claranova

# FY 2023-2024 results

- **Annual revenue: €496m, largely stable at an all-time high**
- **EBITDA[1]: up 41% to €46m (9.3% of revenue)**
- **Strong growth in net cash flow from operating activities to €40m, compared with €9m last year (x4.3)**
- **Net loss: €12m, including expenses linked to the OCEANE bond redemption**
- **Group gross debt reduced by €40m (-22%)**

*This press release presents Group consolidated figures prepared on the basis of IFRS.*
*The Board of Directors met on October 29, 2024 to approve the financial statements for FY 2023-2024.*
*The audit of the consolidated financial statements has been completed and the certification report is in the process of being issued.*

**Paris, France - October 30, 2024, 18:00 (CET).** While Claranova's (Euronext Paris: FR0013426004 - CLA) annual revenue for FY 2023-2024 remained largely stable at €496m, reflecting the Group's decision to give priority to profitability, EBITDA rose 41% to €46m, up from €33m the previous year, despite myDevices' underperformance. This strong growth resulted in an increase in the EBITDA margin[2] of nearly 3 points, from 6.4% to 9.3% at June 30, 2024. **Restated for the myDevices division (whose sale is being considered), EBITDA amounted to €47m, representing 9.7% of revenue, highlighting the profitability of the Group's core businesses.**

Over the period, profitability of Claranova's strategic divisions (excluding myDevices) improved significantly with EBITDA for PlanetArt up 28% to €20m, and Avanquest up 60% to €28m. Efforts to spread out PlanetArt's marketing investments and reduce the seasonality effect on its business, optimize structure costs, improve returns on customer acquisition investments, and above all ramp up the SaaS business model for software publishing activities, contributed to EBITDA of €18m for H2 2023-2024 (9.4% of revenue), compared with €15m for the same period last year (7.8% of revenue). These figures perfectly illustrate the effectiveness of the Group's strategy focused on profitability, which should accelerate over the next few years with the implementation of its new "One Claranova" roadmap.

During the year, Claranova was successful in refinancing and extending the maturity of its debt by 4 years, giving a new impetus to its financial development. These measures, which were essential to putting the Group back on a sound financial footing for the long term, had a negative impact on net financial expense for the year, which ended the period at €34m, including a charge of €23.3m[3] for the early redemption of the OCEANE bonds. This in turn mechanically resulted in a net loss for the period of €12m. At the same time, these bond redemptions (ORNANE, EuroPP, OCEANE) and debt refinancing will reduce the Group's financial expenses and improve financial income next year.

---

[1] EBITDA (earnings before interest, taxes, depreciation and amortization) is a non-GAAP aggregate used to measure the operating performance of the businesses. It equals Recurring Operating Income before the impact of IFRS 2 (share-based payment expenses), depreciation and amortization, and the IFRS 16 impact on the recognition of leases. Details on the calculation of EBITDA are provided in the Appendix.
[2] EBITDA as a percentage of revenue
[3] The remaining amortization of €93m, including expenses of €19.6m, to be amortized, i.e. costs of €2.5m, and interest expense of €1.2m.

Reflecting the Group's increased capacity for cash flow generation, most of these repayments were made from its own funds. Net cash flow from operating activities increased more than fourfold to €40m, compared with €9m the previous year. Similarly, operating cash flow (before working capital changes, tax and financial charges) rose to €42m, compared with €28m at the end of FY 2022-2023. Following the repayments made during the year, by June 30, 2024, **Group financial debt was reduced by €40m to €139m, compared with €179m one year earlier. The closing cash position remains strong at €37m, bringing net debt (pre-IFRS 16) to €102m, compared with €112m last year.**

| In €m | **FY23-24** | FY22-23 Reported basis |
|---|---|---|
| Revenue | 496 | 507 |
| **EBITDA** | **46** | **33** |
| *EBITDA margin (% of Revenue)* | *9.3%* | *6.4%* |
| **Recurring operating income** | **39** | **25** |
| Net financial income (expense) | (34) | (28) |
| Net Income | (12) | (11) |
| Net income attributable to owners of the Company | (11) | (11) |
| **Net cash flow from (used in) operating activities** | **40** | **9** |
| Of which Cash flow from operations before working capital changes, tax and financial charges | 42 | 28 |
| **Closing cash position** | **37** | **67** |
| **Financial liabilities** | **139** | **179** |
| Of which current financial liabilities | 25 | 94 |
| Of which non-current financial liabilities | 114 | 85 |
| **Net debt** | **102** | **112** |
| *Net debt / EBITDA* | *2.2x* | *3.4x* |

Eric Gareau, CEO of Claranova commented: *"The past year has demonstrated our resilience and ability to improve our fundamentals. We recorded annual revenue of nearly €500m, and above all, in line with our strategy focused on profitability, our EBITDA rose 41%, to €46m for the year. This result reflects the combined effects of rigorous cost controls, improved margins and excellent results from our core businesses.*

*These performances were accompanied by a fourfold increase in net cash flow from operating activities which gave us the resources to pay down our debt. This enabled us to reinforce our financial structure in the period by reducing the level of the Group's indebtedness and successfully refinancing our debt. This new dynamic, also driven by new governance, marks a turning point for Claranova, paving the way for a more profitable, transparent management approach focused on long-term value creation under the new "One Claranova" strategic plan we are unveiling today.*

## PlanetArt: EBITDA up 28% to €20m

PlanetArt, the e-commerce division for personalized objects, reflecting a focus on profitability, demonstrated more measured growth in FY 2023-2024. On that basis, the division reported annual revenue of €365m, representing a marginal decline of 3% like-for-like[4] (-5% at actual exchange rates).

Optimizing customer acquisition costs, rationalizing expenses and marketing higher-margin products, contributed to a significant improvement in EBITDA which rose to €20m for the year, representing a margin[5] of 5% (versus 4% last year). Synergies generated by the "One Claranova" plan will contribute to further improvements in the EBITDA margin.

| In €m | **FY23-24** | FY22-23 Reported basis | **Change** FY23-24 vs. FY22-23 |
|---|---|---|---|
| Revenue | 365 | 383 | - 5% |
| **EBITDA** | **20** | **15** | **+ 28%** |
| *EBITDA %* | *5%* | *4%* | *+ 1pt* |

## Avanquest: profitability[6] accelerates in H2

Avanquest, the Group's digital software publishing business, posted annual revenue of €122m, up 14% like-for-like (5% at actual exchange rates). This was driven by record sales of €111m by core businesses, representing 91% of the division's sales compared with 83% last year. Sales of proprietary SaaS software solutions rose 18% like-for-like compared with FY 2022-2023 (14% at actual exchange rates). Non-core activities accounted for less than 10% of annual sales at €11m, down 39% like-for-like compared with last year (-41% at actual exchange rates).

Bolstered by the strength of SaaS sales and the now marginal share of non-strategic activities, the division's EBITDA margin improved significantly in H2 to 28% (versus 19% in FY 2022-2023). This positive momentum contributed to an 8-point increase in the EBITDA margin to 23% for FY 2023-2024. As a result, the division's EBITDA grew 60% to €28 million.

| In €m | **FY23-24** | FY22-23 Reported basis | **Change** FY23-24 vs. FY22-23 |
|---|---|---|---|
| Revenue | 122 | 116 | 5% |
| **EBITDA** | **28** | **17** | **+ 60%** |
| *EBITDA %* | *23%* | *15%* | *+ 8 pts* |

4 Like-for-like defined as at constant structure and exchange rates

5 EBITDA as a percentage of revenue

6 EBITDA as a percentage of revenue.

## myDevices: H2 weighs on Group results

myDevices, the IoT division, reported €9m in annual revenue, up 8% on last year like-for-like (5% at actual exchange rates). Following the strong growth momentum in recent quarters, the pace of growth eased off in Q4 in response to delayed rollouts of certain projects with partners. The downturn in business adversely affected EBITDA which represented a loss of €1.2m for the year versus a breakeven one year earlier.

By the end of the FY 2023-2024, myDevices' IoT offering will continue to be supported by nearly 220 channel partners. Annual recurring revenue (ARR) totaled €3.4m, stable on a like-for-like basis (down 3% at actual exchange rates) compared with FY 2022-2023. This business is no longer strategic for the Group, and is destined for sale in the coming months.

| In €m | **FY23-24** | FY22-23 Reported basis | **Change** FY23-24 vs. FY22-23 |
|---|---|---|---|
| Revenue | 9 | 8 | 5% |
| **EBITDA** | **(1.2)** | **0.1** | **N/A** |
| *EBITDA %* | *(14%)* | *1%* | N/A |

## Group capital resources and cash flow highlights

| In €m | **FY23-24** | **FY22-23** Reported basis |
|---|---|---|
| Cash flow from operations before working capital changes, tax and financial charges | 42 | 28 |
| Change in working capital requirements [7] | 8 | (13) |
| Taxes and net interest paid | (10) | (6) |
| **Net cash flow from (used in) operating activities** | **40** | **9** |
| **Net cash flow from (used in) investing activities** | **(5)** | **(32)** |
| **Net cash flow from (used in) financing activities** | **(65)** | **(10)** |
| Increase (decrease) in cash[8] | (30) | (33) |
| **Opening cash position on July 1** | **67** | **100** |
| Effects of exchange rate fluctuations on cash and cash equivalents | 0 | (1) |
| **Closing cash position on June 30** | 37 | **67** |

During the year, Claranova's cash flow (before working capital changes, tax and financial charges) rose by €14m to €42m at the end of June 2024, up from €28m the previous financial year. Bolstered by this significant improvement, **net cash flow from operating activities increased by a factor of four to €40m** in FY 2023-2024, compared with €9m in the previous financial year. This growth in cash flow was accompanied by an €8m increase in working capital as PlanetArt's trade payables returned to more normal levels, and inventory management improved. As a reminder, the Group benefits from structurally negative working capital based on a business model largely focused on BtoC[9] distribution (where customer receipts are received before suppliers are paid).

[7] Change in working capital requirements in relation to the opening cash position for the fiscal period.
[8] Change in cash in relation to the opening cash position for the fiscal period.
9 Business-to-Consumer.

**Net cash flow used in investing activities represented an outflow of €5m** at June 30, 2024 which included mainly capitalized R&D investments.[10].

**Net cash flow used in financing activities represented an outflow of €65m** at the end of June 2024, and concerned mainly:

- Cash repayments of:
  - €28.5m for ORNANE bonds and €19.7m for Euro PP
  - €45m for OCEANE bonds[11]
  - €10m for tranche B of the SaarLB loan[10]
  - €15m for other financial liabilities (including IFRS 16)
- €8m in interest payments
- partly offset by (i) the new €51m loan net of costs[10] to refinance the OCEANE bond issue and (ii) other cash flows for a net amount of €5m (capital increase, revolving credit facility and the buyout of minority interests)

The net impact of the above changes in cash flow resulted in a closing cash position of €37m for Claranova in FY 2023-2024.

## Financial position, borrowing conditions and financing structure

Net financial debt (excluding the impact of IFRS 16 on lease accounting) amounted to €102m, compared with €112m at June 30, 2023.

The reduction in the Group's financial debt reflects mainly the cash repayment of bonds (ORNANE, Euro PP)[12] partially offset by the OCEANE bond refinancing.

| **In €m** | **FY23-24** | **FY22-23 Reported basis** |
|---|---|---|
| Bank debt | 135 | 41 |
| Bonds | - | 119 |
| Other financial liabilities[13] | - | 14 |
| Accrued interest | 4 | 4 |
| **Total financial liabilities** | **139** | **179** |
| Available unpledged cash | 37 | 67 |
| **Net debt** | **102** | **112** |

The annual results will be presented today at 6:30 p.m. on site and by videoconference.

Claranova's FY 2023-2024 results presentation is available on the Company's website: https://www.claranova.com/publications

10 IAS 38
[11] Press release April 02, 2024
[12] €28.5m for ORNANE and €19.7m for Euro PP.
[13] Excluding lease liabilities resulting from the adoption of IFRS 16.

## Lawsuits filed against the Group by Mr. Cesarini

Claranova confirms for the record that since the departure of Mr. Pierre Cesarini, the former CEO of Claranova, no financial transaction has been concluded between Claranova (or its subsidiaries) and Pierre Cesarini. As announced in the press release of August 1, 2024, Mr. Pierre Cesarini was removed from all his offices held in Claranova SE and its subsidiaries.

As a reminder, Mr. Pierre Cesarini filed a claim against the Group companies contesting his revocations for €15m:

- In France, Mr. Pierre Cesarini filed a suit against Claranova before the Nanterre Court on June 26, 2024, claiming an award in damages of €1m, including €100,000 for wrongful dismissal as director and €900,000 for wrongful dismissal without just cause as Chief Executive Officer.

- In Luxembourg, Mr. Pierre Cesarini filed a claim with the Luxembourg Labor Court against Claranova Development SARL, seeking compensation totaling approximately €14m. This amount includes, in particular, €5m for alleged moral and material prejudice, €4m as a contractual termination indemnity, €3m for the insurance policy, €1.2m for fixed and variable compensation that was not approved by the General Meeting for FY 2022-2023 and FY 2023-2024, and approximately €350,000 for the legal termination indemnity based on the provisions of the Luxembourg Labor Code.

Mr. Pierre Cesarini also filed a garnishment order for €0.3m with BIL, the bank of Claranova Development, for part of the claims lodged by him with the Luxembourg Labor Court. A request for its release is currently pending before the District Court (Tribunal d'Arrondissement) of Luxembourg;

The Group has duly noted these claims, which it rejects both in principle and in substance, and remains confident about the outcome of these legal proceedings. These proceedings which are currently in progress have no impact on the FY 2023-2024 financial statements, and no provision has been recorded to that effect.

**Financial calendar:**
November 13, 2024: Q1 2024-2025 revenue:
December 04, 2024: Annual General Meeting

**About Claranova:**

Claranova is a global leader in e-commerce for personalized objects (photo prints, photo books, children's books, etc.), software publishing (PDF, Photo and Security) and the Internet of Things (IoT). As a truly international group, in 2024 it reported revenue of nearly a half a billion euros, with 95% of this amount originating from outside France.

Through its products and solutions sold in over 160 countries, the Group's mission is to "*Transform technological innovation into user-centric solutions*". By leveraging its digital marketing expertise, AI and data from over 100 million active customers worldwide, Claranova develops technological solutions, available online, on mobile devices and tablets, for a wide range of private and professional customers.

Operating in high-potential markets, the Group will pursue a growth strategy focused on profitability and operational excellence, in line with its "One Claranova" strategic roadmap.

Claranova is eligible for French “PEA-PME” tax-advantaged savings accounts

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

**Disclaimer:**
All statements other than statements of historical fact included in this press release about future events are subject to (i) change without notice and (ii) factors beyond the Company's control. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company's control that could cause the Company's actual results or performance to be materially different from the expected results or performance expressed or implied by such forward-looking statements.

## Appendices

### Appendix 1: Consolidated Income Statement

| In €m | FY23-24 | FY22-23 Reported basis |
|---|---|---|
| **Revenue** | **496** | **507** |
| Raw materials and purchases of goods | (136) | (152) |
| Other purchases and external expenses | (219) | (231) |
| Taxes, duties and similar payments | (1) | 2 |
| Employee expenses | (72) | (73) |
| Depreciation, amortization and provisions (net of reversals) | (12) | (12) |
| Other recurring operating income and expenses | (19) | (18) |
| **Recurring operating income** | **39** | **25** |
| Other operating income and expenses | (8) | (5) |
| **Operating Profit** | **31** | **19** |
| **Net financial income (expense)** | **(34)** | **(28)** |
| Tax expense | (8) | (2) |
| **Net Income** | **(12)** | **(11)** |
| **Net income attributable to owners of the Company** | **(11)** | **(11)** |

### Appendix 2: Calculation of EBITDA and Adjusted net income

EBITDA and Adjusted net income are non-GAAP measures and should be viewed as additional information. They do not replace Group IFRS aggregates. Claranova's Management considers these aggregates to be relevant indicators of the Group's operating and financial performance. It presents them for information purposes, as they enable most non-operating and non-recurring items to be excluded from the measurement of business performance.

The transition from Recurring Operating Income to EBITDA is as follows:

| In €m | FY23-24 | FY22-23 Reported basis |
|---|---|---|
| **Recurring operating income** | **39** | **25** |
| Impact of IFRS 16 on leases expenses | (1) | (1) |
| Share-based payments, including social security expenses | 1 | 1 |
| Depreciation, amortization and provisions (net of reversals)[14] | 7 | 8 |
| **EBITDA** | **46** | **33** |

### Appendix 3: Simplified Statement of Financial Position

14 Pre-IFRS 16

Claranova's assets are comprised mainly of available cash and goodwill, reflecting the Group's external growth strategy. Total assets accordingly decreased from 264m to €228m between the end of June 2023 and the end of June 2024.

Group balance sheet highlights:

| In €m | **FY23-24** | **FY22-23 Reported basis** |
|---|---|---|
| Goodwill | 96 | 97 |
| Other non-current assets | 37 | 42 |
| Right-of-use lease assets | 12 | 13 |
| Current assets (excl. cash) | 46 | 44 |
| Cash and cash equivalents | 37 | 67 |
| Assets held for sale | - | 2 |
| **Total assets** | **228** | **264** |
| | | |
| Equity | (8) | (16) |
| Financial liabilities | 139 | 179 |
| Lease liabilities | 13 | 13 |
| Non-current liabilities | 4 | 11 |
| Current liabilities | 81 | 76 |
| Liabilities held for sale | - | 2 |
| **Total equity and liabilities** | **228** | **264** |