

## ADLPartner: 2020 FIRST-HALF EARNINGS

- **Progress with earnings despite the health crisis**
- **Exceptional dividend of €0.45 per share to be submitted for approval at the general meeting on 11 December 2020**
- **Proposed simplification of the Company's governance structure**

### HALF-YEAR KEY DEVELOPMENTS

The health crisis and its economic consequences impacted the ADLPartner Group's business during the first half of 2020. From the start of the lockdown, the Group rolled out a robust action plan to reduce its consequences, while protecting the health and safety of all its staff.

For the magazine and insurance business lines, the Group scaled back the volume of its prospecting campaigns, taking into account the difficulties with sending letters during the lockdown period and the decisions by certain partners to defer their customer acquisition or loyalty operations. These operations have been gradually starting up again since mid-May and their results have been significantly higher than the anticipations drawn up at the start of the crisis.

Alongside this, the magazine activities have continued moving forward with their extensive realignment. Fixed-term subscription and books, merchandise, audio and video sales under the France Abonnements brand were discontinued during the first half of this year.

The digital marketing business, which groups together the Marketing Services and Consulting activities, was affected by advertisers deferring or scaling back certain budgets faced with an unprecedented context. The Consulting business was more resilient during the first half of the year, with the Convertéo subsidiary maintaining its robust development. The Marketing Services business was more affected, despite the operation at the end of January to acquire the business of Ividence, a company specialized in native advertising within newsletters.

### EARNINGS

Consolidated data (€m)	H1 2020	H1 2019	Change
<b>Net sales</b>	<b>64.84</b>	<b>66.88</b>	<b>-3%</b>
<b>Operating income</b>	<b>5.84</b>	<b>5.09</b>	<b>+15%</b>
% of net sales	9.0%	7.6%	
<b>Net income (group share)</b>	<b>3.87</b>	<b>2.99</b>	<b>+29%</b>
% of net sales	6.0%	4.5%	

Net sales<sup>1</sup> came to €64.8m, down 3% from the first half of 2019, with the gross sales volume<sup>2</sup> also contracting by 3% to €136.6m.

Operating income came to €5.8m for the first half of 2020, representing 9.0% of net sales, compared with 7.6% for the first half of 2019. This change reflects the increase in profitability for the magazine and insurance business lines, taking into account the lower level of commercial investments in the context of the health crisis and the reduction in costs after the France Abonnements lines were discontinued. For the digital marketing business, the level of activity came in lower than expected, impacting profitability, despite the Group's use of the furlough measures available.

Taking into account a slightly lower tax expense (€1.9m), net income (group share) is up 29% from €3.0m the previous year to €3.9m.

## **FINANCIAL STRUCTURE**

After factoring in half-year earnings, shareholders' equity (group share) represents €26.7m at 30 June 2020, compared with €22.7m at 31 December 2019.

The Group's net cash position came to €38.6m at 30 June 2020, compared with €29.0m at 31 December 2019 and €23.6m at 30 June 2019. Financial debt represents €7.2m, compared with €6.8m at 31 December 2019, primarily comprising the commitment to buy out the minority interest in Converteo.

Net asset value<sup>3</sup> (group share), calculated based on shareholders' equity and the value of the active open-ended magazine subscription portfolio, came to €132.5m at 30 June 2020, with €32.6 per share, excluding treasury stock. It does not include the portfolio of insurance policies.

## **EXCEPTIONAL DIVIDEND**

In the unprecedented context of the health crisis, ADLPartner's Management Board announced, in a press release on 27 March 2020, its decision to not propose a dividend for 2019, which was approved by shareholders at the general meeting on 12 June 2020, while looking into the possibility of proposing an exceptional dividend in the third quarter of 2020.

The Management Board therefore decided to convene an extraordinary general meeting for 11 December 2020 to propose an exceptional dividend of €0.45 per share, which would be paid out on 18 December 2020. The ADLPartner Group's sound financial position and high level of cash will enable it to cover this payout, while retaining a sufficient level of liquidity to continue moving forward with its profitable growth strategy.

## **GOVERNANCE**

The Management Board, as agreed with ADLPartner's Supervisory Board, also decided to propose the transformation of the Company's governance structure at the general meeting on 11 December 2020. Subject to this proposal being approved by shareholders, the current dual structure based on a Supervisory Board and Management Board will be replaced by an organization with a Board of Directors.

This proposed modification is in line with the Group's commitment to simplifying its operational decision-making processes, while updating its strategy and organization around six business divisions.

In addition, Mr Olivier Riès, Management Board member, has decided to retire after more than 30 years with the Group and will be standing down at the end of 2020. The Supervisory Board would like to sincerely thank Mr Olivier Riès for his dedication and his major contribution to the ADLPartner Group's development.

## **OUTLOOK**

Despite the uncertainty concerning the strength of the recovery, the ADLPartner Group is confident about its prospects for development. On the one hand, the Group is optimizing its commercial investments in its magazine and insurance activities to support its portfolios generating recurrent revenues. On the other hand, it is capitalizing on its financial resources to sustainably strengthen its position as a major player for data and digital marketing in Europe thanks to an aggressive external growth strategy.

## **ADDITIONAL INFORMATION**

The Management Board approved the corporate and consolidated financial statements on 18 September 2020 and the Supervisory Board confirmed on 25 September 2020 that it did not have any observations concerning the consolidated financial statements at 30 June 2020. The accounts have been subject to the usual limited review by the statutory auditors for half-year accounts, with the audit procedures carried out.

The half-year financial report is available on the company website at:  
<https://www.adlperformance.com/en/financial-documentation>

**Next date:** 2020 third-quarter net sales on 27 November 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 acquisition, loyalty and relationship management services on its own behalf or for its partners 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 500 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> Net asset value represents the amount of equity plus the discounted value of future net revenues generated by the active open-ended subscription portfolio. It does not include the portfolio of insurance policies.