4% in line with historical trends
- ◆ Resulting from a continuous growth in audience and a low acquisition of clients with low ARPA

¹ Year-on-Year evolution of Local Search ARPA

Client base impacted by reduced investments in client acquisition

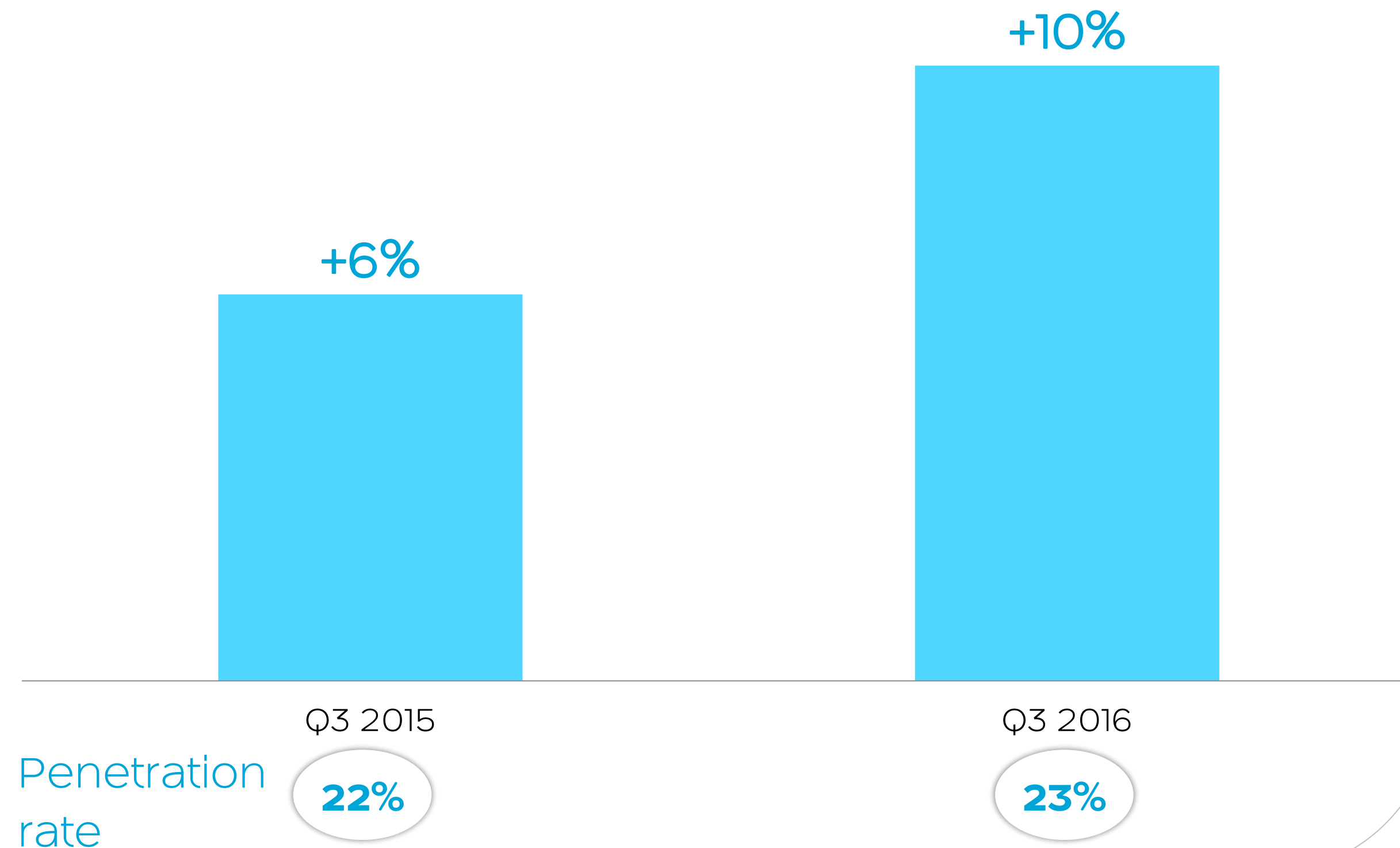


- ◆ Annual decrease in average client base by 35k clients due to constrained investment in client acquisition...
- ◆ ... despite **improved churn** thanks to new customer relationship management

