

# #Q1 2019 ACTIVITY AND REVENUES

# Disclaimer

This document contains forward-looking statements. Any forward-looking statement does not constitute forecasts as defined in European regulation (EC) 809/2004. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements are based on the Company's current beliefs, assumptions and expectations of its future performance, taking into account all information currently available. Forward-looking information and statements are not guarantees of future performance and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company. These risks and uncertainties include those discussed or identified under section 4 "Risk Factors" of the Solocal Group "Document de référence" which was filed with the French financial markets authority (AMF) on March 21<sup>st</sup>, 2019. Important factors that could cause actual earnings to differ materially from the earnings 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. Solocal Group, its affiliates, directors, advisors, employees and representatives expressly disclaim any liability whatsoever for such forward-looking statements.

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The quarterly financial statements are not audited. The financial data are presented for the first time not only on the scope of continued activities, but by integrating continued and discontinued activities (divested activities).

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the total provided

Disclosure of Q1 2019 monthly Digital order intake evolution does not indicate a change in Solocal communication. Going forward, Solocal will keep communicating on quarterly order intake.



# Agenda

**1** Business Update

**2** Q&A

**3** Appendix



PART 1

# Business update

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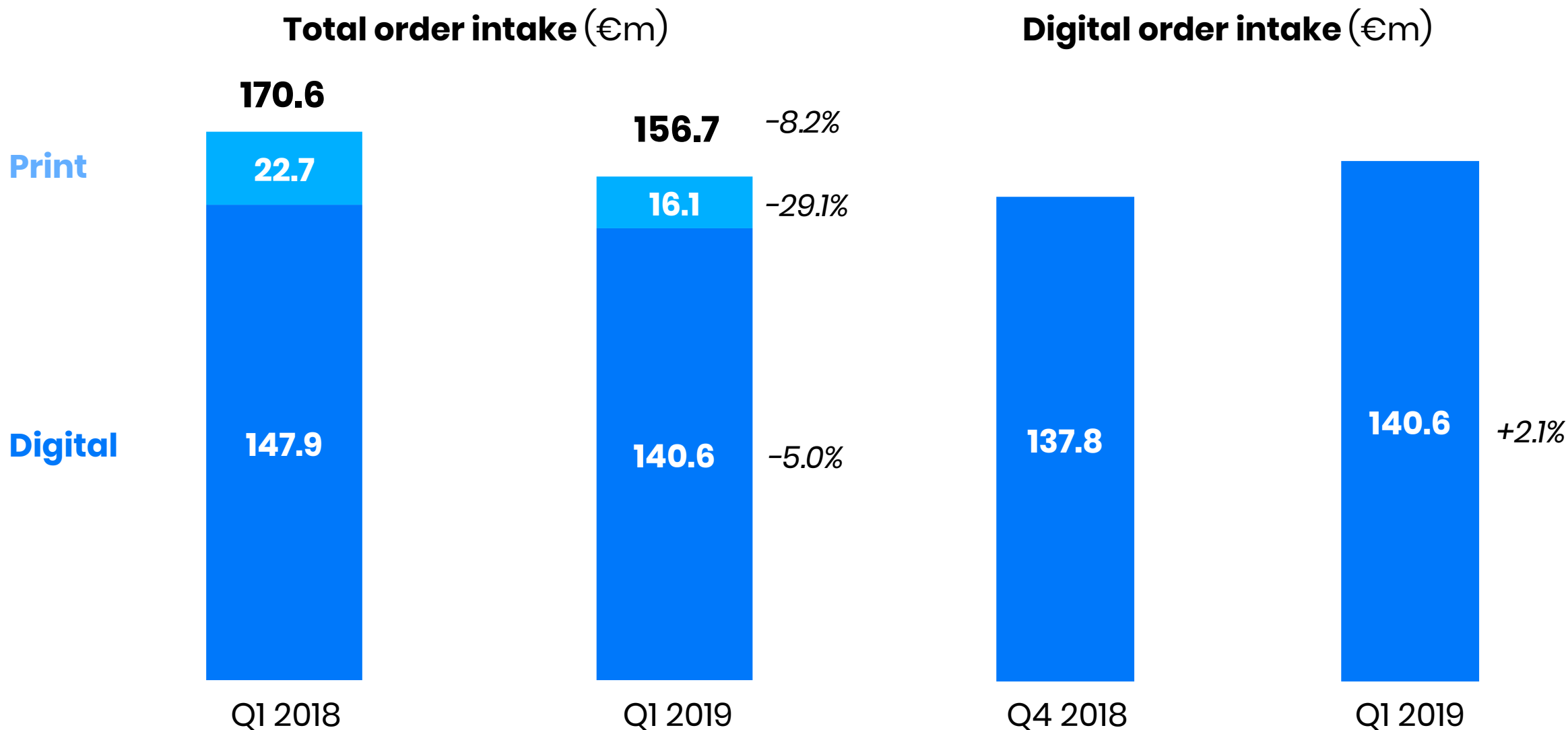
# Q1 2019: Trend reversal in Digital order intake

