

Boulogne-Billancourt, 22nd April 2020

Digital Revenues down 7.4% in Q1 2020¹
Beginning of 2020 in line with the expected path
Digital order intake⁵ decrease by 70% since the onset of the lockdown

A swift action plan to withstand the crisis and prepare for recovery

Q1 2020 Activity vs. Q1 2019¹

- 79% of Q1 2020 Digital order intake in subscription mode³
- 88% of customer migration rate² over the quarter
- 130,000 customers migrated towards new Digital services (45% of customer base migrated)
- Digital order intake down -70%⁵ per week since the lockdown started in France

Q1 2020 Revenues¹ vs. Q1 2019

- Digital revenues: € 118 million, -7.4%
- Consolidated revenues: € 126 million, -11.5%
- Digital order backlog⁴ down -3.0% vs. 31st December 2019

Perspectives 2020

- € 360 million Digital revenues already secured for 2020FY
- 2020FY growth guidance challenged
- 2020 Digital order intake expected to decrease by over € 100 million vs. 2019FY, hence impacting 2020 (anticipating total revenue decrease by at least -20%) as well as 2021
- Cost reduction plan and activation of government support measures (partial unemployment, social security & fiscal payments postponements)

When releasing Q1 2020 revenues, Eric Boustouller, Solocal CEO, said:

The start to the year 2020 was a confirmation of the strategy which had been implemented in the past two years. Until mid-March, we were delighted to observe the rising adoption of our new digital services by our customers, the strong expansion of our

subscription model, the ramp up in the acquisition of new customers and the growth in cross-sell.

But the health crisis and the lockdown arose and disrupted the economic environment, hence triggering a mechanical decrease in our activity. As a key partner of VSE/SMEs in France, we kept our focus on helping our customers, who are particularly impacted by the crisis. In record times, we managed to roll out new services and made some of our products free of charge in order to enhance the link between consumers & professionals and support the economic activity of our customers. We are now mobilised to ensure the best preparation of our customers for when the lockdown stops. In parallel, we have decided to maintain our investment levels to fulfil our commitments in terms of new services and innovations and make sure to be ready when the upturn comes.

We are also committed to adapting our Group to these unprecedented circumstances. In this regard, we launched an action plan combining cost reduction efforts, government support measures and negotiations with our Bondholders. We are confident in the outcome of these discussions.

It is yet too early to assess the full impact of the present crisis on our business. As a lot of other companies, it led us to suspend our guidance for the current year. However, all teams remain active on all fronts: quality of service, customer retention, development and roll out of new services and protection of our financial situation. We are determined to resume as soon as possible on our long-term strategy, which already proved its well-established dynamics.

Quarterly financial statements have not been audited. Financial items presented in this press release for Q1 2019 are revised in light of the scope of continued activities¹ as at 31st March 2020.

1. Revenues and Order Backlog

Revenues for Solocal in Q1 2010 are as follows:

<i>In million euros</i>	Q1 2019 ¹	Q1 2020 ¹	Change
Digital revenues	127.3	117.9	-7.4%
Print revenues	15.1	8.2	-45.7%
Total revenues	142.4	126.1	-11.5%

Consolidated revenues for the first quarter of 2020 amounted to € 126 million, down -11.5% compared to total revenues for Q1 2019¹. It breaks down into € 118 million Digital revenues and € 8 million Print revenues.

Digital revenues of € 118 million in Q1 2020 were down -7.4% compared to Q1 2019¹, due to the conversion pattern of order intake into revenues. However, the pace of the slowdown has been improving over the last 4 quarters, which illustrates the positive dynamics of H2 2019 order intake.

Print revenues of € 8 million in Q1 2020 are down -45.7% compared to Q1 2019, as customers and users continue to forgo printed directories for the benefit of digital media. Print activity accounts for 6.5% of total revenues this quarter and will be ended in 2020 as previously announced.

Solocal's performance indicators for Q1 2020 are as follows:

	Q1 2019 ¹	Q1 2020 ¹	Change
Secured Digital revenues for current year	383	360	-6%
Subscription-based order intake (as a % of Digital order intake)	23%	79%	+56 pts
Traffic : number of PagesJaunes visits (in millions)	561	505	-10%

Note: Subscription-based order intake based on order intake after cancellations

Digital revenues **already secured for 2020FY** represent € 360 million, of which 80% stem from 2018 and 2019 order intake, and the remaining 20% from Q1 2020 order intake. In Q1 2019¹, secured Digital revenues for 2019FY represented € 383 million, of which 22% stemmed from Q1 2019 order intake¹.

79% of Digital order intake are performed on **a subscription basis**^{3,4} i.e. a +56 points increase in Q1 2020 compared to Q1 2019¹. These order intake^{3,4} mainly include the Priority Ranking and Presence offers, Websites and Booster Contact. The share of subscription-based order intake has been continuously increasing since the roll-out of new Digital services Presence and Priority Ranking in July 2019. This increase in order intake on a subscription basis is a key element in the transformation of the business model. This new business model will enable a reduction in churn, and more importantly should foster an increase in the acquisition of new customers and cross-sell of existing customers by freeing up some salesforce time previously devoted to the renewal of customers.

PagesJaunes **traffic** was down -10% in Q1 2020 compared to Q1 2019 with very heterogeneous months over the quarter (-22% in March 2020 vs. March 2019 as a direct consequence of the lockdown decided in France and the shutdown of retail shops). This trend is in line with comparable French websites traffic figures.