¹ Year-on-Year evolution of average number of clients

Strong Digital Marketing dynamic driven by innovative offerings

Revenue growth and penetration of Digital Marketing¹

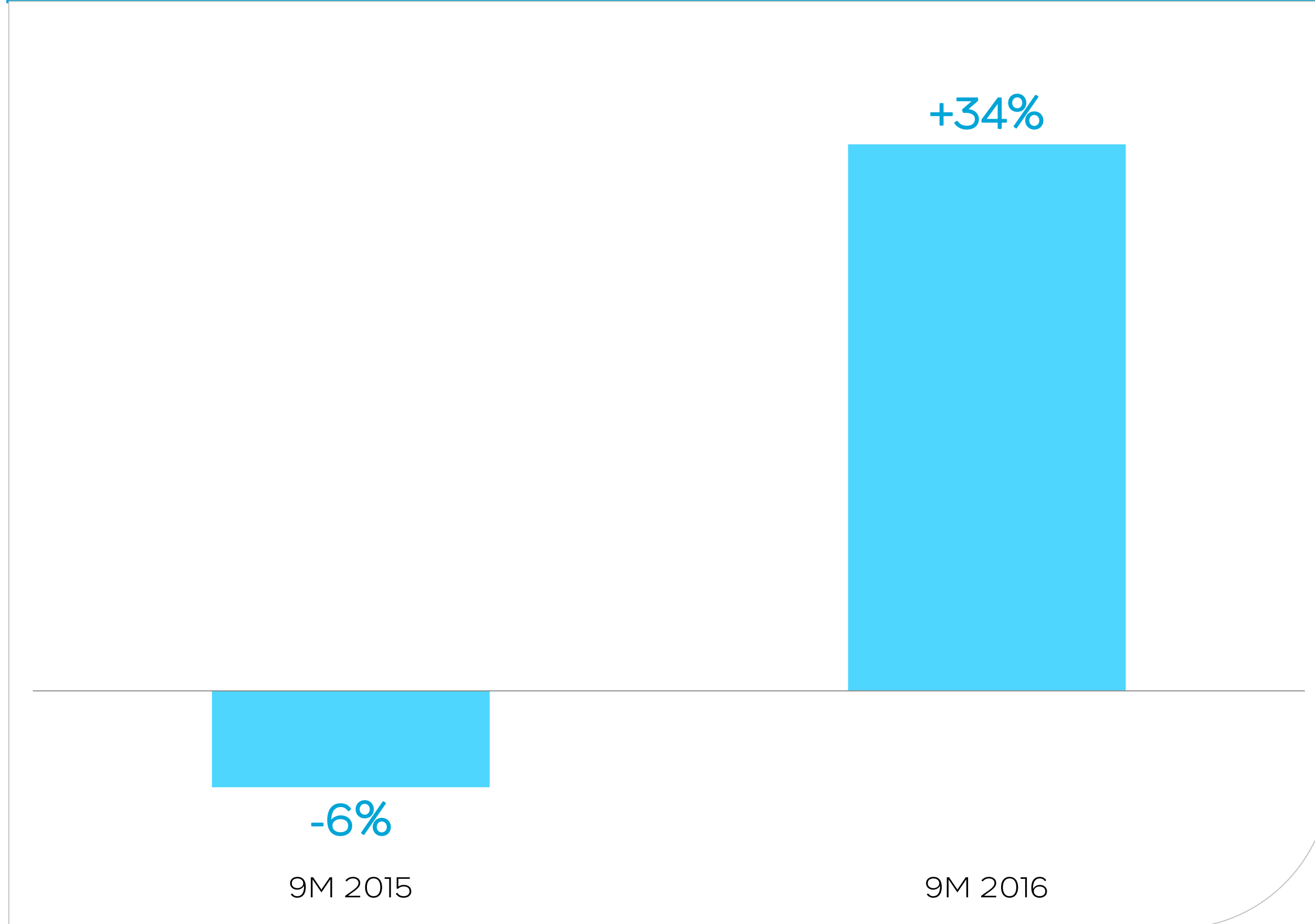


- ◆ Digital Marketing driven by **steady acceleration of local programmatic**, both AD'hesive product and Adwords efficiency campaigns
- ◆ Continuous acceleration of **transactional services**, especially with **PagesJaunes Doc**

