

## ADLPartner: GROWTH IN 2019 NET SALES, SUPPORTED BY THE DEVELOPMENT OF MARKETING SERVICES EXTERNAL GROWTH FOR DIGITAL

The ADLPartner Group is reporting €138.6m in full-year net sales<sup>(1)</sup>, up 10.9% from 2018. The gross sales volume<sup>(2)</sup> came to €287.8m, up 4.2% versus 2018. The Group is also announcing the acquisition of the assets of Ividence, an AdTech company specialized in native advertising.

### Quarterly business trends

At 31 December	2019	2018	Change
<b>Gross sales volume (€m)</b>	<b>287.8</b>	<b>276.2</b>	<b>+4.2%</b>
1st quarter	70.3	68.7	+2.4%
2nd quarter	70.7	65.9	+7.4%
3rd quarter	69.0	66.0	+4.5%
4th quarter	77.7	75.6	+2.9%
<b>Net sales (€m)</b>	<b>138.6</b>	<b>125.0</b>	<b>+10.9%</b>
1st quarter	33.5	30.1	+11.2%
2nd quarter	33.4	28.7	+16.6%
3rd quarter	33.2	30.4	+9.0%
4th quarter	38.6	35.8	+7.8%

Fourth-quarter net sales, up 7.8% versus a high basis for comparison, were marked by:

- For the marketing services business, the robust growth recorded for Converteo - the subsidiary controlled by the Group since July 2018 - and the Spanish subsidiary.
- For the insurance business, the consolidation of brokerage fees for the subsidiary ADLP Assurances.
- For the press services business, the optimization of commercial investments through partnerships, enabling the open-ended subscription business to maintain its net sales, while prospecting has been scaled back significantly for the fixed-term subscription lines and the books, merchandise, audio and video products.

### Developments for each region

At 31 December	2019	2018	Change
<b>Active open-ended subscriptions<sup>3</sup> (units)</b>	<b>2,765,572</b>	<b>2,824,390</b>	<b>-2.1%</b>
France	2,729,521	2,779,468	-1.8%
Spain	36,051	44,922	-19.7%
<b>Gross sales volume (€m)</b>	<b>287.8</b>	<b>276.2</b>	<b>+4.2%</b>
France	273.7	263.8	+3.8%
Spain	14.1	12.4	+14.1%
<b>Net sales (€m)</b>	<b>138.6</b>	<b>125.0</b>	<b>+10.9%</b>
France	126.5	114.8	+10.2%
Spain	12.1	10.2	+18.7%

## Change in the product mix

At 31 December	2019	2018	Change
<b>Gross sales volume (€m)</b>	<b>287.8</b>	<b>276.2</b>	<b>+4.2%</b>
Open-ended subscriptions	196.9	199.0	-1.0%
Fixed-term subscriptions	26.3	29.3	-10.4%
Books, merchandise, audio and video	9.8	12.1	-19.5%
Other (insurance and marketing services)	54.9	35.8	+53.4%
<b>Net sales (€m)</b>	<b>138.6</b>	<b>125.0</b>	<b>+10.9%</b>
Open-ended subscriptions	72.8	73.1	-0.4%
Fixed-term subscriptions	9.7	10.4	-6.5%
Books, merchandise, audio and video	8.5	10.4	-18.2%
Other (insurance and marketing services)	47.6	31.1	+53.0%

The insurance brokerage and marketing services business lines have maintained their strong growth. Net sales for marketing services (€42.1m) are up 61% from 2018, driven by robust commercial development and the full contribution by Converteo over the whole year in 2019. The ADLP Assurances subsidiary (€5.5m) is reporting year-on-year net sales growth of +12% versus 2018, with the major commercial investments rolled out making it possible to develop a portfolio of recurrent revenues.

The press services business is moving forward with its realignment. In the open-ended subscription business, the optimization of commercial investments through partnerships leads to a drop in net sales and subscription portfolio. The fixed-term subscription lines and the books, merchandise, audio and video products are down significantly, in line with previous periods, due to the structurally unfavorable market outlook.

### External growth: acquisition of Ividence, specialized in native advertising in newsletters

To further strengthen its positioning across the entire digital marketing value chain, the Group, through its subsidiary ADLP Digital, finalized its acquisition of Ividence's assets at the start of February.

Founded in 2008, Ividence offers a proprietary AdTech solution that makes it possible to distribute real-time programmatic native advertising for opt-in emails, primarily through newsletters. This solution enables brands to enhance their digital marketing by promoting the assets of prestigious publishers, such as Prisma Media, 20Minutes, Outbrain, Planet, Webedia and M6, as well as advertising partners, from PSA to KIA, Air France, Marco&Vasco, Lidl, ORPI and Butagaz. Based in Paris, Ividence is a European market leader in its sector. The company recorded a gross margin of €1m in 2019 and is profitable.

This acquisition will enable the ADLPartner Group to position itself on the rapidly growing native advertising segment and further strengthen its activities generating qualified leads and traffic for its client brands and audience monetization for publishers.

The acquisition of Ividence also illustrates the vertical integration strategy rolled out by the ADLPartner Group within its marketing services business, which was up to 30% of the Group's consolidated net sales in 2019, following growth of over 150% for the last two years. With this operation, the Group is continuing to ramp up its critical mass and strengthen its position as a major player for cross-channel data marketing, establishing itself as one of the top 15 marketing services agencies in France today.

### Outlook

For the marketing services business, the ADLPartner Group is moving forward with a strategy focused on marketing innovation through data, combining both organic and external growth, and is continuing to look into opportunities for acquisitions to bring additional expertise on board. The Group has the financial resources needed to support this development.

Alongside this, the Group is continuing to move forward with its commercial investments in the open-ended subscription business and its ADLP Assurances subsidiary to further strengthen its portfolios generating

recurrent revenues, while sales under the France Abonnements brand for the fixed-term subscription lines and the books, merchandise, audio and video products will be stopped from the first half of 2020.

**Next date:** 2019 full-year earnings on 27 March 2020 (after close of trading)

### **ADLPartner in brief**

---

With its extensive cross-channel marketing track record and deep data expertise, the ADLPartner Group 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. Operating under the ADLPerformance brand, the Group works with 50% of the companies from the CAC 40 and large numbers of mid-market firms. The ADLPartner Group recorded net sales of €139m in 2019 and employs more than 400 people.

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

ISIN: FR0000062978–ALP - Bloomberg: ALP:FP – Reuters: ALDP.PA

[www.adlperformance.com](http://www.adlperformance.com)

### **CONTACTS**

---

#### **ADLPartner**

Investor Relations & Financial Information

Tel: +33 (0)1 41 58 72 03

[relations.investisseurs@adlpartner.fr](mailto:relations.investisseurs@adlpartner.fr)

#### **Calyptus**

Cyril Combe

Tel: +33 (0)1 53 65 68 68

[adlpartner@calyptus.net](mailto:adlpartner@calyptus.net)

---

<sup>1</sup> 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.

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

<sup>3</sup> The number of units indicated here does not include the portfolio of insurance policies.