

# #Q1 2016

RESULTS

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19 MAY 2016





# DISCLAIMER

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This document contains forward-looking statements. Although SoLocal Group believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include the effects of competition, usage levels, the success of the Group's investments in France and abroad, and the effects of the economic situation.

A description of the risks to which the Group is exposed appears in section 4 "Risk Factors" of the SoLocal Group's "Document de référence", which was filed with the French financial markets authority (AMF) on 29 April 2016.

The forward-looking statements contained in this document apply only from the date of this document. SoLocal Group does not undertake to update any of these statements to take account of events or circumstances arising after the date of said document or to take account of the occurrence of unexpected events.

Accounting data presented on an annual basis are in audited consolidated form, but accounting data indicated on a quarterly or half-yearly basis are in unaudited consolidated form.

Business indicators covered in the presentation are for continued activities.

All financial data and indicators are published in details within the report of Consolidated financial information as of 31 March 2016 which is available on the corporate website, [www.solocalgroup.com](http://www.solocalgroup.com) (finance area).

# BUSINESS UPDATE

JEAN-PIERRE REMY  
CHIEF EXECUTIVE OFFICER

## Q1 2016 HIGHLIGHTS

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- **Stable Internet revenues at €157M in Q1 2016 vs Q1 2015, as the growth remains constrained by bank covenants :**
  - ↳ Audience growth: visits +7%<sup>1</sup>, of which +27%<sup>1</sup> mobile (representing 41% of total audience)
  - ↳ Local Search ARPA:-1%<sup>1</sup> (quarterly one-off step down but annual trend expected to remain within the positive long-term historical trend)
  - ↳ Client base -6%<sup>1</sup> still limited by reduced investments in client acquisition
  - ↳ Digital Marketing revenues +25%<sup>1</sup> with a very strong acceleration of local programmatic
- **Q1 2016 EBITDA<sup>2</sup> of €52M and EBITDA<sup>2</sup> margin of 27% flat compared to Q1 2015** thanks to significant cost reduction driven by sales and non sales staff decrease
- **Full compliance with bank covenants as of 31 March 2016**
- **SoLocal Group is working with various investors to present an offer to its lenders and shareholders that would drastically reduce its debt**

<sup>1</sup> Q1 2016 vs Q1 2015    <sup>2</sup> Total (Internet + Print & Voice) recurring EBITDA

# KEY ASSETS & STRATEGY

## Local Search

### Own media platforms

- 55% reach
- >43M mobile apps



### Partnerships with global players

- Client audience growth
- Unique access to top 3 mobile



~510,000 CLIENTS

## Digital Marketing

### Enriched Content

- 125,000 business websites in Europe
- 200,000 store/product locators in 160 countries
- Leader of online scheduling

### Unique local data

- Unique data on local purchasing intents
- Local advertising retargeting
- Local campaign efficiency

23% PENETRATION

## AdTech

Source: Reach at the end of February 2016, all other indicators at the end of March 2016

