

ADLPartner: net sales growth for the third quarter of 2018

The ADLPartner Group recorded €87.9m in net sales¹ for the first nine months of 2018, down 1.6% year-on-year. The gross sales volume² came to €197.4m, contracting 3.4%.

Quarterly business trends

At 30 September	2018	2017 restated ³	Change
Gross sales volume (€m)	197.4	204.4	-3.4%
1st quarter	63.9	70.9	-9.9%
2nd quarter	69.3	69.6	-0.4%
3rd quarter	64.2	63.9	+0.4%
Net sales (€m)	87.9	89.3	-1.6%
1st quarter	28.2	30.9	-8.7%
2nd quarter	30.0	30.2	-0.4%
3rd quarter	29.7	28.3	+4.9%

The third quarter's net sales growth reflects the development of the scope for marketing services activities, with the company Converteo consolidated since July 2018, as well as the continued development of the direct marketing insurance brokerage business.

Developments for each region

At 30 September	2018	2017 restated	Change
Active open-ended subscriptions⁴ (units)	2,738,231	2,892,460	-5.3%
France	2,690,684	2,830,403	-4.9%
Spain	47,547	62,057	-23.4%
Gross sales volume (€m)	197.4	204.4	-3.4%
France	188.4	194.8	-3.3%
Spain	9.0	9.5	-5.7%
Net sales (€m)	87.9	89.3	-1.6%
France	80.4	81.4	-1.2%
Spain	7.5	7.9	-5.7%

Change in the product mix

At 30 September	2018	2017	Change
Gross sales volume (€m)	197.4	204.4	-3.4%
Open-ended subscriptions	145.0	152.3	-4.8%
Fixed-term subscriptions	21.3	23.7	-10.1%
Books, merchandise, audio and video	8.9	11.7	-24.0%
Other (insurance and marketing services)	22.1	16.7	+32.9%
Net sales (€m)	87.9	89.3	-1.6%
Open-ended subscriptions	53.1	55.3	-4.0%
Fixed-term subscriptions	7.9	9.5	-16.7%
Books, merchandise, audio and video	7.5	9.8	-23.4%
Other (insurance and marketing services)	19.3	14.6	+32.0%

For its press services business, net sales for the first nine months are down 4%, against a backdrop of an optimization of commercial investments through partnerships. Prospecting campaigns for the fixed-term subscription lines and books, merchandise, audio and video range have been scaled back significantly in view of their unfavorable outlook.

For the new markets, nine-month net sales are up 32% from September 30, 2017. Sales and marketing services show strong growth, factoring in the full consolidation of Leoo from July 2017 and Convertéo from July 2018, with a positive impact on the Group's net sales for €4.2m. In the direct marketing insurance brokerage business, the ADLP Assurances subsidiary's sales have confirmed their development and represent 3.5% of the Group's net sales at September 30, 2018, versus 3.0% one year earlier.

Outlook

The ADLPartner Group is rolling out a strategy to create value and capitalize on its marketing expertise and solutions on new developing markets with a view to improving its profile for growth and profitability.

Next date: 2018 full-year net sales on 31 January 2019 (after close of trading)

ADLPartner in brief

With its extensive track record in performance marketing, ADLPartner designs, markets and implements customer relationship management and loyalty services on its own behalf or for its major partners (banks, retailers, services, e-commerce, etc.) across all distribution channels.

ADLPartner is listed on the regulated market Euronext Paris – Compartment C.

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¹ Net sales (determined in line with the French professional status for subscription sales) only include the amount of remuneration paid by magazine publishers; for subscription sales, net sales therefore correspond to a gross margin, deducting the cost of magazines sold from the amount of sales recorded. For acquisition and management commissions linked to sales of insurance policies, net sales comprise current and future commissions issued, acquired by the accounting reporting date, net of cancellations.

² Gross sales volume represents the value of subscriptions and other products sold. It is equal to net sales for the insurance business.

³ The ADLPartner Group has applied IFRS 15 since 1 January 2018. To present comparable data between reporting periods, net sales for the first three quarters of 2017 have been restated, resulting in a €1.7m reduction. This restatement has not had any other impact on profit and loss for 2017.

⁴ The number of units indicated here does not include the portfolio of insurance policies.