

Paris, 19 February 2020

2019 REVENUES: €58.5 MILLION (+5%)
COMMERCIAL GROSS PROFIT: +9%
RECORD ORDER INTAKE

DALET, a leading provider of software solutions for the creation, management and distribution of multimedia content for broadcasters, operators and content producers, announced today consolidated revenues (unaudited) for financial year 2019.

(Unaudited) In € millions	2018	2019	Change
Licenses	15.7	14.7	-6%
Subscription	-	0.5	
Maintenance - Support	18.0	20.6	+14%
Services	13.5	16.2	+20%
Hardware	8.4	6.5	-23%
Total revenues	55.6	58.5	+5%
Commercial Gross Profit	48.9	53.3	+9%
Commercial Gross Margin	88%	91%	-

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

Steady revenue growth and improvement in commercial gross profit

Fourth quarter revenues were up 7% at €18.5 million, and excluding the impact of Ooyala¹, organic growth was +4%. Excluding both Ooyala and hardware revenues for the fourth quarters of 2018 and 2019, the organic growth of the higher quality core Dalet business was +6%. Full year revenues were up by 5% at €58.5 million, with organic growth at 2%. Excluding hardware revenues from both years, the organic growth of the core Dalet business in 2019 was +6%.

The Ooyala Flex platform contributed an initial new stream of recognized subscription revenues of €0.5 million which, when added to the strong growth in support revenues primarily from core Dalet (+14%), increased the share of recurring revenues in 2019 to 36% of total revenue, a key performance indicator for the business.

License sales were down 6% against a strong 2018 comparable, but the Group booked a significant number of new orders at the end of the year for which license revenue will be recognized in 2020. Professional Services continued to display strong growth (+20%), driven by improved governance in regards to selling project extensions and change requests. Non-strategic hardware sales were down by 23%, in line with the Group's strategy to reduce this line of revenue given its lower margin profile.

Due to the more favorable sales mix, commercial gross profit (revenues minus cost of goods and third-party services resold), which is more representative of core business performance than revenues, increased by +9% to €53.3 million (+6% in organic growth), or 91% of revenue.

¹ Ooyala assets integrated as of July 12, 2019



Continued strong momentum in the Americas

Revenues in Europe posted a very slight decrease at €25.8 million (+1%). The Americas remains very healthy, with sales up nearly 18% (+13% organically) to € 26.3 million, marking a third consecutive year of strong growth. APAC revenues were relatively stable at €6.8 million (-1%). Africa/Middle East posted a 39% decline at €1.9 million, though this region makes up a small percentage of overall revenues and is subject to significant swings due to its relatively small base of revenues.

Ooyala revenues are evenly spread across the 3 main regions.

2019 Operating margin estimate & Cash flow generation

DALET confirms that it expects current operating income for 2019 to be close to break-even, excluding one-time acquisition costs related to Ooyala, but including losses incurred from Ooyala post-closing. These operating losses were taken into consideration when the acquisition terms and price were negotiated. Notwithstanding near break-even current operating performance, and cash outlays for the Ooyala acquisition, the Group generated material net operating cash flow in 2019 thanks to a significant improvement in working capital over the period. Dalet is well prepared to execute on its 2020 objectives with a strongly positioned balance sheet.

Record 2019 bookings

In 2019, the Group posted a record €41.9 million in new orders (excluding Ooyala), compared with €39.8 million for the previous record in 2017, with many projects won in the last quarter, such as the recently announced major deal with Spanish public broadcaster RNE.

As of December 31st, 2019, DALET's backlog for 2020 is at its highest level at €49.7 million, including nearly €6 million for the Ooyala Flex product.

Outlook: Expected sustained growth in 2020 & Return to profitability

Moving into 2020 with this solid order book, DALET expects accelerating revenues in both its historical business as well as on the Ooyala Flex product line, where the Group confirms an excellent commercial start. The integration of the Ooyala Flex Media Platform is both transformative and incremental to Dalet's Media Asset Management offering, as it provides multi-platform content distribution for a wider range of markets and tiers, and accelerates the transition of a part of the Group's business towards subscription-based revenues.

Overall, Dalet targets revenue growth of 8% to 12% in 2020 and a return to profitability.

Next publication

2019 full financial results on April 22, 2020 after the close of trading

About Dalet Digital Media Systems

Dalet solutions and services enable media organisations to create, manage and distribute content faster and more efficiently, fully maximising the value of assets. Based on an agile foundation, Dalet offers rich collaborative tools empowering end-to-end workflows for news, sports, program preparation, post-production, archives and enterprise content management, radio, education, governments and institutions.



Dalet platforms are scalable and modular. They offer targeted applications with key capabilities to address critical functions of small to large media operations - such as planning, workflow orchestration, ingest, cataloguing, editing, chat & notifications, transcoding, play out automation, multi-platform distribution and analytics.

The integration of the Ooyala Flex Media Platform business has opened vast opportunities for Dalet customers to deploy successful strategies that better address their audience with agile multi-platform content distribution in a wider range of markets, such as sports for teams and leagues, brands and corporate organizations, as well as Media and Entertainment companies looking to scale up their digital offerings.

Dalet solutions and services are used around the world at hundreds of content producers and distributors, including public broadcasters (BBC, CBC, France TV, RAI, TV2 Denmark, RFI, Russia Today, RT Malaysia, SBS Australia, VOA), commercial networks and operators (Canal+, FOX, MBC Dubai, Mediacorp, Fox Sports Australia, Turner Asia, Mediaset, Orange, Charter Spectrum, Warner Bros, Sirius XM Radio), sporting organisations (National Rugby League, FIVB, Bundesliga) and government organisations (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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