¹ Year-on-Year evolution

Strong Digital Marketing new order dynamic will be recognised in revenues from 2017 onwards

Digital Marketing new order growth¹



- ◆ 9M 2016 accounting revenues still impacted by weak 9M 2015 new order dynamic
- ◆ Strong Digital Marketing new order dynamic (9M 2016 vs 9M 2015: +34%) will be recognised in revenues **from 2017 onwards**
- ◆ New innovative products (AD'hesive, AdWords campaign efficiency, high end websites and FaceBook "Tract Digital") with shorter lifetime have led to **faster revenue recognition since 2015**

¹ Adjusted since 10/19/2016 for double counting of some websites orders, without any accounting impact

Q3 2016 Internet revenues and highlights by vertical

Q3 2016 Internet revenues €156 millions (+3% vs. Q3 2015)
of which €150 millions in France (+3% vs. Q3 2015)

€45 million
+4%¹

- ◆ Support the housing market rebound with innovative products (notably high end websites and Adwords)

Solocal
HABITAT

€30 million
-1%¹

- ◆ New order performance and recent launch of a unique FaceBook offering "Tract Digital", not reflected in the year-to-date performance yet

Solocal
COMMERCE

€19 million
+8%¹

- ◆ Strong new order growth of Digital Marketing (high end websites)
- ◆ Continuous acceleration of client acquisition for online scheduling solution

Solocal
SANTÉ&PUBLIC

€30 million
+1%¹

- ◆ Good momentum on A Vendre A Louer and Digital Marketing (high end websites)

Solocal
SERVICES

€27 million
+3%¹

- ◆ Relevance of new products range (PagesJaunes and Google keywords, high end websites) for BtoB market is confirmed