## INTERNET UPDATE IN Q1 2016

*in millions of euros*

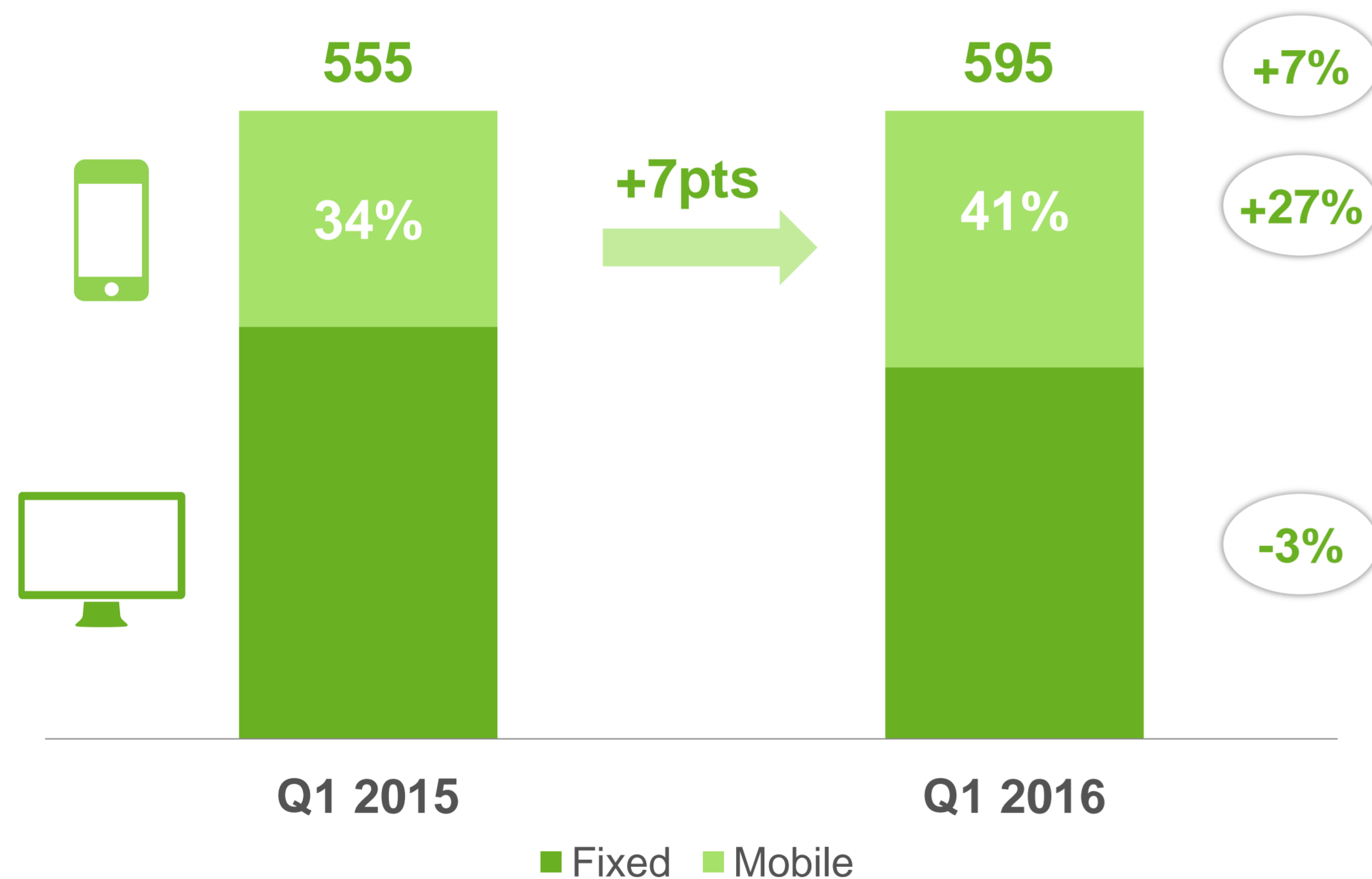
	Q1 2015	Q1 2016	Change
<b>Internet revenues</b>	<b>158</b>	<b>157</b>	<b>0%</b>
Local Search revenues	126	118	-7%
● # visits (in million)	555	595	+7%
● ARPA (in €)	234	232	-1%
● # clients (in thousand)	539	506	-6%
<b>Digital Marketing revenues</b>	<b>32</b>	<b>40</b>	<b>+25%</b>
● Penetration rate	22%	23%	+1pt