- **Digital order intake trend reversal**
  - Down by -5.0% vs. Q1 2018
  - Up by +2.1% in Q1 2019 vs. Q4 2018
- **Progressive trend reversal over the first 3 months of 2019**
- **Increased salesforce productivity** driven by new omnichannel organisation with optimised geographical areas and new salesforce compensation plan
  - sustained by deployment of new Presence offer in January 2019, and the Solocal 'Vous allez avoir de la visite' advertising campaign
  - increased share of auto-renewal subscription mode order intake

# Q1 2019 Overview

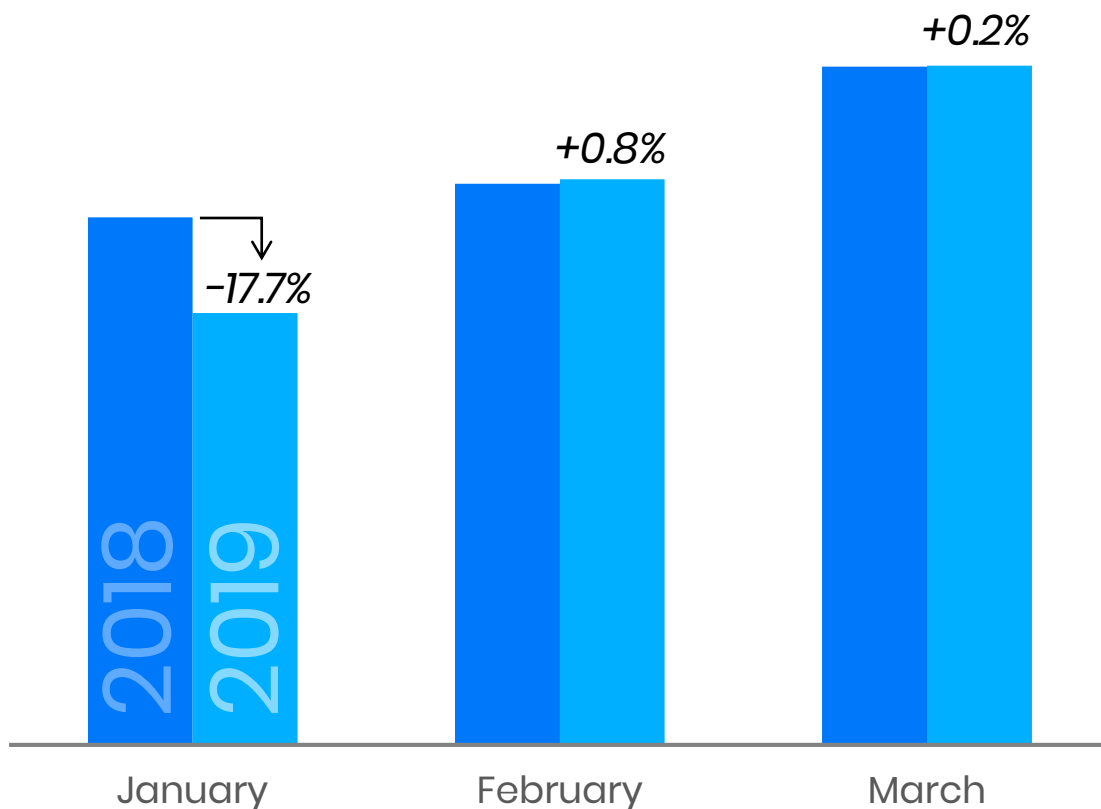
In million euros	Q1 2018	Q4 2018	Q1 2019	Vs. Q1 2018	Vs. Q4 2018
Digital order intake	147.9	137.8	<b>140.6</b>	-5.0%	+2.1%
Digital order backlog	395.0	347.1	<b>354.3</b>	-10.3%	+2.1%
Digital revenues	148.0	139.1	<b>133.3</b>	-9.9%	-4.2%
Total revenues	172.8	159.7	<b>148.4</b>	-14.1%	-7.1%
Auto-renewal subscription order intake (% of total order intake) <sup>1</sup>	16%	16%	<b>17%</b>	+1 pt	+1 pt

# Q1 2019 Order intake vs. Q1 2018 & Digital order intake vs. Q4 2018



# Q1 2019 Digital order intake: Trend reversal

## Digital order intake (vs. Q1 2018)



## Total reset in January 2019

- New segmentation
- New geo based sales organisation (vs. vertical BUs)
- New sales compensation plan
- Customer portfolio change by 85%

## Feb/March 2019 ramp up driving T1 2019 upwards

- +12% field sales meetings vs. Q4 2018
- +30% new customers telesales call time vs. Q4 2018
- +28% customer acquisition vs. Q4 2018
- +20% Digital order intake / sales rep vs. Q4 2018
- +44% Digital order intake / sales rep vs. Q1 2018

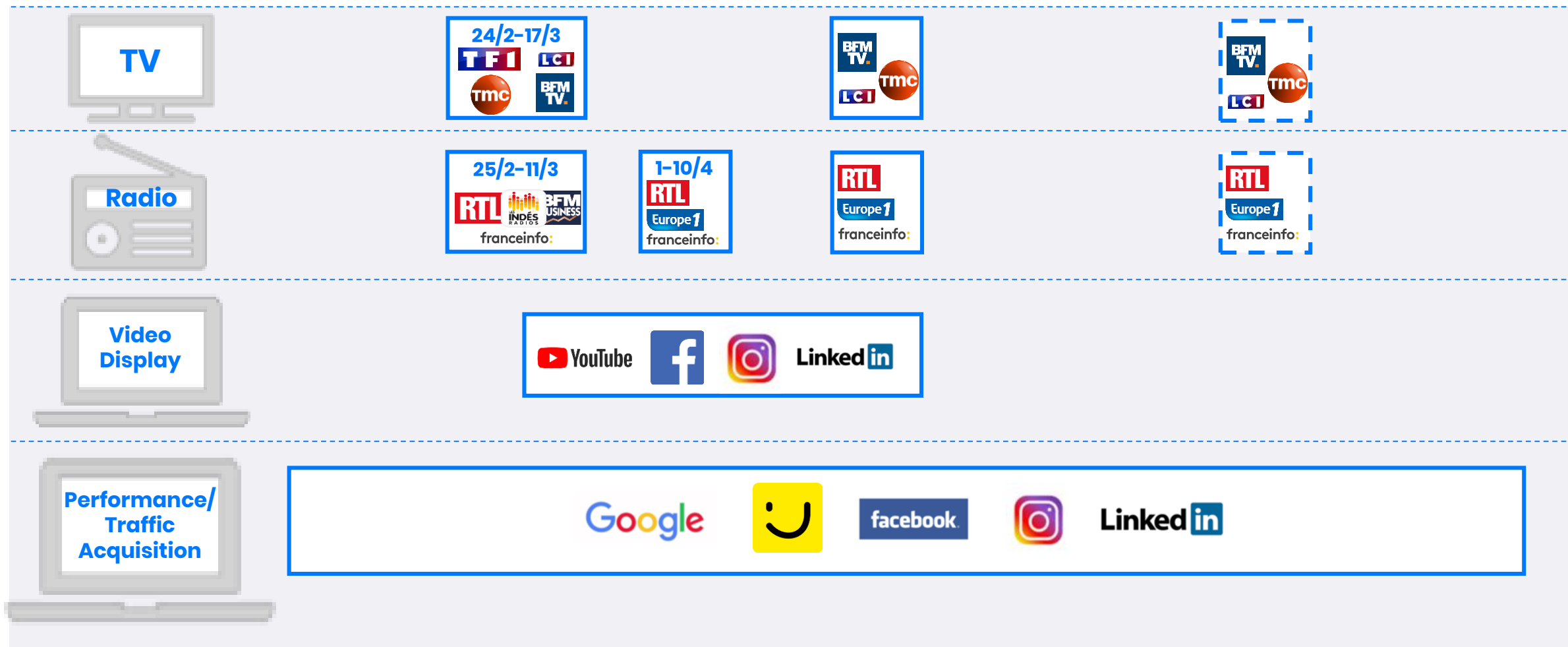
## Positive impact of advertising campaign



