

PRESS RELEASE

Paris, 31 July 2019

First half delivers strong growth 2019 target revised upwards: Growth of 50% now expected

Oxatis (ALOX - FR0013328184) today announces its turnover for the first half of 2019. Over the period Oxatis generated revenue of €8,049K, an increase of 63% compared to the first half of 2018. This strong expansion is the result of the transformation plan launched in 2018 and the successful integration of the acquisitions made in France (PowerBoutique acquired in July 2018) and in Germany (Channel Pilot Solutions (CPS) in October 2018).

This momentum, combined with a higher degree of visibility on future revenues, allows Oxatis to revise its top-line growth target for the financial year as a whole up to 50% (versus a growth target of over 40% announced in April 2019).

Transformation efforts bearing fruit

In 2018, Oxatis launched an extensive transformation plan based on three key areas:

- the focus of commercial efforts on "large"¹ clients with high revenue potential who contribute more to profitability;
- the implementation of a new performance-based revenue model to share in the success of clients tied to their utilisation of the Oxatis SaaS platform and the functionality it offers;
- the reallocation of resources towards the most strategic European markets in terms of size and commercial potential (France, Germany and the UK).

Decisive progress has been made on all these fronts in the first half of 2019 –which has already contributed positively to the performance in the period.

¹ "Large" clients generate more than €100 of MRR (monthly recurring revenue).

Increase in the size of clients: revenue from "large" clients using the platform grew by 44% in the last year, with large clients now representing approximately 22% of the total customer base at the end of the period. In the half-year, the contribution of large clients reached 62% of platform revenues at the end of June 2019, an increase of 20% compared to the first half of 2018.

Performance pricing: all new clients are now signed on the new performance-based model, and the migration of the existing customer base is underway. As a reminder, the performance-based model includes a variable revenue component directly linked to the performance of clients, which allows Oxatis to align its success with that of its clients as well as generating additional revenues. This migration, which strongly leverages the revenues generated by clients from their utilisation of the Oxatis SaaS platform, will be ramped up in the coming months.

Focus on high-potential geographic markets: Encouraging progress in this regard has been achieved in the half year. Entry into the German market is in line with expectations. Revenues of €1.9m were generated in that region, Europe's second largest e-commerce market. On the other hand, as expected, Italy and Spain remain in decline, partly as a result of the Group's decision to focus on markets with highest potential for revenue and profitability.

Turnover in €K	H1 2019	H1 2018	Variation
France	5 329	4 154	28%
Germany	1 946	n/a	-
The rest of Europe	775	799	-3%
TOTAL	8 049	4 953	63%

A limited review of the interim financial information is in process

Accelerated growth in the second quarter

While pro forma turnover of H1 2019 demonstrated growth of 3%, the second quarter pro forma turnover exhibited growth of 11% to reach €3.5M, demonstrating a significant acceleration in growth in the second quarter. This increase in revenues was largely driven by organic growth of 16% in the second quarter. This is one of the results of the transformation plan, which will continue to have an impact over the coming months.

Successfully integrated acquisitions

In France, the integration of PowerBoutique is in line with the operating plan. From a product perspective, the migration of the first PowerBoutique clients to the Oxatis e-commerce platform (which offers wider functionality) began in May. The commercial team of PowerBoutique team has been fully integrated into Oxatis, making it possible to leverage the potential for new client wins and to ensure consistency in the implementation of the development plan.

In Germany, CPS' technology solutions have been fully integrated into the Oxatis SaaS platform. Oxatis has also launched an active program to upsell the CPS solution to its largest clients. Finally, using the CPS offices in Hamburg, Oxatis now benefits from a local presence in the German market for the deployment of its SaaS platform. This initiative generated its first revenues in June.

These significant advances have been accompanied by bolstering the management team. In particular, the arrival of experienced executives like Cédric Jollet as the Sales Director for France in April and Carsten Mesecke von Rheinbaben as the Commercial Director for Germany in May can be highlighted.

Excellent visibility for the second semester

Oxatis' business model, based as it is on monthly subscriptions, provides a high degree of revenue visibility. Additionally, the majority of revenues generated from services relating to merchant tools that are not part of the core platform recur from year to year. Given its established customer base, Oxatis therefore benefits from an excellent level of revenue visibility. With that in mind, and combined with the increase in new platform subscriptions achieved in the first half, Oxatis approaches the coming months with confidence.

The second half of the year will also show the benefits from the positive execution of the transformation plan, which had already begun to make its mark in the first half. In that context, Oxatis now expects to achieve over 50% top-line growth for the year (against a growth target of over 40% announced in April 2019).

For 2020, the targets presented at the time of the initial public offering² are also revised upwards. The Group is therefore now confident in its ability to significantly exceed €20 million in turnover by that date, taking account of the contribution of the acquisitions made in 2018.

- END -

² Targets announced at the time of the Initial Public Offering: to reach a turnover of €20 million and to achieve a positive EBITDA in 2020, and to achieve a double-digit operating margin in 2023.



ABOUT OXATIS

Oxatis, the European leader in e-commerce technology solutions, offers website creation and SaaS-based marketing solutions to over 10,000 merchant websites. Oxatis operates in five European countries (France, Germany, Spain, Italy and the United Kingdom). Oxatis has been listed on the Euronext Growth - ALOXA market since April 2018.

For more information, visit www.oxatis.com

CONTACTS

Oxatis

Jean-Christophe Brun
+33 4 86 26 26 26
investor@oxatis.com

Financial Communication

Victoire Demeestère
+33 1 56 88 11 24
vdemeestere@actifin.fr

Corporate Press Relations

Bruno Lorthiois
+33 6 78 97 07 24
blorthiois@lablcom.net

Financial Press Relations

Isabelle Dray
+33 1 56 88 11 29
idray@actifin.fr