# STRONG AUDIENCE GROWTH IN Q1 2016

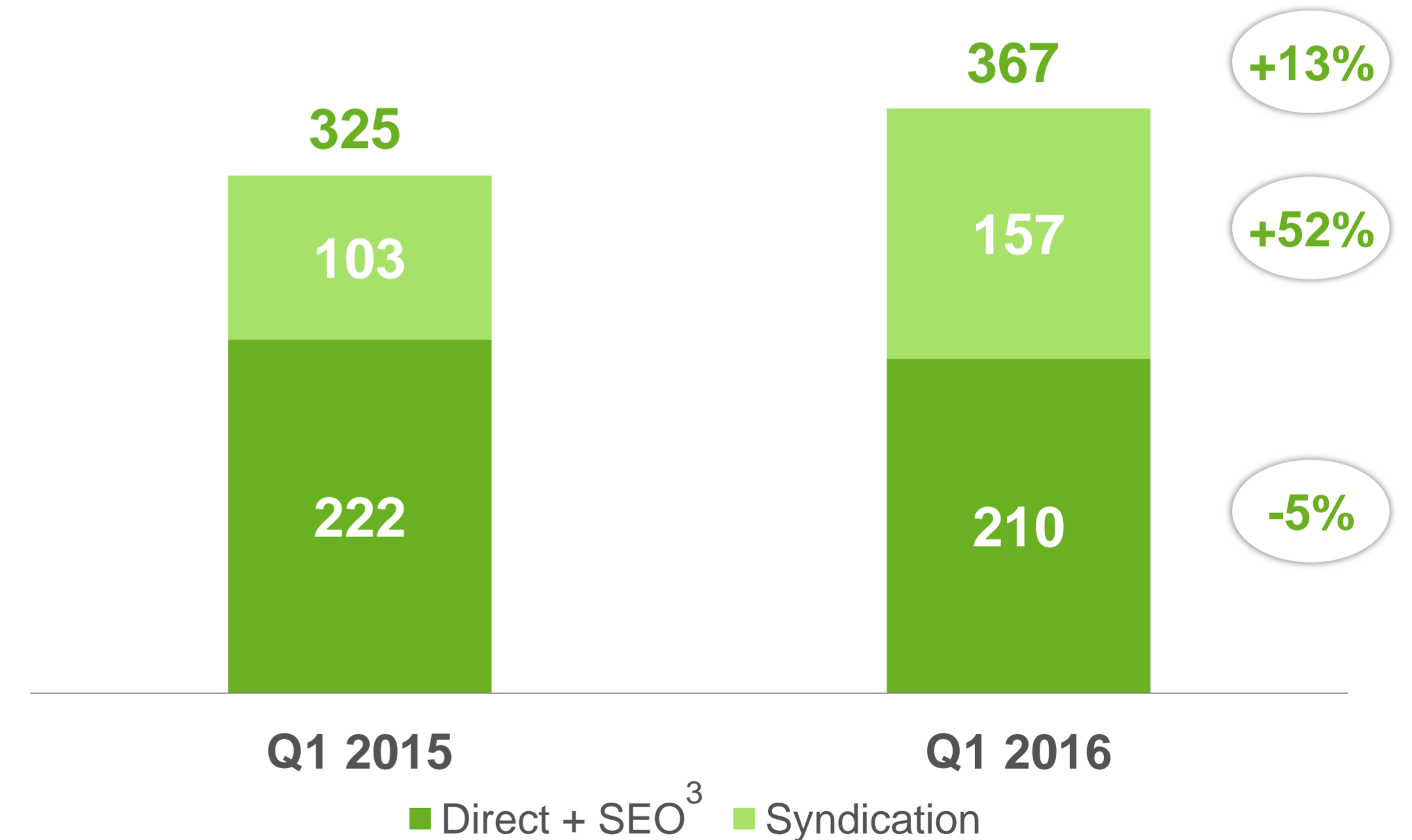
## SoLocal Group Audiences<sup>1</sup>

in millions of visits