# Ad campaign generating demand and growing Solocal awareness

## 2019

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec



# First advertising campaign impact on digital sales

200k clicks since Jan



414 TV GRP  
780 radio GRP  
65m video imp.



1 Digital Discovery email / week



Visits solocal.com



Inbound calls



on Presence Page



3938 service gratuit + prix appel

x2 brand searches\*

x2 visits\*

x2.1 processed calls\*  
(solocal.com + short numbers only)



X2.3 direct sales\*  
208% ROI\*\*



Improved sales dynamics

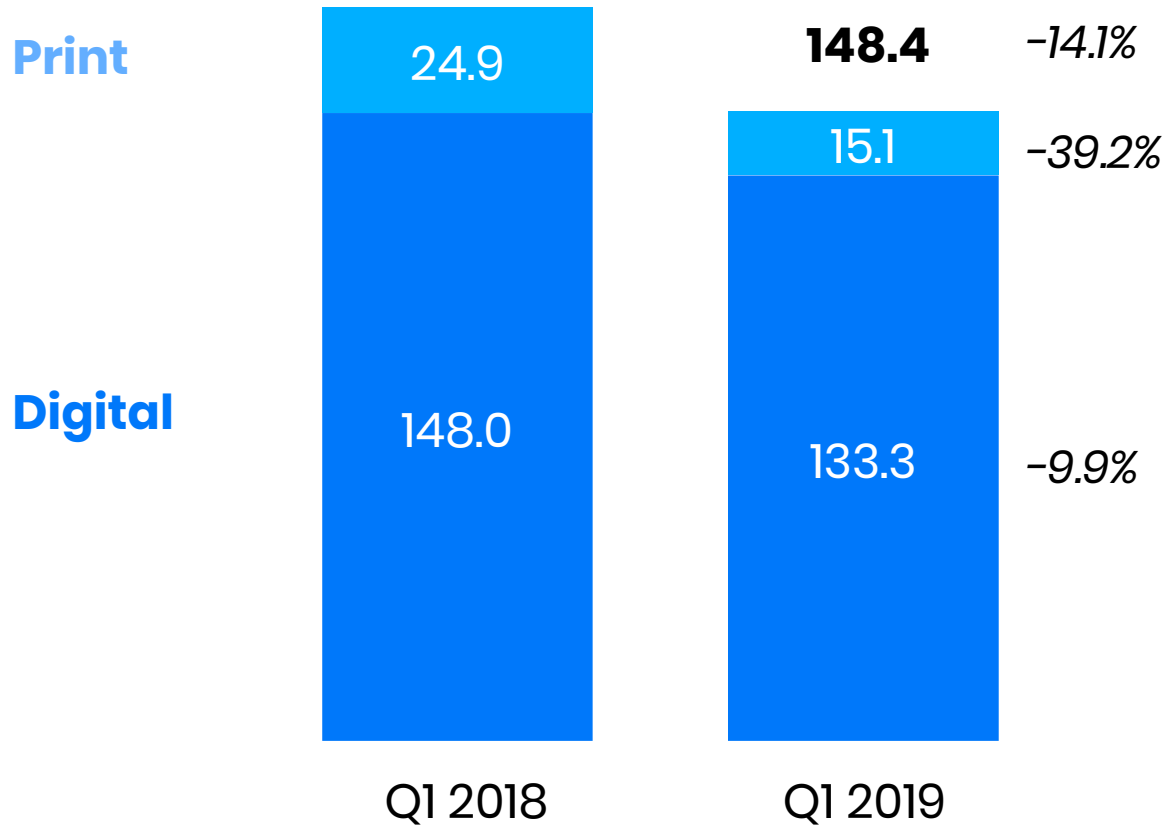


Positive client perception

(\*) Average of 5 weeks since launch of advertising campaign vs. 5 weeks prior to advertising campaign. Sales as number of orders  
(\*\*) Return on investment in Q1 2019 based on lifetime value revenue from clients directly acquired through advertising campaign

