

**Communiqué de Presse**

Paris (France) – 14 May 2018 – 05:45 pm

## Ymagis Group Reports First-Quarter 2018 Revenue

**Planned reduction in VPF activities (-19%)**

**Start of organic growth for both Eclair and CinemaNext (+4.1%)**

**CinemaNext and Eclair offset decline in VPF revenue  
over a rolling 4-quarter period**

**Ymagis Group (FR0011471291, MAGIS, PEA-PME, TECH 40)**, the European specialist in digital technologies for the cinema industry, today reported its consolidated financial results for the first quarter of 2018, ending 31 March 2018.

### Apart from VPF, a strong quarter for technological services-related activities

Revenue for Ymagis Group fell by 5.4% to €39.3M during the first three months of 2018 due to the anticipated acceleration in the decline of VPF activities. This is partly offset by the growth in service activities (+4.1% at €25.6M).

As a reminder, the Group's revenue is seasonal and sales for the first quarter are historically unrepresentative of annual business.

**In millions of Euros**

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**Virtual Print Fee**


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**CinemaNext**

Equipment sales  
Online & Support  
Consulting

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**Eclair**

Distribution Services & Preservation  
Post Production & Restoration  
Localization

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**TOTAL REVENUE**


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*VPF as % of revenue*

*CinemaNext as % of revenue*

*Eclair as % of revenue*

	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Var. (%)</b>
<b>Virtual Print Fee</b>	<b>13.7</b>	<b>16.9</b>	<b>(18.9)%</b>
<b>CinemaNext</b>	<b>11.7</b>	<b>11.3</b>	<b>3.7%</b>
Equipment sales	8.1	8.1	
Online & Support	3.6	3.0	
Consulting	0.0	0.2	
<b>Eclair</b>	<b>13.9</b>	<b>13.3</b>	<b>4.2%</b>
Distribution Services & Preservation	6.6	6.3	
Post Production & Restoration	2.3	2.5	
Localization	4.9	4.5	
<b>TOTAL REVENUE</b>	<b>39.3</b>	<b>41.5</b>	<b>(5.4)%</b>
<i>VPF as % of revenue</i>	<i>35%</i>	<i>41%</i>	
<i>CinemaNext as % of revenue</i>	<i>30%</i>	<i>27%</i>	
<i>Eclair as % of revenue</i>	<i>35%</i>	<i>32%</i>	

**VPF** revenue fell by €3.2M during the first quarter of 2018 to €13.7M. In line with expectations, the decline in VPF activities is picking up speed under the effect of the initial recouplements made at the end of 2016 and those made in late 2017 in Germany and Bulgaria. 5,407 screens were under VPF contracts on 31st March 2018 as compared to 5,918 one year prior.

Buoyed by its services activities, **CinemaNext** recorded growth during the first quarter of 2018, in particular within the Online and Support division, with revenue up by 3.7% at €11.7M. In a context where sales linked to the replacement market have yet to take off, new cinema installation projects have kept equipment sales stable.

Revenue continued to rise for **Eclair** during the first quarter of 2018, up by 4.2% at €13.9M driven by new organic growth. The investment strategy focusing on content distribution and versioning is bearing fruit, boosting the growth of the business unit despite the slight dip in creative services activities (postproduction and restoration).

## **An underlying trend confirming the Perform Plan strategy with the decline in VPF activity absorbed by CinemaNext and Eclair**

In line with the Group's expectations, service activities are taking over from the VPF, with CinemaNext and Eclair growing by almost 10% over the last rolling 4-quarter period and offsetting declining VPF activities, thus confirming the Perform Plan strategy. Moreover, the growth recorded by the two business units during this quarter is primarily organic for the first time.

For 2018, after a first quarter that saw the signing of numerous new sales contracts across Europe and the United States, the Group is confident in the strength of its growth engines. The drop of approximately €10M in VPF revenue is expected to be offset by the organic growth of the other activities.

Moreover, the Group should benefit from its recent innovations, particularly the deployment of Eclair's new digital content management platforms: EclairPlay, EclairTrack and EclairSend. The implementation of additional services platforms throughout the year should accelerate this trend.

Initially anticipated for 2018, Eclair's return to profitability is expected to be delayed by an additional year as a result of the significant investment in R&D the Group agreed to incur to develop and market these new platforms, which are instrumental to a solid, sustainable and profitable growth. Finally, the Group reiterates the targets of its Perform Plan for 2020 as announced in the full-year 2017 results.

**Next press release: 30 July 2018 – first half-year revenue for 2018**

### **ABOUT YMAGIS GROUP**

Ymagis is an European leader in advanced digital technology services for the cinema industry. Founded in 2007, the Group is headquartered in Paris and has offices in 26 countries with 768 employees. Our core business is structured around three main units: CinemaNext (exhibitor services: sales and field services, software solutions, customer service/NOC and consulting), Eclair (content services: post-production, theatrical delivery, digital distribution, versioning and accessibility, restoration and preservation) and Virtual Print Fee (VPF) for finance solutions. For more information, please connect to [www.ymagis.com](http://www.ymagis.com), [www.cinemanext.com](http://www.cinemanext.com) or [www.eclair.digital](http://www.eclair.digital)

YMAGIS is listed on Euronext Paris and is part of the CAC Small, CAC Mid and Small and CAC All-Tradable indices.

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