claranova™

H1 2020-2021 revenue:

Strong growth at constant exchange rates: +25%

- **H1 2020-2021 revenue: €278 million**
- **Growth continues at a robust pace, +25% at constant exchange rates, + 17% like-for-like[1]**
- **Profitability improves significantly in H1 with EBITDA[2] expected to nearly double[3]**

This press release presents Group consolidated revenue prepared on the basis of IFRS that has not yet been subject to a limited review.

Paris, France - February 10, 2021, 6:00 p.m. (CET).. Claranova reported revenue for the FY 2020-2021 first half (July-December 2020) of €278 million, up 25% at constant exchange rates. Reflecting the Group's exposure to North American and UK currencies which weakened against the euro, this period was significantly impacted by exchange rate fluctuations[4]. Taking into account this impact, revenue grew 19% at actual exchange rates. Like-for-like growth, defined as at constant exchange rates and consolidation scope, amounted to 17% (compared to 19% in H1 2019-2020), despite a complex health and supply chain environment, confirming once again the resilience of Group's businesses.

H1 2020-2021 revenue by division:

In € million	**Jul.-Dec. 2020** (6 months)	**Jul.-Dec. 2019** (6 months)	Change	Change at constant exchange rates	Change at constant consolidation scope	Change at constant consolidation scope and exchange rates
PlanetArt	234	186	26%	32%	16%	23%
Avanquest	42	46	- 9%	- 4%	- 9%	- 4%
myDevices	2.2	2.2	- 3%	4%	- 3%	4%
Revenue	**278**	**234**	**19%**	**25%**	**11%**	**17%**

[1] Like-for-like (organic) growth equals the increase in revenue at constant consolidation scope and exchange rates. Like-for-like growth in H1 2020-2021 was restated to exclude the effect of the acquisition of the CafePress assets integrated in September 2020 and the Personal Creations operations acquired in August 2019: this excludes the months of September to December 2020 for CafePress and July 2020 for Personal Creations.
[2] EBITDA (earnings before interest, taxes, depreciation and amortization) is a non-GAAP aggregate used to measure the operating performance of the businesses. It corresponds to earnings before depreciation, amortization and share-based payments (including related social security expenses) and the IFRS 16 impact on the recognition of leases
[3] Because the growth forecast for EBITDA is based on data that has not yet been subject to the statutory auditors' limited review or adopted by the Board of Directors, this data is not yet definitive. The scope of this growth may continue to evolve until the publication of the half-year results scheduled for March 31, 2020 after the limited review of the interim financial statements has been completed. Management nevertheless considers that this trend provides a reasonable order of magnitude of the improvement in business performances expected for the first half in terms of EBITDA. As a reminder, EBITDA for the FY2019-2020 first half amounted to €11.2 million.
[4] Sales in US and Canadian dollars and British pounds in H1 accounted for 96% of Group revenue.

The public health situation we have been experiencing for one year now remains particularly positive for B2C[5] technology companies like Claranova. Increasing Internet traffic and decreasing customer acquisition costs since the beginning of the COVID-19 pandemic have driven the growth of our activities. The last calendar quarter of 2020, and particularly the year-end holiday period, were nevertheless impacted by severe supply chain bottlenecks (UPS, FedEx and other national postal services), temporarily limiting our ability to deliver our customers in a satisfactory manner. To reduce this pressure on the supply chain and maintain the quality of our services, the Group adopted a cautious strategy of marketing investments. This strategy should be accompanied by a significant improvement in operating profitability in this first half, now expected to nearly double, justifying on an exceptional basis this preannouncement in conjunction with the publication of the H1 revenue. These figures support the targets previously announced for annual revenue of €700 million and operating profitability above 10%[6] by 2023.

"With 25% growth at constant exchange rates and strong growth in operating profitability expected for this first half, Claranova once again demonstrates the resilience of its business model and the strength of a digital company that in just a few years has successfully developed product offerings popular with millions of customers throughout the world. Our growth potential remains considerable and is supported by the development of the digital economy, accelerated by the pandemic."