# Q1 2019 Revenues breakdown vs. Q1 2018

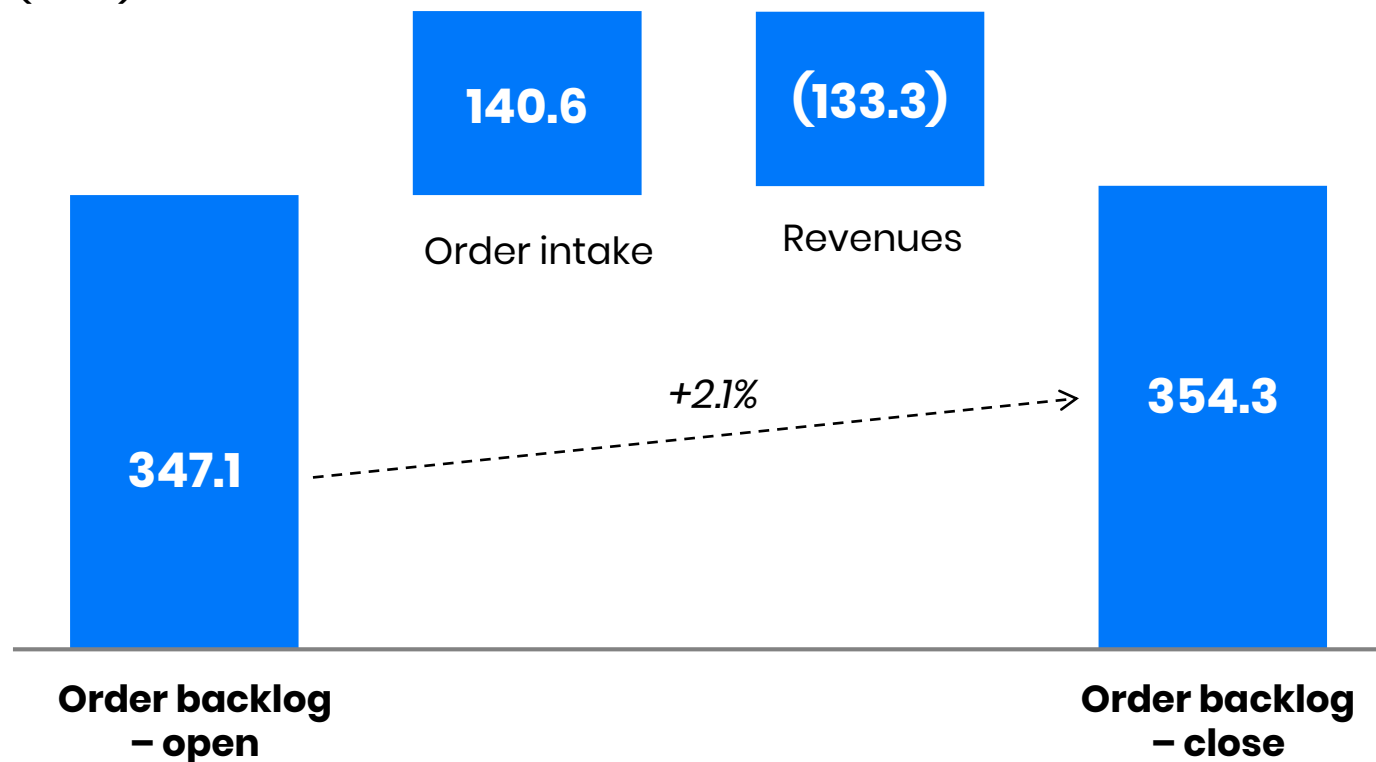
Total (€m)



- Digital and Print revenues impacted by order intake decrease in H2 2018
  - Order intakes recognised as revenues over a certain period of time
- Print revenues: ongoing decreasing trend
  - Accelerated by Print business ending by end 2020 (-29% yoy Print order intake)

# Q1 2019 Digital order backlog

## Digital Q1 2019 (€m)



- Digital order backlog increased by +2.1% vs. Q4 2018
  - Driven by Digital order intake increase in Q1 2019 vs. Q4 2018
- Q1 2019 Digital revenues still impacted by Q3/Q4 2018 Digital order intake decrease
  - Order backlog is the amount of revenues yet to be recognised in the future, as revenues following an order intake are accounted for over a period of time

# Confirmed liquidity

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Solocal has **the capacity to finance its operations in 2019**, underpinned by the forecasted **growth of Digital sales** and various **liquidity sources**