Solocal's order backlog³ as at 31st March 2020 is as follows:

<i>In million euros</i>	31/12/2019 ¹	31/03/2020 ¹	Change
Digital order backlog	340.4	330.2	-3.0%
Print order backlog	19.5	15.6	-19.8%
Total order backlog	359.9	345.8	-3.9%

Note: Order Backlog based on order intake after cancellations

The total **order backlog**³ amounts to € 346 million as at 31st March 2020, down -3.9% compared to 31st December 2019. This decrease is partly due to the declining trend of the Print business (decrease in Print order backlog of -20% as at 31st March 2020 compared to 31st December 2019).

The decrease in Digital order backlog results from a higher revenue recognition than order intake over the quarter. Indeed, order intake have been directly impacted by the lockdown measures decided in France since 17th March 2020. As a matter of fact, Digital order intake recorded on weeks 12, 13 & 14 in 2020 fell by **-68%, -78% and -61%** respectively compared to the same weeks in 2019, as an immediate consequence of the lockdown measures implemented in France.

The conversion of the € 330 million Digital order backlog into revenues will be as such in the next quarters:

Digital Backlog 31st march 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Conversion into revenues	30,3%	23,7%	18,8%	12,5%	6,9%	3,9%	2,2%	1,5%	0,2%

2. Other information

Measures taken as part of the sanitary crisis

In light of the unprecedented situation pertaining to the Covid health crisis, Solocal reacted immediately and:

- Implemented a series of precautionary measures – among which remote work – to protect the health & safety of all teams;
- Developed innovative digital services, including some free ones, in order to help customers display relevant information and opening hours on the group's array of partner websites.

From a financial standpoint, Solocal has swiftly taken measures to protect its financial situation while preserving its ability to bounce back:

- 50% of the Group's staff have been put on partial or total unemployment since the onset of the lockdown;
- A cost reduction plan has been implemented (cancellation of events, postponements of advertising campaigns...);
- Postponement of fiscal and social security payments for March and April;
- Ongoing discussions to benefit from a "State Guaranteed Scheme" loan;
- Negotiations about payment plans with some of its main suppliers;
- Suspension of quarterly payment of the Bond coupon

Compensation of the Board Members

The members of the Board and the CEO have decided a -25% reduction during the lockdown period:

- in board attendance-related fees for Board members and the President,
- in CEO fixed remuneration.

Discussions with Bondholders

In the wake of the suspension of the quarterly payment of its bond coupon, Solocal approached its bondholders and has obtained a standstill until 14th June 2020. Solocal will disclose in due course the outcome of the discussions with its Bondholders.

Other information

Following the press release published on 19th March 2020, Solocal announces it has requested the President of Nanterre Commercial Court to open a conciliation procedure for Solocal SA for an initial period of 4 months, with an aim to face the challenges of the current health crisis.

As of 31st March 2020, Solocal had paid out **81%** of salaries and indemnities that are part of the 2018 transformation plan and its 2019 extension (out of a total amount of € 225 million). € 43 million are still to be disbursed as part of the transformation plan, of which € 36 million will be paid by 31st December 2020.

As at 31st March 2020, the **cash position** of the Group amounts to € 17 million.

2020 Outlook

The impact of the reduction in business activity over March, April and May, combined with the expected gradual recovery will result in a mechanical decrease of at least -20% in revenues for the current year, and will adversely affect 2021FY results. This slowdown will be partially offset by the cost reduction plan and the support measures announced by the government, for a total cumulated amount of circa € 40 million.

Solocal will disclose additional detail on its guidance as soon as the timing and the measures to terminate the lockdown period are known and the impacts assessable, and not later than end of July 2020 for the presentation of 2020 half year results.

Next major dates in the financial calendar

The next dates in the financial calendar are as follows:

- General Meeting of Bondholders on 29th April 2020,
- Annual Shareholders General Meeting scheduled at the end of June 2020
- Publication of H1 2020 results on 28th July 2020

Notes :

¹ Comparable scopes. 2019 & 2020 figures are restated for the figures of QDQ subsidiary, which was disposed of on 28th February 2020.

² Migration rate: number of customers migrated towards new Presence and Priority Ranking digital services vs. addressable customer base (excluding Large Accounts)

³ Scope excluding ClicRDV, Effilab, Leadformance, Mappy, Ooreka, SoMS and non-significant subsidiaries, i.e. 96% of consolidated revenues

⁴ On the basis of order intake net of cancellations

⁵ Average on weeks 12,13 & 14 2020 compared to the same weeks in 2019, Solocal SA, at constant scope

Definitions :

Order backlog: The order backlog corresponds to the outstanding portion of revenue still to be recognised as at 31st March 2020 from order bookings such as validated and committed by customers. For income from subscriptions, only the current commitment period is considered

Traffic : Indicator of visits and of access to the content over a defined period

Order intake : Orders booked by the salesforce, that gives rise to a service performed by the Group for its customers

Solocal - www.solocal.com

We are the local digital partner for companies. Our job: advising and supporting them to boost their activity thanks to our digital services (Digital Presence, Digital Advertising, Websites, New Print Solutions). We also provide users with the best possible digital experience with PagesJaunes, Mappy and Ooreka, and our partners (Google, Facebook, Apple, Microsoft/Bing, Yahoo!, etc.). We provide professionals and the public with our high audience services, geolocalised data, scalable technology platforms, unparalleled order intake coverage across France, our privileged partnerships with digital companies and our talents in terms of data, development, digital marketing, etc. We gather 375,000 companies all over France and 2.7 billion visits on our services. Solocal moreover benefits from the "Digital Ad Trust Classique" label for its PagesJaunes and Mappy digital services. To know more about Solocal (Euronext Paris "LOCAL"): let's keep in touch [@solocal](https://twitter.com/solocal).

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