Pierre Cesarini, CEO of Claranova group

PlanetArt: continued sustained growth within a difficult health and supply chain environment

The Group personalized e-commerce business reported revenue of €234 million for H1 2020-2021, up 32% at constant exchange rates and 26% at actual exchange rates, marking another six-month period of strong growth despite the health and supply chain conditions which remain difficult.

The boom in e-commerce, accelerated by the health crisis and recurrent lockdowns, put additional stress on supply chains already traditionally under pressure during year-end holiday periods. Anticipating this situation, the Group adopted a cautious strategy of marketing investments which temporarily reduced the positive effect from the acceleration in online consumption that PlanetArt has fully benefited from since the beginning of the health crisis. This trade-off should however contribute to an improvement in the division's margins in H1.

Like-for-like (excluding the acquisitions of Personal Creations and CafePress), PlanetArt continued to deliver a high rate of growth of 23%, up from 22% in H1 2019-2020, highlighting once again the growth potential of its activities as well as their consistency. The division registered double-digit growth both in Europe and the United States for its web-based and mobile apps.

This H1 performance also confirmed the positive momentum for the recently acquired personalized gifts businesses. The Personal Creations business integrated in August 2019 also achieved double-digit growth on a like-for-like basis[7], driven by the ramp-up of FreePrints Gifts, the mobile offering rolled out in the United States at the beginning of the period and the launch of Personal Creations in the United Kingdom in the first half. The mobile offering's roll-out and geographical expansion initiated in the period should make it possible to confirm the growth momentum of the personalized gifts business in the upcoming quarters.

[5] Business-to-Consumer refers to the process where businesses sell products and services directly to individual consumers.
[6] In terms of EBITDA, as a percentage of revenue.
[7] Because Personal Creations was integrated in August 2019, like-for-like growth is calculated on a comparable basis of five months.

Avanquest: continued shift towards a higher-margin recurring business model

As expected, the Group's software publishing business had €42 million in revenue for H1 2020-2021, down 4% at constant exchange rates (-9% at actual exchange rates).

The positive momentum of subscription-based sales of proprietary software, and notably PDF document management (Soda PDF) and photo editing tools (InPixio) with double-digit growth in H1, offset the planned decrease by Avanquest's non-strategic businesses (of which physical software sales, the sale of non-proprietary software and sales by channel partner networks which are now internalized).

These inverse trends limited the division's expansion during the first half though should increase Avanquest's profitability over the period, especially as the percentage of higher-margin recurrent revenue driven by the subscription renewals, continues to grow. The percentage of recurrent revenue in the first half rose accordingly to 56%, up from 46% in last year's same period.

myDevices: stable revenue in H1

Revenue for the Group's IoT business remained stable at €2 million, up 4% at constant exchange rates and down 3% at actual exchange rates in H1 2020-2021. Postponed and slower roll-outs observed since the beginning of the health crisis in the division's key business segments, namely the hospitality and catering industries for its temperature management and panic button solutions, have limited the commercial ramp-up. The emergence from the health crisis expected in the course of 2021 should make it possible to resume the rollout of its IoT solutions. The division will be able to leverage its network of channel partners which is continuing to expand despite the health crisis in addition to contracts recently signed with large groups like Engie, Sodexo or Marriott.

Financial calendar:
FY 2020-2021 H1 results: March 31, 2021

About Claranova:

Claranova is a high-growth international technology group with a long-term vision and resilient business models operating in high potential markets. As the leader in personalized e-commerce (PlanetArt), Claranova provides added value through technological expertise in software publishing (Avanquest) and the Internet of Things (myDevices). These three business divisions share a common mission to simplify access to new technologies through solutions combining innovation and ease of use. Based on these strengths, Claranova has maintained an average annual rate of growth for the past three years of more than 45% and in FY 2019-2020 had revenue of €409 million.

For more information on Claranova group:
https://www.claranova.com or https://twitter.com/claranova_group

Disclaimer: