claranova

Q1 2024-2025 revenue: €89m

- **Avanquest and PlanetArt sales remain on track**
- **Slowdown confirmed for myDevices (-12% at constant exchange rates)**

This press release presents unaudited Group consolidated revenue, prepared in accordance with IFRS.

Paris, France - November 13, 2024, 6:00 p.m. (CET). Claranova (Euronext Paris: FR0013426004 - CLA) reported Q1 2024-2025 (July - September 2024) revenue of €89m, down marginally (-2% at actual exchange rates) from last year, mainly due to the disposal of Avanquest's non-core activities which accounted for nearly €2m in Q1 2023-2024. On that basis, like-for-like[1] revenue for Q1 2024-2025 remained stable. This result does not yet reflect the positive impact of the first measures implemented under the new "One Claranova" roadmap. Nevertheless, in line with the Group's strategy focused on profitability, the continuing development of key activities resulted in good first quarter performance.

Reflecting its commitment to create a more integrated Group, the recent acquisition of PlanetArt's minority interests[2] has accelerated Claranova's transformation into an operating company focused on its core businesses and paved the way for implementing the first operational synergies.

On that basis, Claranova reaffirms its targets for like-for-like CAGR of 5%-8%[3] and annual revenue of €575-625m by 2027[4], accompanied by an EBITDA[5] margin of 13%-15%. The target ratio of net financial debt to EBITDA also remains below 1x.

Revenue trends by division for Q1 2024-2025:

In €m	**Jul. to Sep. 2024** (3 months)	**Jul. to Sep. 2023** (3 months)	Change	Change at constant exchange rates	Change at constant consolidation scope	Change on a like-for-like basis
PlanetArt	60	60	*0%*	*0%*	*0%*	*0%*
Avanquest	27	29	*-6%*	*-4%*	*1%*	*3%*
myDevices	1.9	2	*-13%*	*-12%*	*-13%*	*-12%*
Revenue	**89**	**91**	***-2%***	***-2%***	***0%***	***0%***

Eric Gareau, Chief Executive Officer of Claranova commented: "*This first quarter, in line with our expectations, confirms the strength of our business before we have even started implementing our new 'One Claranova' strategic roadmap. At the same time, the weaker performance of myDevices only confirms the validity of our decision to sell this business in order to concentrate on our core activities. With the buyout of PlanetArt's minority shareholders, we now have all the latitude we need to implement our roadmap that will reinforce Group synergies and profitability in the quarters ahead. "*

1 Like-for-like defined as at constant exchange rates and consolidation scope
2 Press release of November 11, 2024
3 Excluding external growth
4 FY 2026-2027
5 EBITDA as a percentage of sales. 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.

PlanetArt: revenue stable at €60m

Revenue of PlanetArt, the Group's e-commerce division for personalized objects, remained steady at €60m for Q1 2024-2025 driven by the strong performance of its mobile and web-based offerings. Teams are continuing to work on improving returns on marketing investments and optimizing the division’s costs. The implementation of synergies under the "One Claranova" roadmap will contribute to economies of scale and an acceleration in the division's sales.

Avanquest: 3% like-for-like growth in the first quarter

After growth of 14% last year[6], Avanquest, the software publishing subsidiary, reported revenue of €27m for Q1 2024-2025, up 3% like-for-like (- 6% at actual exchange rates). It has benefited from the disposal of its non-core activities[7] in Europe whose results in sales and losses were adversely affecting the division’s performance. The remaining non-core activities, based in the United States, are still earmarked for sale, and accounted for only 9% of revenue in the quarter, or €2m at end of September 30, 2024.

The percentage of core business consisting of the sale of proprietary SaaS solutions accounted for 91% of the division's revenue for the quarter (87% last year), or €25m (+2% on a like-for-like basis). For this first quarter, sales growth in the Security segment offset the slowdown in the PDF and Photo segments. In addition, efforts to reduce operating costs enabled the division to improve margins over the period.

myDevices: business slowdown confirmed

In Q1 2024-2025, revenue for myDevices, Claranova's IoT division, of €1.9m, in line with the trend of previous months, was down 12% at constant exchange rates (-13% at actual exchange rates) compared to last year's first quarter. As a reminder, this division provides little synergy with the Group's other activities and is no longer considered strategic. Consequently, on November 5, the Group retained the investment bank Canaccord Genuity to sell this division, with the aim of completing the transaction within the next few months.

Financial calendar:
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

[6] On a like-for-like basis (+6% at actual exchange rates)
[7] Press release of October 19, 2023

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.

Definitions and calculation methods for alternative performance indicators:

"Like-for-like" (organic) growth is defined as the change in revenue at constant structure (scope of consolidation) and exchange rates. "Exchange rate effects" are calculated by applying year N-1 exchange rates to year N revenue. "Consolidation scope effects" are calculated by taking into account acquisitions in the current year, contributions to the current year from acquisitions in the previous year up to the anniversary date of acquisitions and businesses deconsolidated in the current year, minus any contributions from the previous year. By definition, sales for the previous year plus the effects of changes in Group scope of consolidation, exchange rate effects and like-for-like growth for the period correspond to sales for the current year. Percentages for exchange rate effects, Group consolidation scope effects and like-for-like growth percentages are calculated on the basis of the previous year's sales.