Solocal
BtoB

¹ Q3 2016 versus Q3 2015 revenue evolution

Financial Performance

Virginie Cayatte
Chief Financial Officer

Q3 2016 financial performance

Internet revenues

2016 outlook: 0% to +2%

€156M

+3%¹

EBITDA²

2016 outlook: ≥28%

€60M

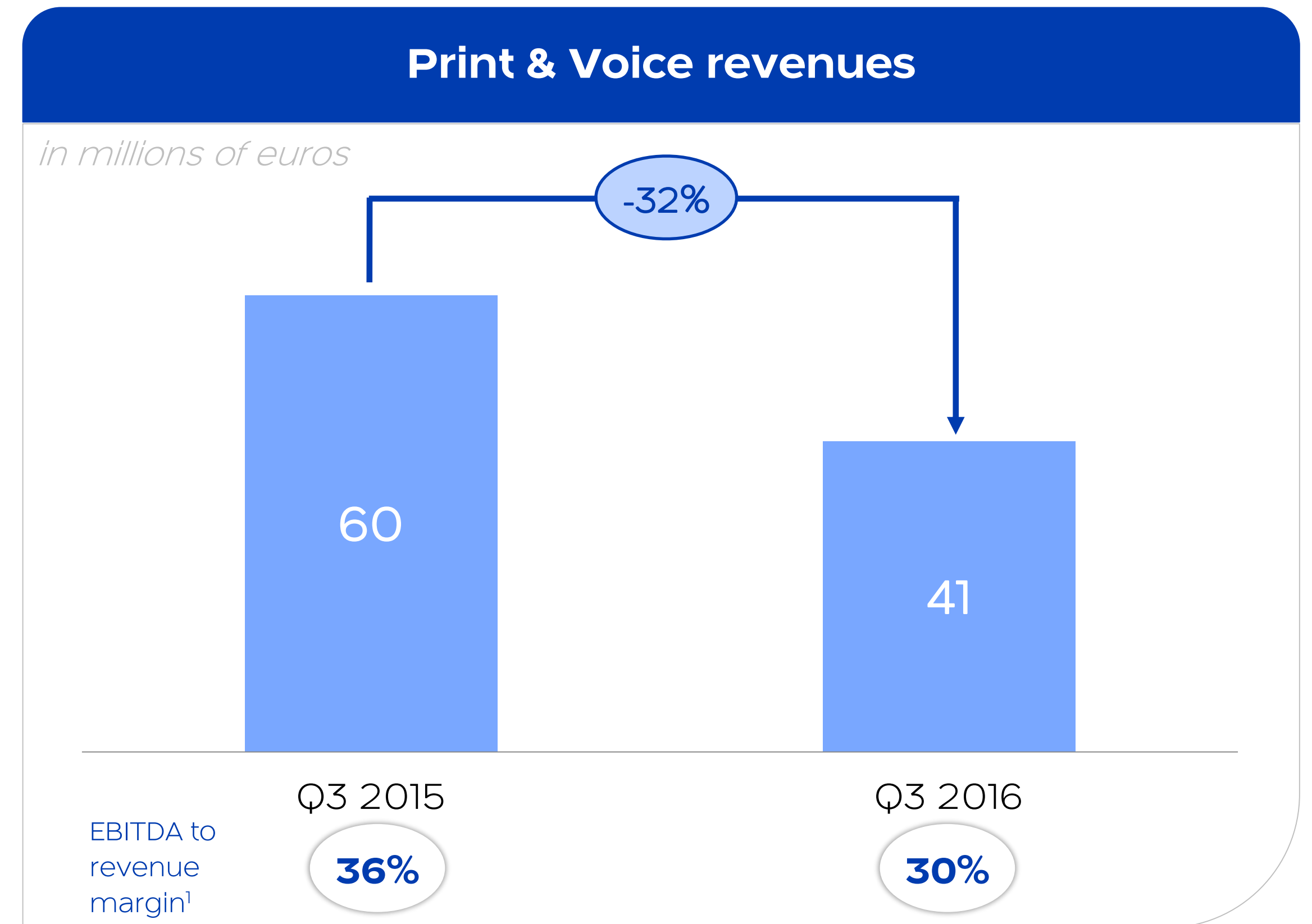
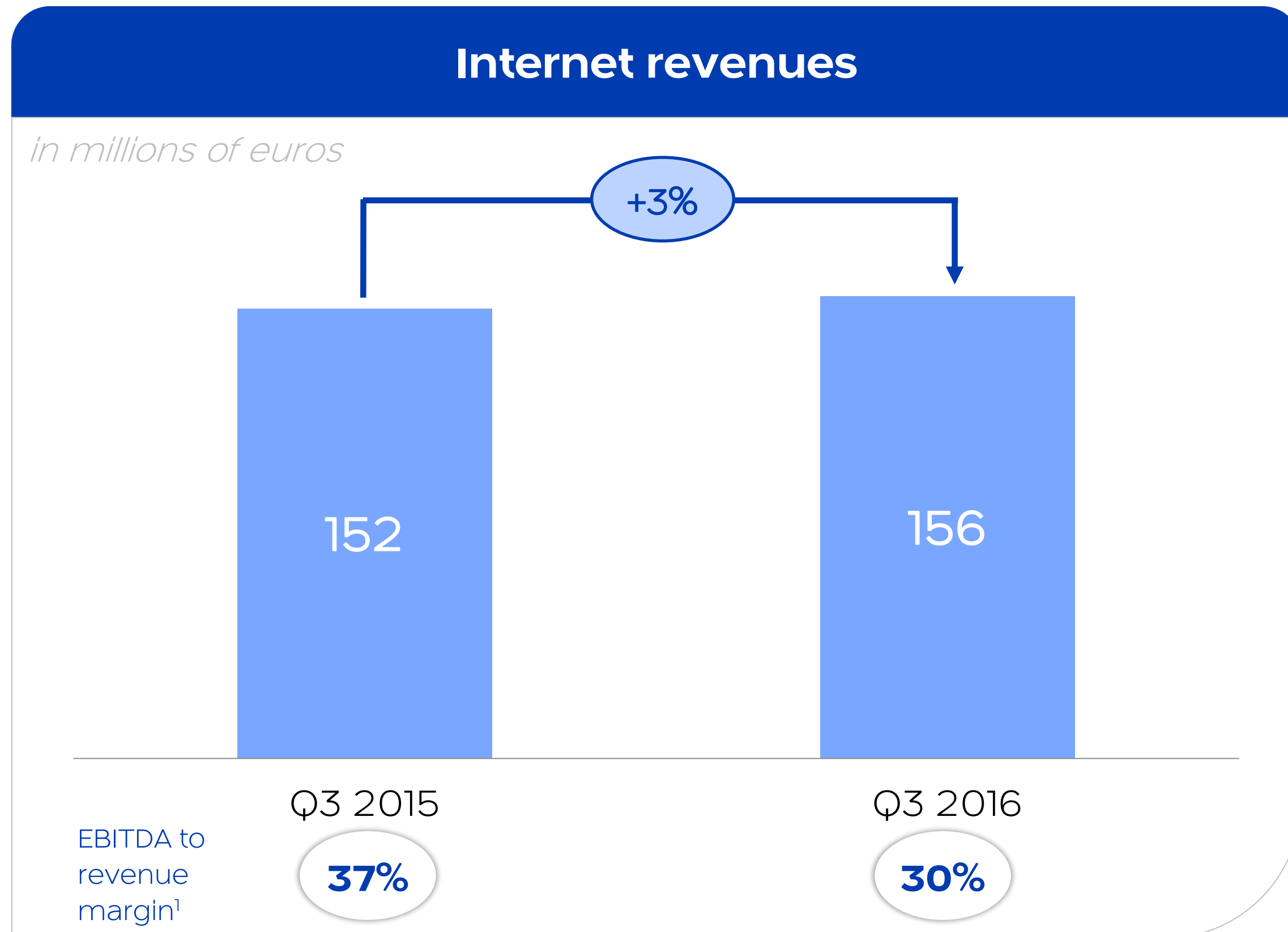
30%³

