



PRESS RELEASE

Boulogne-Billancourt, April 11th, 2019

Positive trend reversal in Digital order intake over the first quarter 2019

Digital revenues down due to the decline of Digital order intake in the second half of 2018

Digital order intake in Q1 2019 down -5.0% compared to Q1 2018 and up +2.1% compared to Q4 2018
Digital revenues down -9.9% in Q1 2019 compared to Q1 2018

Digital order intake trend reversal over Q1 2019

- New sales organisation in place since January 1st: all sales channels are activated with a significant improvement of commercial productivity
- New variable compensation for the salesforce since January 1st, 2019
- Progressive impact of the recruitment of 100 additional sales reps
- Progressive roll-out of the new digital services launched on January 1st, 2019
- Impact of the first wave of advertising campaign

Q1 2019 activity and revenues compared to Q1 2018

- Digital order intake: €141 million, -5.0%
- Total order intake: €157 million, -8.2%
- Digital revenues: €133 million, -9.9%
- Total revenues: €148 million, -14.1%

Confirmation of 2019 outlook

- Growth of Digital order intake
- Moderate growth of recurring EBITDA

Liquidity confirmed

When releasing Q1 2019 results, Eric Boustouller, Chief Executive Officer of Solocal, said: « After a start in January on a trend in line with the previous two quarters, Digital order intake demonstrated a very clear trend reversal in February and March 2019 and increased compared to Q4 2018. Digital order intakes in January, February and March, have respectively changed year-on-year by -17.7%, +0.8% and +0.2%¹. January has been marked by the effective launch of the new client segmentation and new geographic coverage, and as a consequence by the adoption by the salesforce of new customer portfolios. All sales channels,

reorganised according to the new segmentation implemented since January 1st 2019, are now activated, and have contributed to delivering this achievement. The organisation in multichannel mode, the new compensation plan, the progressive roll-out of the new service offers in auto-renewal subscription mode, the support from the advertising campaign « Vous allez avoir de la visite », the new territories for the sales reps (replacing Business Units), are all positive factors that have significantly contributed to improve commercial productivity, and have led to an increase in average sales per sales rep, and hence to clearing time for upsell and new client acquisition. The advertising campaign has borne fruit; it supplied the e-commerce channel and significantly mobilised the inbound call platform.

This evolution comforts the management team on the capacity of the company to pursue over the next quarter the same positive dynamic of the last two months and to deliver its outlook of growth in Digital order intake and moderate growth in recurring EBITDA. »

The quarterly financial statements have not been audited. The financial data are presented for the first time not only on the scope of continued activities but by integrating continued and discontinued activities (divested activities).

I. Sales, revenues and order backlog

The sales, revenues and order backlog of Solocal in Q1 2019 are as follows:

<i>In million euros</i>	Q1 2018	Q4 2018	Q1 2019	Change Q1 2018	Change Q4 2018
Digital order intake	147.9	137.8	140.6	-5.0%	+2.1%
Print order intake	22.7	17.9	16.1	-29.1%	-10.3%
Total order intake	170.6	155.7	156.7	-8.2%	+0.6%
Digital revenues	148.0	139.1	133.3	-9.9%	-4.2%
Print revenues	24.9	20.6	15.1	-39.2%	-26.5%
Total revenues	172.8	159.7	148.4	-14.1%	-7.1%

Total order intake amounted to €157 million in Q1 2019 down -8.2% compared to Q1 2018. Digital order intake declined by €7.3 million, or -5.0%, while Print order intake is down €6.6 million, or -29.1% in Q1 2019 compared to Q1 2018.

After a period of commercial transition in the second half of 2018, all sales channels are now reorganised according to the new client segmentation and productivity has improved. They have all contributed to a positive trend reversal of order intake in the first quarter of 2019. The advertising campaign, within five weeks after its launch, has doubled the traffic on Solocal website and the number of calls through the inbound call platform, and has more than doubled direct sales.

As regards Print order intake, customers and users are continuing to move away from traditional print products to digital media.

The company recorded **total revenues** of €148 million in Q1 2019, down -14.1% compared to Q1 2018.

Digital revenues of €133 million in Q1 2019 were down -9.9% compared to Q1 2018 due to the decline in Digital order intake in the second half of 2018 and to the conversion pattern of order intakes into revenues. Digital represented this quarter 89.8% of total revenues.

Print revenues of €15 million in Q1 2019 decreased by -39.2% compared to Q1 2018, as customers and users continued to migrate to digital media. The Print business accounted for 10.2% of total revenues this quarter.

<i>In million euros</i>	Q4 2018	Q1 2019	Change
Digital order backlog	347.1	354.3	+2.1%
Print order backlog	38.4	39.2	+2.2%
Total order backlog	385.5	393.6	+2.1%

The order backlog amounted to €394 million as at March 31, 2019, compared to €386 million as at December 31, 2018, up +2.1%. This increase is mainly due to the dynamics of the Digital business in Q1 2019.