Solocal has the following resources to meet disbursements of €163m related to the transformation plan and €32m of bond financial interests in 2019:

- **€82m** of cash available as of 1<sup>st</sup> January 2019
- **Positive recurring operating cash flows (> €100m)**
- **Additional financing lines**, set up over the past few months:
  - **A working capital facility for a minimum of €10m**
    - Solocal has > €200m of receivables on its balance sheet, as of 31<sup>st</sup> December 2018
    - Potential waiver request to switch authorisation baskets in the Bond documentation to increase our flexibility on receivables financing
  - A 3-year **RCF of €15m**, signed in Feb 2019
- **Potential asset disposals** of non-core assets

# 2019 Outlook

## Confirming guidance for 2019:

- Digital order intake growth, ramping up quarter by quarter
- Moderate growth of recurring EBITDA
- EBITDA conversion into operating cash flows maintained above 60%

## Maintaining Feb/March 2019 momentum into Q2 2019: focus on executing the strategy

- Solocal's customer-centric focus
- Ramping up the deployment of the new digital services range (Presence, Priority Ranking)
- Ongoing advertising campaigns: Digital, TV, Radio
- Impact of investments into our digital products, media platform, sales and customer support tools

**Confirmed liquidity in 2019** driven by Digital order intake positive trend, additional cost reduction and new financing tools progressively in place



PART 2

# Q&A

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PART 3

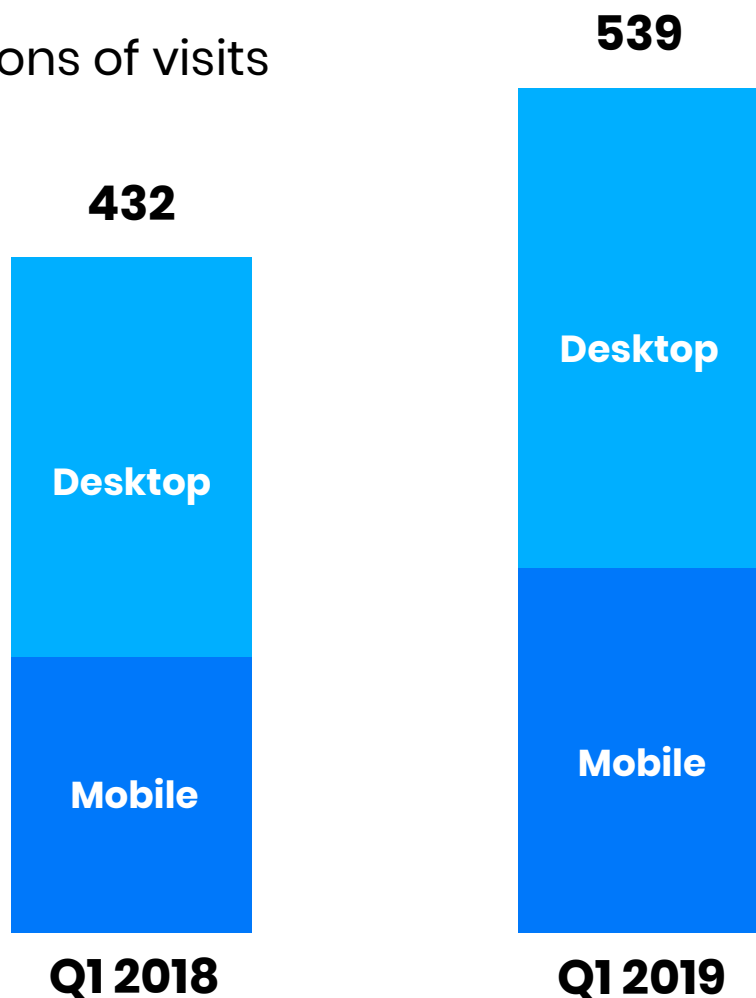
# Appendix

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# PagesJaunes audience up by +25% in Q1 2019 yoy

In millions of visits



- **PagesJaunes audience up by +25%, representing 107 million incremental visits in Q1 2019 year-on-year**
  - Growth boosted by partnerships, including recently Le Bon Coin
  - Increase in SEO visits
  - Ongoing work on PagesJaunes UX and UI to optimise direct traffic
- **Mobile audience up +30% (vs. Q1 2018)**
- **Rich PJ content: leads generated for Solocal customers up +8% yoy**