

Paris, 19 February 2019

2018 REVENUES: €55.6 MILLION (+9%)

(Unaudited) In € millions	2017	2018	Change
Licenses	13.5	15.7	+16%
Maintenance - Support	17.2	18.1	+5%
Total Software Revenues	30.7	33.7	+10%
Services	12.2	13.4	+10%
Hardware	8.1	8.4	+4%
Total revenues	51.1	55.6	+9%
Commercial Gross Profit	44.6	48.9	+10%
Commercial Gross Margin	87%	88%	

DALET, a leading provider of software solutions for the creation, management and distribution of multimedia content for broadcasters, operators and content producers, announced today consolidated revenues (unaudited) for financial year 2018.

Strong revenue growth

Fourth quarter revenues were up 13% at €17.3 million. Growth was mainly driven by the increase in license revenues (+19% over the quarter at €5.1 million), as well as by hardware resale (€2.7 million over the period).

In terms of full year revenues, Dalet posted in 2018 consolidated revenues up 9% at €55.6 million (+12% at constant dollar exchange rate). License revenues were up 16%, maintenance revenues were up 5% at €18.1 million.

Service revenues were up 10% at €13.4 million, in spite of the delay of revenue recognition to next year for some projects in the Americas. Hardware resale was up by 4%, due to some exceptional orders in the fourth quarter.

Growth in Europe and Americas

Broken down by geographic region, revenues for Europe Middle East/Africa increased by 14% at €26.4 million, bolstered by the increase in license sales and strong performance in Italy and Russia. Excluding this hardware resale effect, sales in Europe were up by 2% in 2017. At the end of the year, Dalet signed a first significant contract with a public broadcaster in this zone, that involves Artificial Intelligence technologies for automatic media indexing (Machine Learning-based speech to text), which will play an increasing role in the company's offerings.

Dalet continued its expansion in the Americas, with revenues up 8% at €22.3 million, in spite of the adverse effect of the US dollar. New orders from existing large strategic customers in North America accounted for the majority of the 2018 order intake, and the Group is also pursuing its development in Latin America with double-digit growth.

Asia-Pacific is the only region where activity is down by 5%, penalized by a commercial reorganization now completed.

The resulting current operating margin for 2018 should be similar to that of last year (4.6% in 2017). However, excluding a bad-debt provision for €0.3 million for one customer, the current operating margin would approximate 5%, at the lower end of the target initially set by the Group.

Outlook

Moving into 2019, Dalet can rely on a solid order book and pipeline of prospects. One of the major challenges for the next year will be the progressive launch of SaaS solutions on the market in order to meet the emerging demand in this area.

Dalet will announce its guidance for 2019 together with the publication of the full 2018 financial results.

Next publication

2018 yearly results on 24 April 2019 after the close of trading

About Dalet Digital Media Systems

Dalet solutions enable broadcasters and media professionals to create, manage and distribute content to both traditional and new media channels, including interactive TV, the Web and mobile networks. Dalet combines into a single system a robust and proven Asset Management platform with advanced metadata capabilities; a configurable workflow engine, and a comprehensive set of purpose-built creative and production tools. This integrated and open environment enables end-to-end management of the entire News and Sport and Program content chain, and allows users to significantly improve efficiency, and to maximize the use and value of their assets. Dalet's solutions are delivered through a dedicated Professional and Integration Services Department to ensure the highest possible standards.

Dalet systems are used around the world by many thousands of individual users at hundreds of TV and Radio content producers, including public broadcasters (ABS-CBN, BBC, CBC, DR, FMM, France TV, RAI, RFI, Russia Today, RT Malaysia, VOA), commercial networks and operators (Canal+, FOX, Euronews, MBC Dubai, MediaCorp, Mediaset, Orange, Time Warner Cable, Warner Bros., Sirius XM Radio) and government organizations (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

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