## PagesJaunes visits towards professionals<sup>2</sup>

in millions of visits



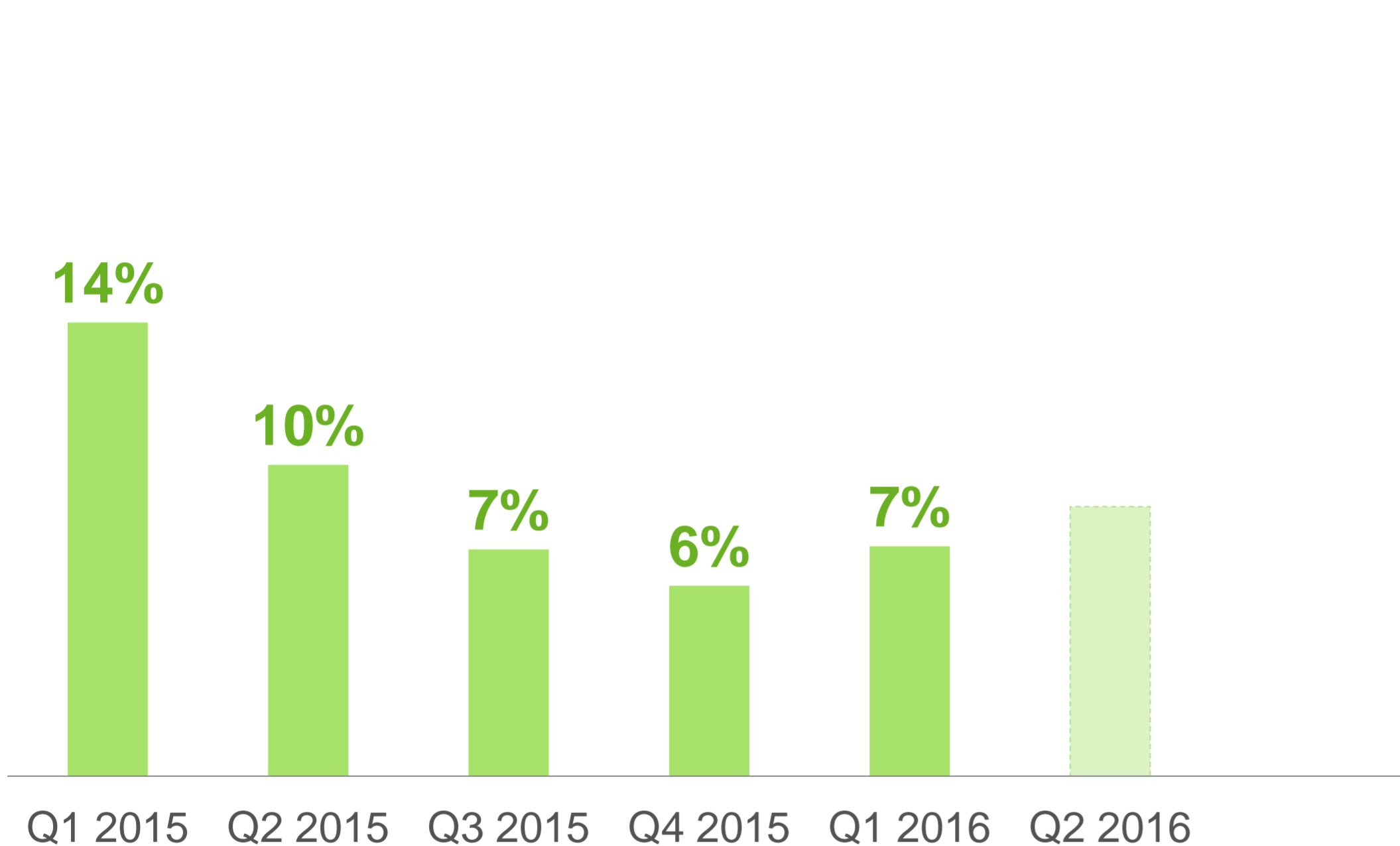
<sup>1</sup> AT Internet and SoLocal Group sources

