

Paris, 5 November 2019

## THIRD QUARTER REVENUES: +17% ANNUAL OBJECTIVES CONFIRMED

DALET, a leading provider of software solutions for the creation, management and distribution of multimedia content for broadcasters, operators and content producers, announced today revenues (unaudited) for its third quarter and for the nine-month period ended September 30, 2019.

(Unaudited) In € millions	Q3 2018	Q3 2019*	Change	Change (Organic) <sup>1</sup>
Licences	3.5	3.9	+12%	-8%
Maintenance - Support	4.6	5.3	+16%	+15%
<b>Total Software Revenues</b>	<b>8.1</b>	<b>9.2</b>	<b>+14%</b>	<b>+5%</b>
Services	3.3	4.5	+35%	+16%
Hardware	1.8	1.7	-3%	-4%
<b>Total revenues</b>	<b>13.2</b>	<b>15.4</b>	<b>+17%</b>	<b>+6%</b>
<b>Commercial Gross Profit*</b>	<b>11.7</b>	<b>13.9</b>	<b>+19%</b>	<b>+8%</b>
<b>Commercial Gross Margin</b>	<b>89%</b>	<b>90%</b>	<b>+1 pt</b>	<b>+1 pt</b>

\* Commercial Gross Profit is defined as sales minus cost of goods and third-party services resold

In the third quarter, DALET's revenue was up 17% at €15.4 million, including the impact of revenue from the Ooyala acquisition, which closed in mid-July.

The Ooyala Flex platform contributed €1.4 million of the above third quarter revenues, while an additional €0.5 million of revenue related to business carried out by Dalet (support, subscriptions) is not included as it was invoiced before the acquisition (deferred revenue) and therefore cannot be recognized as revenue by Dalet.

Excluding the impact of Ooyala, organic revenue growth was +6%, and commercial gross profit grew organically by 9%. Total Software revenues were up +5%, driven by Maintenance revenues (+15%), which more than offset the decline in Licenses revenues (-8%). Services had another consecutive quarter of strong growth (+16%) while hardware resale was close to flat. This favorable business mix resulted in commercial gross profit growing faster than revenues (+19%, +9% organic), and Dalet reached a commercial gross margin of 90% in the quarter.

Recurring revenues<sup>2</sup> increased as a percentage of DALET's overall revenue, from 34.5% in Q3 2018 to 37.5% in Q3 2019, thanks to the contribution of the Ooyala Flex Media business. The Ooyala teams are now fully integrated operationally into DALET and commercial synergies are starting to materialize.

<sup>1</sup> After eliminating the contribution of Ooyala assets, which were acquired on July 15, 2019 and whose revenues have been integrated into Dalet's since that date

<sup>2</sup> Support and licenses revenue via subscription or SaaS sales and associated services

## Nine months: 9% increase in commercial gross profit

(Unaudited) In € millions	9 Months 2018	9 Months 2019	Change	Change (Organic)
Licences	10.6	9.8	-8%	-14%
Maintenance - Support	13.1	15.0	+15%	14%
<b>Total Software Revenues</b>	<b>23.7</b>	<b>24.8</b>	<b>+5%</b>	<b>+1%</b>
Services	8.9	11.4	+27%	+20%
Hardware	5.7	3.8	-32%	-32%
<b>Total revenues</b>	<b>38.3</b>	<b>40.0</b>	<b>+4%</b>	<b>+1%</b>
<b>Commercial Gross Profit</b>	<b>33.9</b>	<b>36.9</b>	<b>+9%</b>	<b>+5%</b>
<b>Commercial Gross Margin</b>	<b>88%</b>	<b>92%</b>	<b>+4pts</b>	<b>-</b>

DALET's revenue for the first nine months of the financial year was up slightly at +4% compared to the same period in 2018. The gross commercial margin, which is more representative of the business, increased by +9% to €36.9m, or more than 92% of revenue.

## Strong momentum in the United States, return to growth in Europe

Broken down by geographic region, revenues in Europe declined organically over the first nine months by -5%, but regained momentum in the third quarter with 16% growth. The Americas region has driven growth since the beginning of the year with an organic increase of +10%, and overall growth of +14% when including Ooyala Flex revenues, as 53% of Ooyala third quarter revenues were generated in the US. In Asia-Pacific, DALET posted a very slight organic decrease over 9 months (-2%), with a more positive trend in the 3rd quarter (+2% organic). Africa/Middle East posted a 21% decline over 9 months (-€0.4 million) overall though it makes up a small percentage of overall revenues and is a market with significant cyclicity.

## Confirmation of Company's prior outlook

Dalet confirms its 2019 objective of an increase in its commercial gross profit and, on a consolidated basis including Ooyala, break-even operating profitability excluding exceptional costs related to the acquisition. In the coming months, Dalet will continue to execute on its efficiency and growth initiatives for Ooyala Flex Media and the Company is thus aiming for a return to consolidated positive operating profitability in 2020.

### Next publication

2019 revenues on February 19, 2020 after the close of trading

## About Dalet Digital Media Systems

Dalet solutions and services enable media organisations to create, manage and distribute content faster and more efficiently, fully maximising the value of assets. Based on an agile foundation, Dalet offers rich collaborative tools empowering end-to-end workflows for news, sports, program preparation, post-production, archives and enterprise content management, radio, education, governments and institutions.

Dalet platforms are scalable and modular. They offer targeted applications with key capabilities to address critical functions of small to large media operations - such as planning, workflow orchestration, ingest, cataloguing, editing, chat & notifications, transcoding, play out automation, multi-platform distribution and analytics.

In July 2019, Dalet announced the acquisition of the Ooyala Flex Media Platform business. An acceleration of the company's mission, the move brings tremendous value to existing Dalet and Ooyala customers, opening vast opportunities for OTT & digital distribution.

Dalet solutions and services are used around the world at hundreds of content producers and distributors, including public broadcasters (BBC, CBC, France TV, RAI, TV2 Denmark, RFI, Russia Today, RT Malaysia, SBS Australia, VOA), commercial networks and operators (Canal+, FOX, MBC Dubai, Mediacorp, Fox Sports Australia, Turner Asia, Mediaset, Orange, Charter Spectrum, Warner Bros, Sirius XM Radio), sporting organisations (National Rugby League, FIVB, Bundesliga) and government organisations (UK Parliament, NATO, United Nations, Veterans Affairs, NASA).

Dalet is traded on the NYSE-EURONEXT stock exchange (Eurolist C): ISIN: FR0011026749, Bloomberg DLT:FP, Reuters: DALE.PA. For more information on Dalet, visit [www.dalet.com](http://www.dalet.com)

#### Contacts

Actus Finance & Communication :	Investors:	Guillaume Le Floch	+331 53 67 36 70
	Press-Media :	Vivien Ferran	+331 53 67 36 34

