

Paris, 24 April 2019

2018 YEARLY RESULTS

CURRENT OPERATING PROFIT: +13%

STRONG INCREASE OF NET PROFIT: +228%

In € millions	2017	2018	Change
Revenues	51.1	55.6	+9%
Cost of goods and third-party services resold	6.4	6.7	+4%
Commercial gross profit	44.6	48.9	+10%
Commercial gross margin	87%	88%	+1pt
Other cost of revenues	15.9	17.6	
Gross profit	28.7	31.3	+9%
Gross Margin	56%	56%	-
Research and development	12.0	13.3	+11%
Selling and marketing	9.4	9.9	+6%
General and administrative	5.0	5.4	+8%
Current operating income	2.4	2.7	+13%
Operating income	1.9	2.7	+45%
Net income, Group share	0.73	2.39	228%

The consolidated financial statements have been audited. The auditors' report will be published once the due diligence procedures required for the publication of the yearly financial report are complete.

DALET, a leading provider of software solutions for the creation, management and distribution of multimedia content for broadcasters, operators and content producers, has published its yearly audited results for financial year 2018.

Sustained activity in 2018

DALET grew revenues +9% to €55.6 million in 2018, marking its 10th consecutive year of growth. All business lines are on the rise and commercial gross profit (defined as sales minus cost of goods and third-party services resold) grew slightly faster than revenues (+10%), thanks to strong momentum in licensed software sales and a reduced contribution from hardware resales.. Gross profit, which includes the cost of services, increased at a rate comparable to that of revenues, up +9%.

Increase in profitability

Operating expenses, which include a bad debt provision of €0.3 million for a single customer, increased in line with revenues growth. Current operating income rose by 13% to €2.7million, corresponding to a current operating margin of 4.8%. Adjusted for the bad debt provision, the current operating margin would reach 5.4%, within the 5%-6% target range outlined by the Company early last year.

Operating income rose by 45% to €2.7 million, benefiting from the absence of exceptional items in 2018. Net income, group share amounted to €2.4 million, up sharply compared to 2017 (+228%), thanks to a

more favourable exchange rate environment and a reduction in income tax compared to the previous year, which had been impacted by a deferred tax charge.

Net cash position: €2.0 million

Cash flow from operations before cost of debt and income tax rose by 8% to €6.4 million, while operating cash flow amounted to €3.5 million, temporarily suppressed by a one-off unfavorable change in working capital requirements due to a concentration of invoicing at the end of the fourth quarter. This effect was resolved by the first quarter of 2019, following successful and normal collections of receivables balances. Also impacting cash flow was the company's increased strategic investment in its next generation of software products & services, primarily in the areas of cloud, SAAS and Artificial Intelligence/Machine Learning. The company continues to enjoy a strong capital position, with a net cash balance of more than €2.0 million at 31 December 2018 and shareholders' equity of €17.6 million.

Outlook for 2019: growth of commercial gross profit, increased strategic investment in R&D and a current operating margin target of 5% to 6%

DALET continues to receive strong acceptance of its offerings by its customers and expects to continue its growth and improvement of its commercial gross profit and operating margins in 2019. Notwithstanding increased investments in R&D and Sales & Marketing related to cloud, SaaS and Artificial Intelligence and Machine Learning, the Group aims to achieve a current operating margin between 5% and 6%. Dalet continues to receive excellent acceptance of its expanding software products and services, with its new Remote Media Editing framework winning a Best of Show award earlier this month at the NAB conference in Las Vegas.

Next publication

Q1-2019 revenues on 14 May 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 interactive TV, the Web 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's solutions are delivered through a dedicated Professional and Integration Services Department to ensure the highest possible standards.

Dalet systems are used around the world by many thousands of individual users at hundreds of TV and Radio content producers, including public broadcasters (ABS-CBN, BBC, CBC, DR, France TV, RAI, RFI, Russia Today, RT Malaysia, VOA), commercial networks and operators (Canal+, Fox, Euronews, MBC Dubai, MediaCorp, Mediaset, Time Warner Cable, Warner Bros., SiriusXM) 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

Contacts

Actus Finance & Communication :	Investors:	Théo Martin	+33 1 53 67 36 75
	Press-Media:	Vivien Ferran	+33 1 53 67 36 34





APPENDIX: DETAILED FINANCIAL INFORMATION 2018

INCOME STATEMENT BY FUNCTION (in euro thousands)	2017	2018
Revenues	51 052	55 617
Cost of Revenues	-22 307	-24 304
Gross Profit	28 744	31 313
Research and Development expenses	-11 968	-13 264
Selling and Marketing expenses	-9 361	-9 937
General and Administrative expenses	-5 032	-5 431
Current Operating Income	2 383	2 681
Other operating income and expenses	-524	16
Operating Income	1 859	2 696
Financial income and expenses	-377	239
Pre-tax income	1 482	2 935
Income Tax	-754	-309
Net consolidated income	728	2 388
Net consolidated income, attributable to Group	727	2 387
Attributable to non-controlling interests	1	1



BALANCE SHEET (in euro thousands)	Dec 31 2017	Dec 31 2018
Goodwill	5 476	5 447
Intangible assets	5 034	5 076
Property, plant and equipment	1 286	1 176
Long-term financial assets	349	390
Long term restricted cash	417	81
Other non-current assets	2 343	2 053
Deferred tax assets	58	179
NON-CURRENT ASSETS	14 963	14 401
Inventories	353	277
Trade receivables	17 823	19 746
Sundry debtors	1 288	2 890
Cash and cash equivalents	6 528	6 407
Current tax assets	412	1 119
CURRENT ASSETS	26 404	30 439
TOTAL ASSETS	41 366	44 840
Capital	7 189	7 189
Premiums	9 682	9 682
Consolidated reserves	-3 904	-3 146
Consolidated income	727	2 387
Translation reserves	1 495	1 480
Shareholder's Equity (attributable to the Group)	15 189	17 591
Non-controlling interests	9	10
SHAREHOLDERS' EQUITY	15 198	17 602
Long term financial debt	2 550	2 747
Long term provisions	733	683
Deferred tax liabilities	548	486
Other non current liabilities	811	1 049
NON CURRENT LIABILITIES	4 641	4 965
Short-term provisions	609	9
Short-term financial debt	1 789	1 618
Current tax liabilities	101	144
Suppliers	3 077	3 882
Tax and social security liabilities	4 583	4 572
Other creditors	11 369	12 049
CURRENT LIABILITIES	21 527	22 273
TOTAL LIABILITIES	41 366	44 840



STATEMENT OF NET CASH FLOWS	31 dec 2017	31 dec 2018
(in € thousand)	12 months	12 months
Consolidated net income (including non-controlling interests)	728	2 388
+/- Depreciation, amortisation and provisions (except on current assets)	4 397	3 635
+/- Income and expense linked to stock options and similar	72	59
-/+ Gains and losses on disposals	6	-9
Cash flow after cost of net financial debt and tax	5 202	6 073
+ Cost of net financial debt	7	-185
+/- Tax expense (including deferred taxes)	754	547
Cash flow before cost of net financial debt and tax (A)	5 963	6 434
- Tax paid (B)	-480	-611
+/- Change in working capital requirement from operating activities (including liabilities for employee benefits) (C)	-449	-2 293
= NET CASH FLOW FROM OPERATING ACTIVITIES (D) = (A + B + C)	5 035	3 530
- Cash outflow for acquisitions of property, plant and equipment and intangible assets	-3 602	-4 223
+ Cash from disposals of property, plant and equipment and intangible assets	83	49
+/- Change in loans and advances made	10	-76
= NET CASH FLOW FROM INVESTMENT ACTIVITIES (E)	-3 509	-4 250
-/+ Repurchase and resale of treasury shares	-1	-15
+ Cash from new borrowings	1 020	1 400
- Loan repayments (including finance leases)	-1 411	-1 270
- Net financial interest paid (including finance leases)	6	174
+/- Other cash flows from financing activities	-727	-82
= NET CASH FLOW FROM financing activities (F)	-1 114	206
+/- Impact of changes in exchange rates (G)	-357	71
= CHANGE IN NET CASH POSITION (D + E + F + G)	55	-443
<u>Cash at end of period</u>		
Cash and cash equivalents - Bank overdrafts	6 367	5924
<u>Cash at opening</u>		
Cash and cash equivalents - Bank overdrafts	6313	6367
Change	55	-443