Free Cash Flow

- €15M

¹ Internet revenue growth Q3 2016 vs Q3 2015 ² Total (Internet + Print & Voice) recurring EBITDA ³ Total (Internet + Print & Voice) recurring EBITDA to revenue margin

Q3 2016 performance by business line

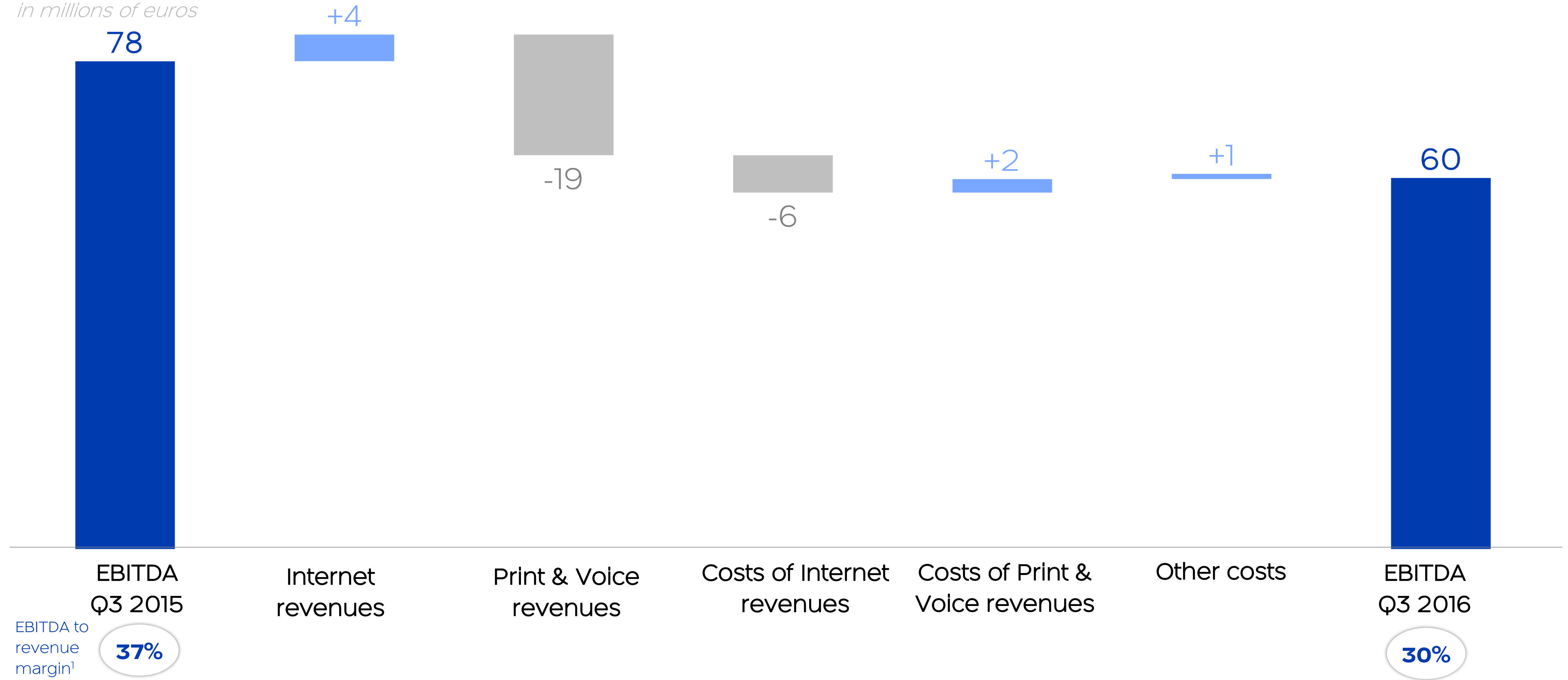


- ◆ Internet revenues at €156M in Q3 2016, up by +3% versus Q3 2015, driven by its **two Internet engines**: Digital Marketing (+10%) and Local Search (+1%)
- ◆ Print & Voice revenues at €41M, down by -32% over the period, mainly due to the **stronger decline of PagesBlanches**