<sup>2</sup> Internal source: PagesJaunes only, excluding PagesBlanches

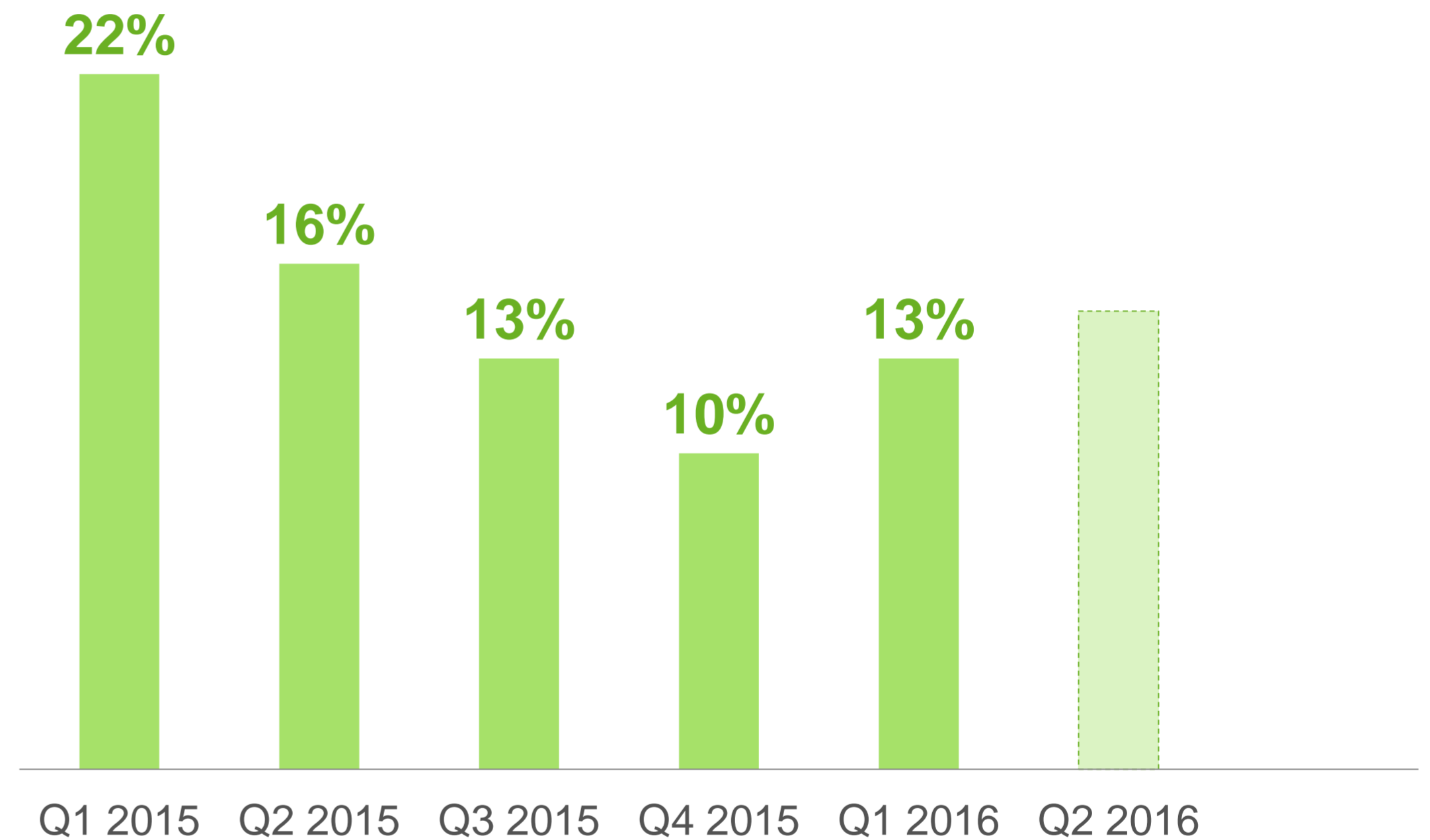
<sup>3</sup> Search Engine Optimisation

# STEADY AUDIENCE GROWTH

## SoLocal Group Audiences<sup>1</sup>



## PagesJaunes visits towards professionals<sup>2</sup>

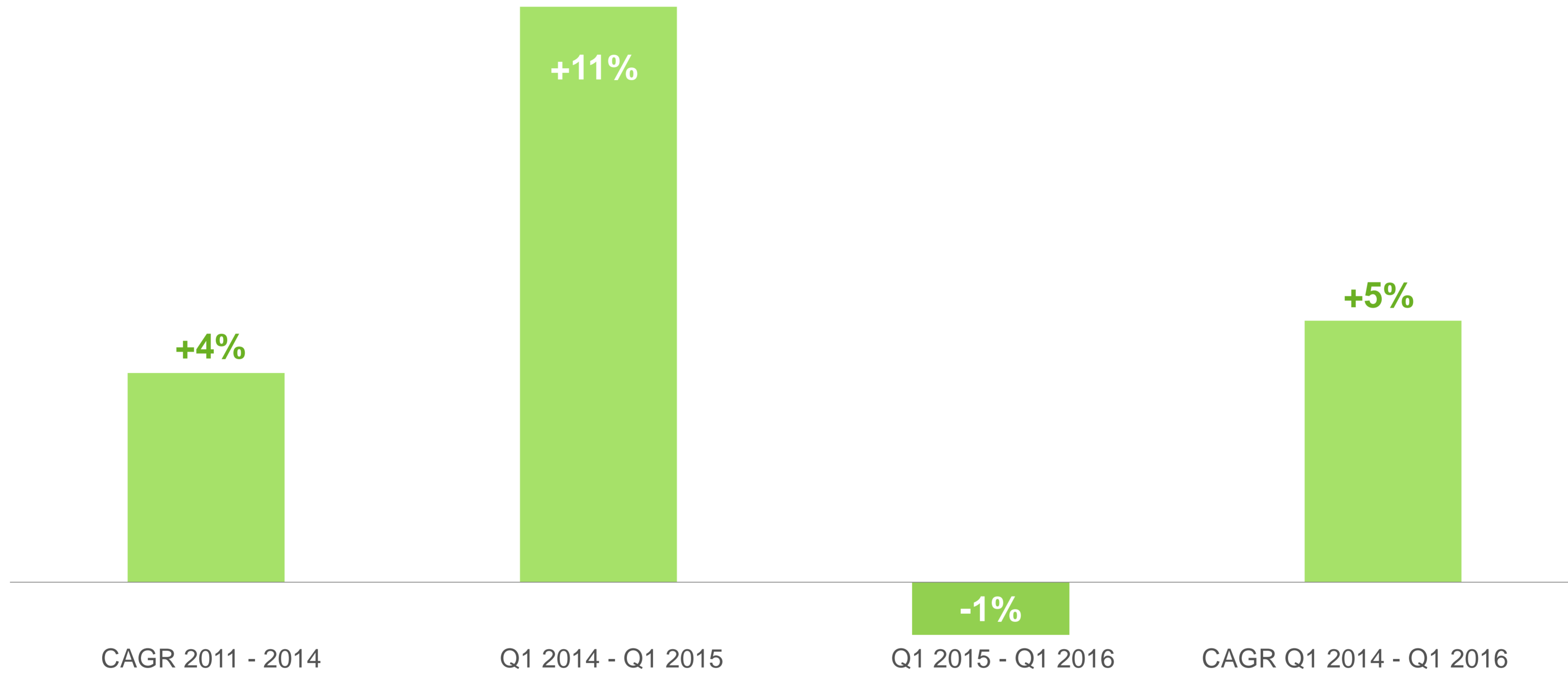


- Strong total audience growth driven by mobile and privileged partnerships with Google, Bing and more recently Apple
- Higher growth expected for audience towards professionals thanks to SEO improvement and Ooreka rebound

<sup>1</sup> AT Internet and SoLocal Group sources (Year-on-Year growth) <sup>2</sup> Internal source: PagesJaunes only, excluding PagesBlanches (Year-on-Year growth)