The operational KPIs of Solocal in Q1 2019 are as follows:

	Q1 2018	Q1 2019
Auto-renewal subscription sales (as of % of total sales) ²	16.0%	17.1%
<i>Change</i>		+1.1pt
Audience: PagesJaunes number of visits (in millions)	432	539
<i>Change</i>		+25%

Auto-renewal subscription order intake² amounted to 17% of total order intake² and increased by +1 point in Q1 2019 compared to Q1 2018. Q1 2019 auto-renewal subscription order intake mainly included Websites, Booster Contact and Social offers and from now on the Presence range, which is being progressively rolled out since January 1st, 2019.

PagesJaunes audience was up by +25% in Q1 2019 compared to Q1 2018, representing more than 107 million additional visits driven by audience partnerships and mainly with Le Bon Coin. Mobile visits grew by +30% in Q1 2019 compared to Q1 2018, reaching a new record in mobile use in line with the overall trend.

II. Outlook for 2019

Further to the record of these results, the company confirms its outlook for 2019 (targets under the same accounting standard, before application of IFRS 16):

- growth in Digital order intake, with a ramp up quarter by quarter,
- moderate growth in recurring EBITDA,
- maintaining the conversion rate of recurring EBITDA into operating cash flow beyond 60%.

The cash forecasts show that with the growth of Digital order intake and the different sources of liquidity in 2019, Solocal has the capacity to finance its operations in 2019 and to meet large disbursements related to the transformation plan coming in the third and fourth quarters of 2019.

III. Other information

Solocal today announces the departure of Jean-Jacques Bancel, Chief Financial Officer, who will be replaced in the coming weeks.

IV. Next dates of financial calendar

The next dates (indicative) of the financial calendar are as follows :

- Shareholders' General Meeting: April 11, 2019 at the corporate headquarter located in 204 rond-point du Pont de Sèvres 92100 Boulogne-Billancourt
- Communication of first half results and second quarter 2019 revenues: July 30, 2019
- Communication of third quarter 2019 revenues: November 5, 2019

Note :

¹ Disclosure of Q1 2019 monthly Digital order intake evolution does not indicate a change in Solocal communication. Going forward, Solocal will keep communicating on quarterly order intake.

² Solocal SA scope, excluding ClicRDV, Effilab, Leadformance, Mappy, Ooreka, QDQ, SoMS and non-significant subsidiaries, ie 91% of Group order intake in Q1 2019.

Definitions:

Audience : Indicator of the number of visits and acces to content over a defined period.

Order intake: Orders taken by the salesforce that lead to a service performed by the company for its customers.

Order backlog: Outstanding portion of revenue still to be recognised as at March 31, 2019 from order intake validated and committed by customers. Regarding contracts in auto-renewal subscription mode, only the current commitment period is taken into account.

EBITDA: EBITDA is an alternative performance indicator relative to the income statement with regard to operating income before depreciation and amortisation. Recurring EBITDA corresponds to EBITDA before non-recurring items. These non-recurring items concern income and expenses that are very limited in quantity, unusual, abnormal and infrequent in nature, and of a particularly significant amount. For the most part they include : 1) capital gains or losses on disposals, 2) impairment of tangible or intangible non-current assets, 3) restructuring costs (costs related to programmes that are planned and controlled by management, and which materially change either the scope of activity of the company, or the way this activity is managed, as defined by IAS 37 criteria).

Solocal - www.solocal.com

We are the local digital partner for companies. Our job: advising and supporting them to boost their activity thanks to our digital services (Digital Presence, Digital Advertising, Websites, New Solutions and Digital to Print). We also provide users with the best possible digital experience with PagesJaunes, Mappy and Ooreka, and our partners (Google, Facebook, Apple, Microsoft/Bing, Yahoo!, etc.). We provide professionals and the public with our high audience services, geolocalised data, scalable technology platforms, unparalleled sales coverage across France, our privileged partnerships with GAFAM and our talents in terms of data, development, digital marketing, etc. We gather more than 430,000 companies all over France and 2.4 billion visits on our services. Solocal also benefits from the Digital Ad Trust Classique label, as regards its PagesJaunes and Mappy digital services. To know more about Solocal (Euronext Paris "LOCAL") [@solocal](#)

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Appendix: Quarterly order intake

<i>In million euros</i>	2018				2019
	Q1	Q2	Q3	Q4	Q1
Digital order intake	147.9	141.9	97.2	137.8	140.6
Print order intake	22.7	19.3	14.9	17.9	16.1
Total order intake	170.6	161.2	112.1	155.7	156.7