

ADLPartner: 2018 NET SALES UP 3.0%

In 2018, the ADLPartner Group confirmed its robust development, achieving a fifth consecutive year of growth. Net sales⁽¹⁾ , with a gross sales volume⁽²⁾ of 0.5% versus 2017.

Quarterly business trends

At 31 December	2018	2017 restated ³	Change
Gross sales volume (€m)	276.2	277.6	-0.5%
1st quarter	68.7	71.3	-3.7%
2nd quarter	65.9	69.0	-4.6%
3rd quarter	66.0	66.2	-0.3%
4th quarter	75.5	71.0	+6.4%
Net sales (€m)	125.0	121.3	+3.0%
1st quarter	30.1	31.1	-3.1%
2nd quarter	28.7	30.0	-4.6%
3rd quarter	30.4	29.2	+4.1%
4th quarter	35.8	31.0	+15.2%

The fourth quarter strong growth in the gross sales volume (+6.4%) and net sales (+15.2%) is due to i/ the development of the marketing services business, strengthened by the contribution from Convertéo, consolidated since July 2018, ii/ continued growth in sales of ADLP Assurances, the specialist in direct marketing insurance brokerage, and iii/ the better sales performance for open-ended subscriptions, which limits -2018.

Developments for each region

At 31 December	2018	2017 restated ³	Change
Active open-ended subscriptions⁴ (units)	2,824,390	2,982,313	-5.3%
France	2,779,468	2,923,944	-4.9%
Spain	44,922	58,369	-23.0%
Gross sales volume (€m)	276.2	277.6	-0.5%
France	263.8	265.4	-0.6%
Spain	12.4	12.2	+1.2%
Net sales (€m)	125.0	121.3	+3.0%
France	114.7	111.2	+3.1%
Spain	10.2	10.1	+1.2%

Change in the product mix

At 31 December	2018	2017 restated ³	Change
Gross sales volume (€m)	276.2	277.6	-0.5%
Open-ended subscriptions	199.0	205.7	-3.2%
Fixed-term subscriptions	29.3	32.7	-10.4%
Books, merchandise, audio and video	12.1	16.2	-25.0%
Other (insurance and marketing services)	35.7	23.0	+55.2%
Net sales (€m)	125.0	121.3	+3.0%
Open-ended subscriptions	73.1	75.0	-2.5%
Fixed-term subscriptions	10.4	12.5	-17.0%
Books, merchandise, audio and video	10.4	13.6	-23.8%
Other (insurance and marketing services)	31.1	20.3	+53.4%

For its press services business, the 2.5% contraction in net sales factors in the optimization of commercial investments through partnerships. Prospecting campaigns for the fixed-term subscription lines and books, merchandise, audio and video have been scaled back in view of their unfavorable outlook.

For the new markets, net sales are up 53.4% compared with 2017, due to the strong growth of the marketing services business. The full consolidation of Leoo from July 2017 and Convertéo from July 2018 contribute 9m to the increase in the

compared with 2.9% one year earlier; the significant ongoing commercial investments are enabling the Group to develop a portfolio of recurring revenues.

Outlook

The ADLPartner Group is moving forward with its strategy to create value and capitalize on its marketing expertise in new developing markets with a view to further strengthening its growth and profitability over the medium and long term.

Next date: 2018 full-year earnings on 29 March 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. As agreed with its statutory auditors, in the fourth quarter the Group modified its application approach, notably changing the recognition of net sales from Open-ended Subscriptions combined with a minimum 12-month

commitment, which are now recorded based on the schedule for subscription services. To present comparable data between financial years, net 0.6m reduction.

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