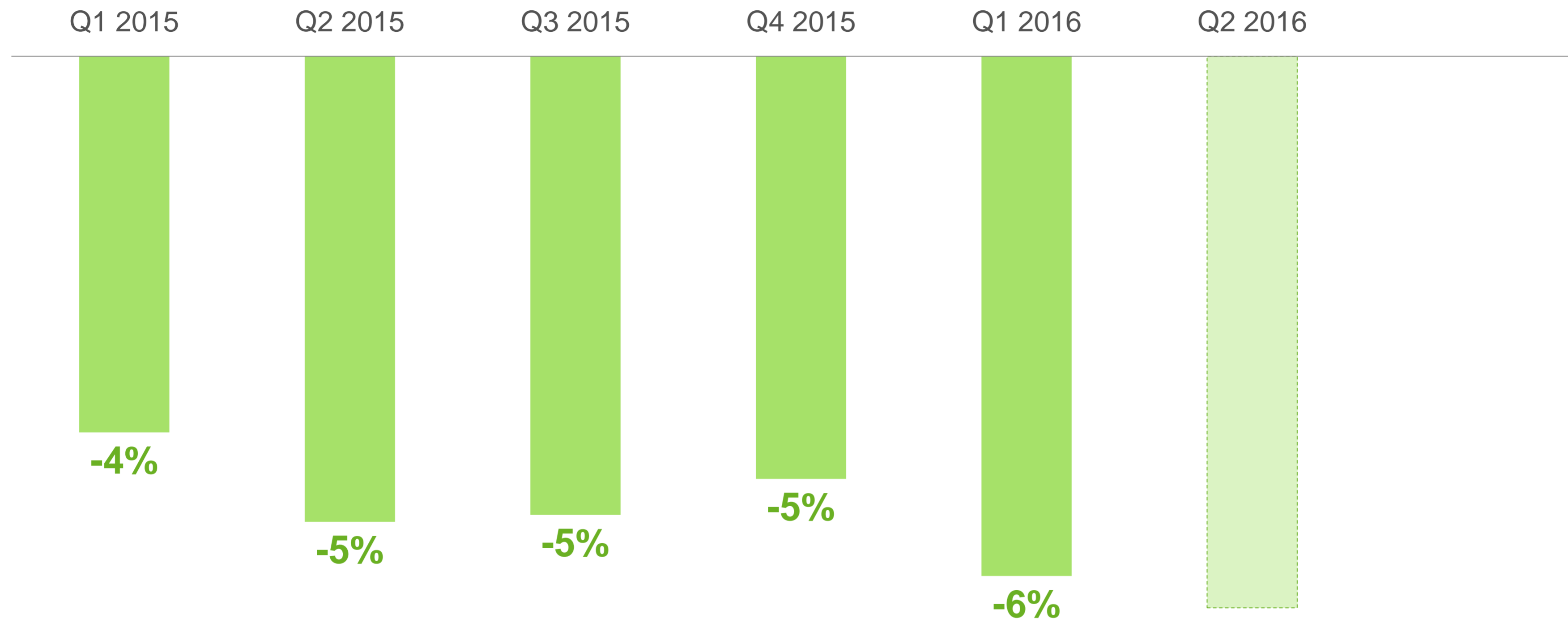
# LOCAL SEARCH ARPA GROWTH



- **Local Search ARPA: -1%<sup>1</sup> due to one-off step up in Q1 2015 following product revamping (single quarter impact that will not repeat rest of year)**

