

Paris, 6 November 2018

9 MONTHS BUSINESS ACTIVITY 2018: +7%
SOFTWARE REVENUES: +9%
ANNUAL OBJECTIVES CONFIRMED

DALET, a leading provider of software solutions for the creation, management and distribution of multimedia content for broadcasters, operators and content producers, announced today revenues (unaudited) for its third quarter and for the nine-month period ended September 30, 2018.

Third quarter: Commercial Gross Profit up 5%

(Unaudited) In € millions	Q3 2017	Q3 2018	Change
Licences	3.4	3.5	+3%
Maintenance - Support	4.2	4.6	+8%
Total Software Revenues	7.6	8.1	+6%
Services	3.0	3.3	+10%
Hardware	2.5	1.8	-27%
Total revenues	13.1	13.2	+1%
Commercial Gross Profit	11.2	11.7	+5%
<i>Commercial Gross Margin</i>	<i>85%</i>	<i>89%</i>	

* Commercial Gross Profit is defined as sales minus cost of goods and third-party services resold

In the third quarter, Dalet core business activities Software (comprising licenses and support revenues) and Services were up respectively by 6% and 10%. Non-strategic Hardware resale, which is a low margin, more volatile business, was down by 27%.

As a direct consequence of the decrease in hardware resale, total consolidated revenues for the semester were up by 1% at €13.2 million. However commercial gross profit increased by +5% at €11.7 million, reflecting the more favorable sales mix. Commercial gross margin increased to 89% of revenues over the third quarter up from 85% for the same period in 2017.

Nine months: Total software revenues up 9%

(Unaudited) In € millions	9 MONTHS 2017	9 MONTHS 2018	Change
Licences	9.2	10.6	+15%
Maintenance - Support	12.6	13.1	+4%
Total Software Revenues	21.8	23.7	+9%
Services	8.1	8.9	+11%
Hardware	5.9	5.7	-4%
Total revenues	35.8	38.3	+7%
Commercial Gross Profit	31.1	33.9	+9%
<i>Commercial Gross Margin</i>	<i>87%</i>	<i>88%</i>	

Revenues for the first 9 months of 2018 were up by 7%, with all strategic lines of the sales mix showing growth. Total software revenues were up 9% at €23.7 million, fueled by the strong growth in license revenues (+15%). Service revenues were up 11% at €8.9 million. Hardware resale is the only line in the sales mix that declines (-4%), due to the strong decrease in the third quarter. This more favorable sales mix is reflected in the commercial gross profit over the 9 months period, which was up 9% at €33.9 million, for a resulting commercial gross margin of 88%.

Sustained growth in Europe and Americas

Broken down by geographic region, Sales in Europe were up 10% at €15.9 million over the first 9 months of 2018, thanks to the surge in license sales in the first semester. Revenues for the Americas demonstrated as well strong growth at €15.9 million (+12%). Revenues for Asia-Pacific decreased by 9.5% over the 9 months period, with a positive trend (+2%) in the third quarter. Revenues for Africa-Middle East, which represent a small fraction of the total revenue, decreased over the 9 months period (-2.4%), while growing over the third quarter by 7.1%.

Outlook: confirmation of targets

Dalet introduced its latest technology innovations at the recent IBC tradeshow in Amsterdam. Dalet OnePlay, the next generation automated TV studio production with orchestrated multiplatform distribution, won the prestigious Best of Show award from TVBEurope magazine. This industry recognition should help Dalet in improving its order intake in the coming months. Dalet maintains a solid pipeline of prospects, with many responses to RFPs currently under way, in a cautious market that still shows a long customer decision-making cycle.

Dalet confirms its targets for 2018 for high single-digit revenue growth and of a current operating margin of 5 to 6%.

Next publication

Full year 2018 revenues on 19 February 2019 after the close of trading

About Dalet Digital Media Systems

Dalet solutions enable broadcasters and media professionals to create, manage and distribute content to both traditional and new media channels, including the Web, VOD, OTT and mobile networks. Dalet combines into a single system a robust and proven Asset Management platform with advanced metadata capabilities; a configurable workflow engine, and a comprehensive set of purpose-built creative and production tools. This integrated and open environment enables end-to-end management of the entire News and Sport and Program content chain, and allows users to significantly improve efficiency, and to maximize the use and value of their assets.

Dalet systems are used around the world by many thousands of individual users at hundreds of TVs, Radios and content producers, including public broadcasters (ABS-CBN, BBC, CBC, DR, France TV, RAI, RFI, Russia Today, SBS Australia, VOA), commercial networks and operators (Canal+, FOX, Euronews, MBC Dubai, MediaCorp, Mediaset, NBC Universal, Orange, Warner Bros., Sirius XM Radio) and government organizations (UK Parliament, NATO, United Nations, Veterans Affairs, NASA).

Dalet is traded on the NYSE-EURONEXT stock exchange (Eurolist C): ISIN: FR0011026749, Bloomberg DLT:FP, Reuters: DALE.PA. For more information on Dalet, visit www.dalet.com

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