¹ Recurring EBITDA to revenue margin

Q3 2016 EBITDA

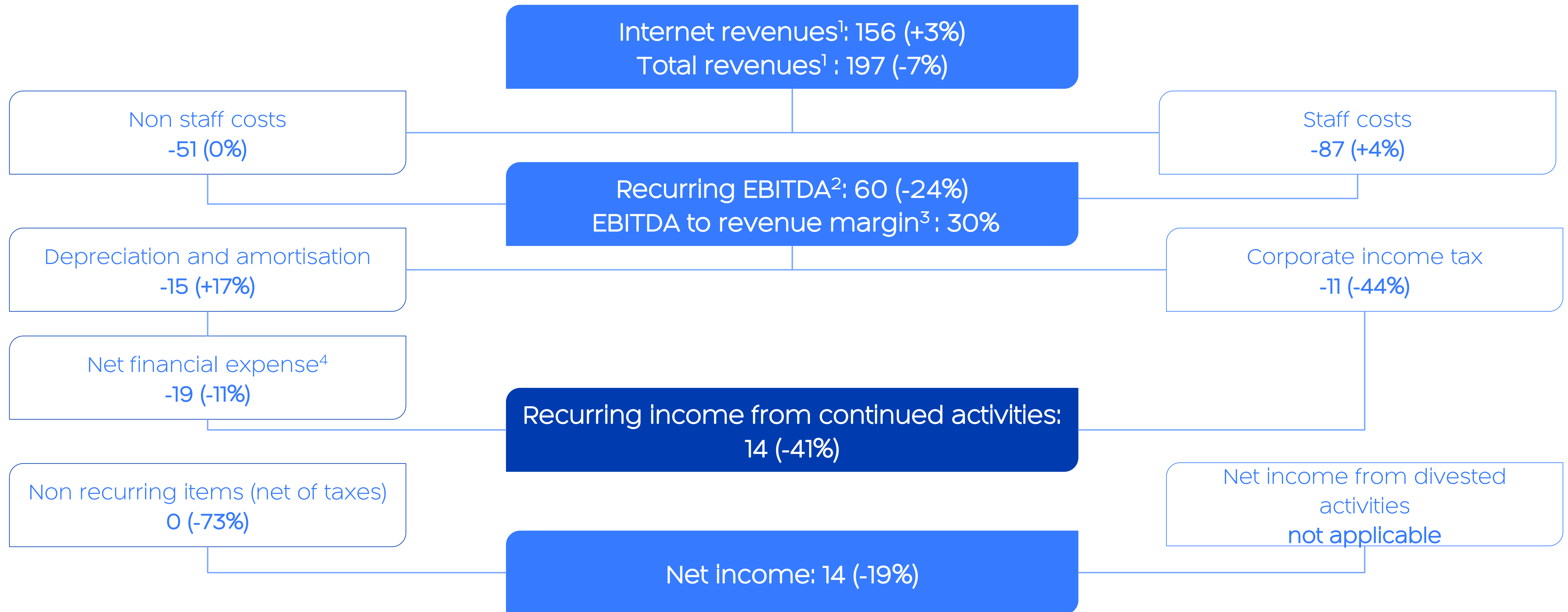
in millions of euros



¹ Total (Internet + Print & Voice) recurring EBITDA to revenue margin

Q3 2016 net income of €14 Million

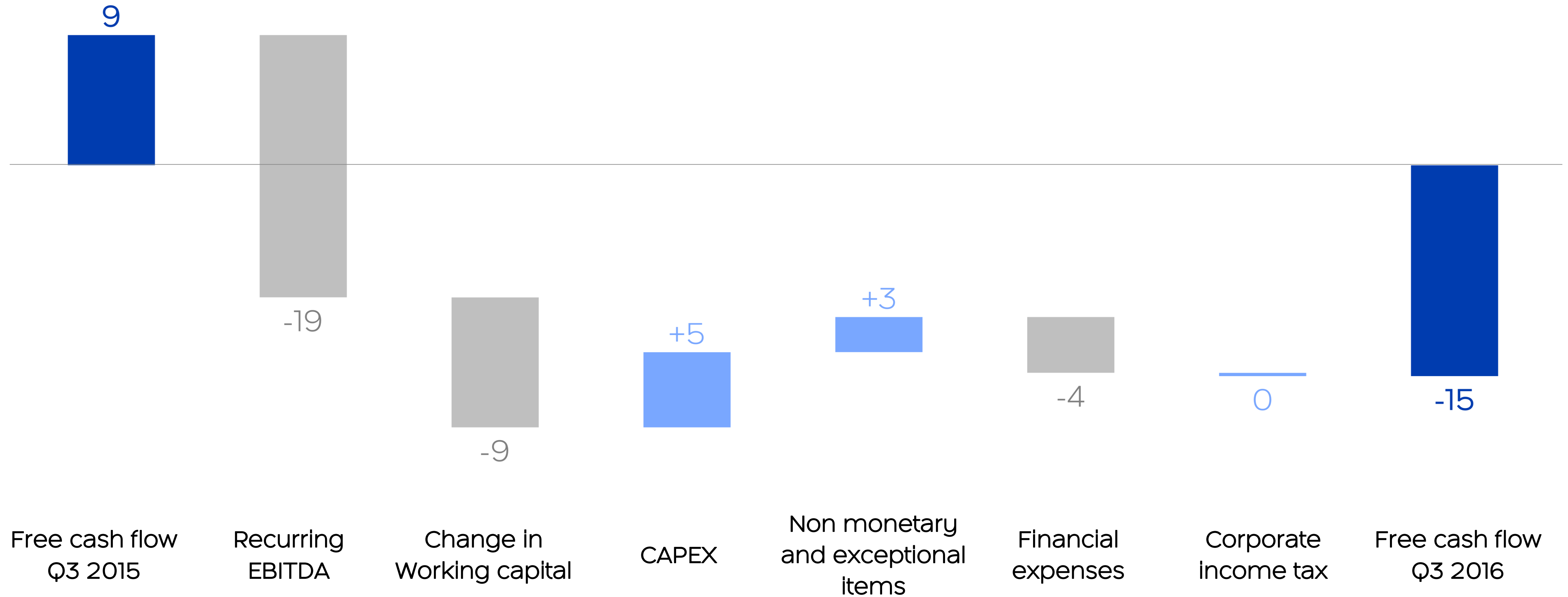
in millions of euros, Q3 2016 vs Q3 2015 Change (%)



¹ Indicators for continued activities ² Total (Internet + Print & Voice) recurring EBITDA ³ Total (Internet + Print & Voice) recurring EBITDA to revenue margin ⁴ Including share of profit and loss of an associate

Q3 2016 Free cash flow

in millions of euros



Outlook

Jean-Pierre Remy
Chief Executive Officer

Confirmed outlook for 2016

The Group confirms its outlook for 2016 and expects:

Internet revenue growth rate¹

0% to +2%

EBITDA to revenue margin²

≥ 28%

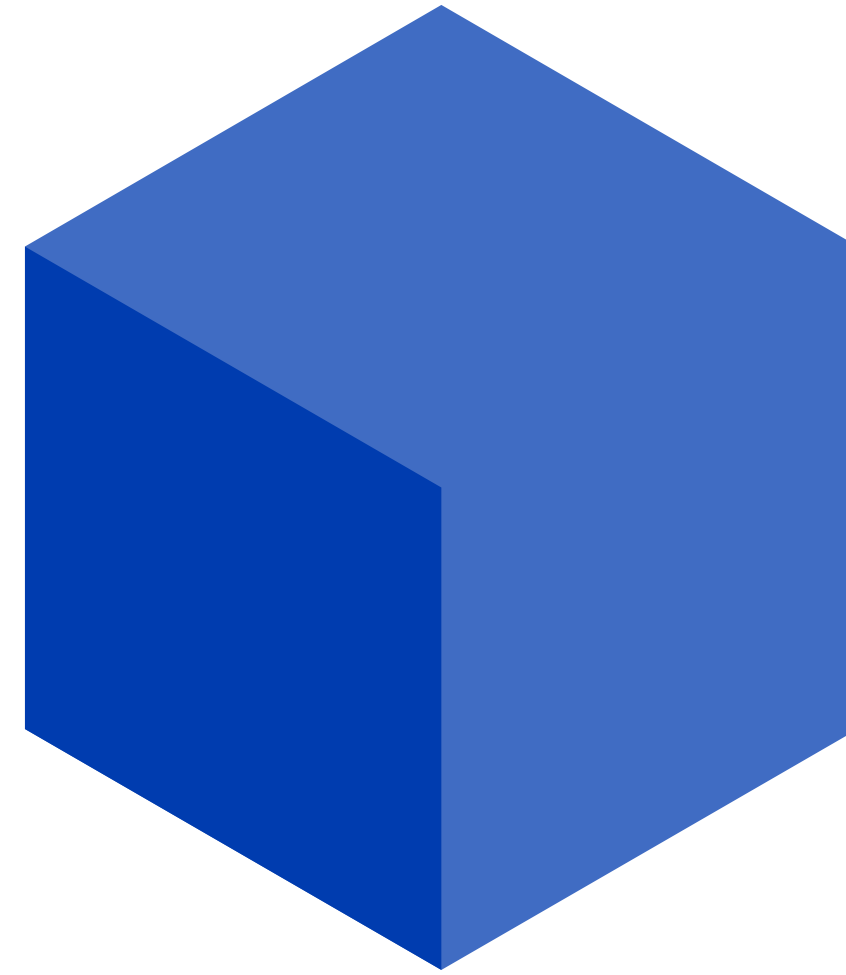
¹ Compared to 2015 ² Total (Internet + Print & Voice) recurring EBITDA to revenue margin

Postponed financial restructuring plan delays “Conquer 2018” by 6 months and affects Free Cash Flow generation

	2015 ¹	2018	CAGR ² 2015-2018	Revised Conquer 2018 Growth 2017-2018	Initial Conquer 2018 Growth 2017-2018
Internet revenues (millions of Euros)	640	735	+5%	+9%	+10%
ARPA ³ Local Search (in €)	940	1,014	+3%	+3%	+4%
# clients Local Search ('000)	528	474	-4%	-1%	+3%
Penetration rate Digital Marketing (in %)	22%	27%	+5pts ⁴	+1pt	+3pts
Group revenues (millions of Euros)	873	826	-2%	+3%	+3%
Recurring EBITDA (in millions of euros) <i>Margin</i>	270 31%	235 28%	-5%	+5%	+9%

Note: All figures are based on a non-binding Business Plan which does not take into account the potential internationalisation of the Group and the acceleration of digital advertising market in France. The retained scenario assumes a debt restructuring in Q1 2017.

¹ Scope of continued activities ²Compound Annual Growth Rate ³Average Revenue Per Advertiser ⁴ 2018 penetration rate minus 2015 penetration rate



SoLocal
GROUP

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