<sup>1</sup> Year-on-Year evolution of Local Search ARPA

# CLIENT BASE IMPACTED BY REDUCED INVESTMENTS IN CLIENT ACQUISITION

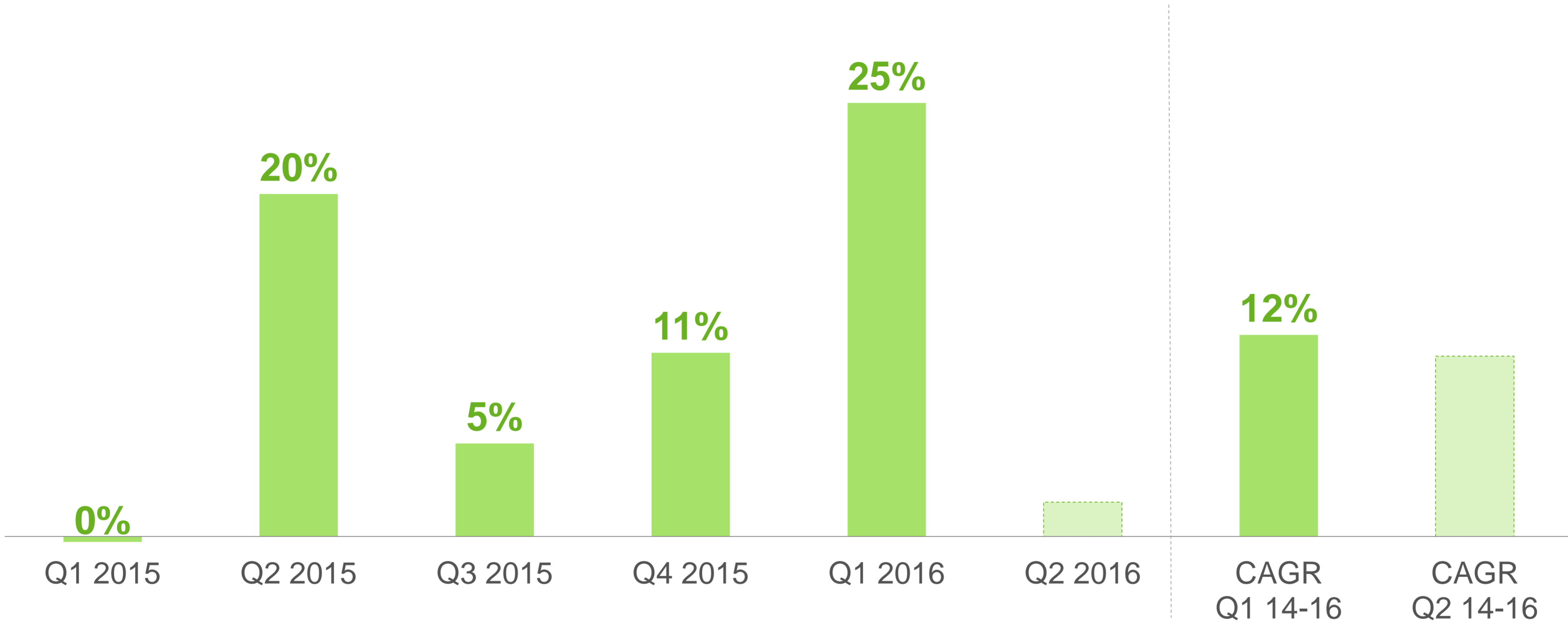


- **Continuous client base contraction as long as investments in telesales client acquisition remain under constraint**

Note: Year-on-Year evolution of number of Internet clients



# STRONG DIGITAL MARKETING DYNAMIC



- Take-off of high-end content based website offering
- Very strong acceleration of local programmatic
- On track to onboard 10k doctors with  by year-end
- New website offering in Q2 2015 expected to negatively impact growth in Q2 2016 (technical fees base effect in Q2 2015)

Note: Year-on-Year evolution of Digital Marketing revenues

# Q1 2016 INTERNET REVENUES AND HIGHLIGHTS BY VERTICAL

Q1 2016 Internet revenues €157 millions (0% vs. Q1 2015)  
of which €152 millions in France (-1% vs. Q1 2015)

€46 million  
+2%

- Early signs of housing market recovery
- Launch of product innovations in Search / Adwords / Local programmatic

**So**local  
HABITAT

€30 million  
-6%

- Unfavourable impact resulting from successful 2015 product revamping
- New retail website and presence management offering

**So**local  
COMMERCE

€18 million  
+3%

- On track to onboard 10k professionals on its PagesJaunesDoc by year-end

**So**local  
SANTÉ&PUBLIC

€31 million  
+1%

- Strong audience growth in real estate (A Vendre A Louer) and personal services (Hamak)

**So**local  
SERVICES

€27 million  
-3%

- New keywords search and high-end content based website offerings

**So**local  
BtoB

Source: Q1 2016 versus Q1 2015 revenue evolution



# FINANCIAL PERFORMANCE

VIRGINIE CAYATTE  
CHIEF FINANCIAL OFFICER

# Q1 2016 UPDATE: SUMMARY

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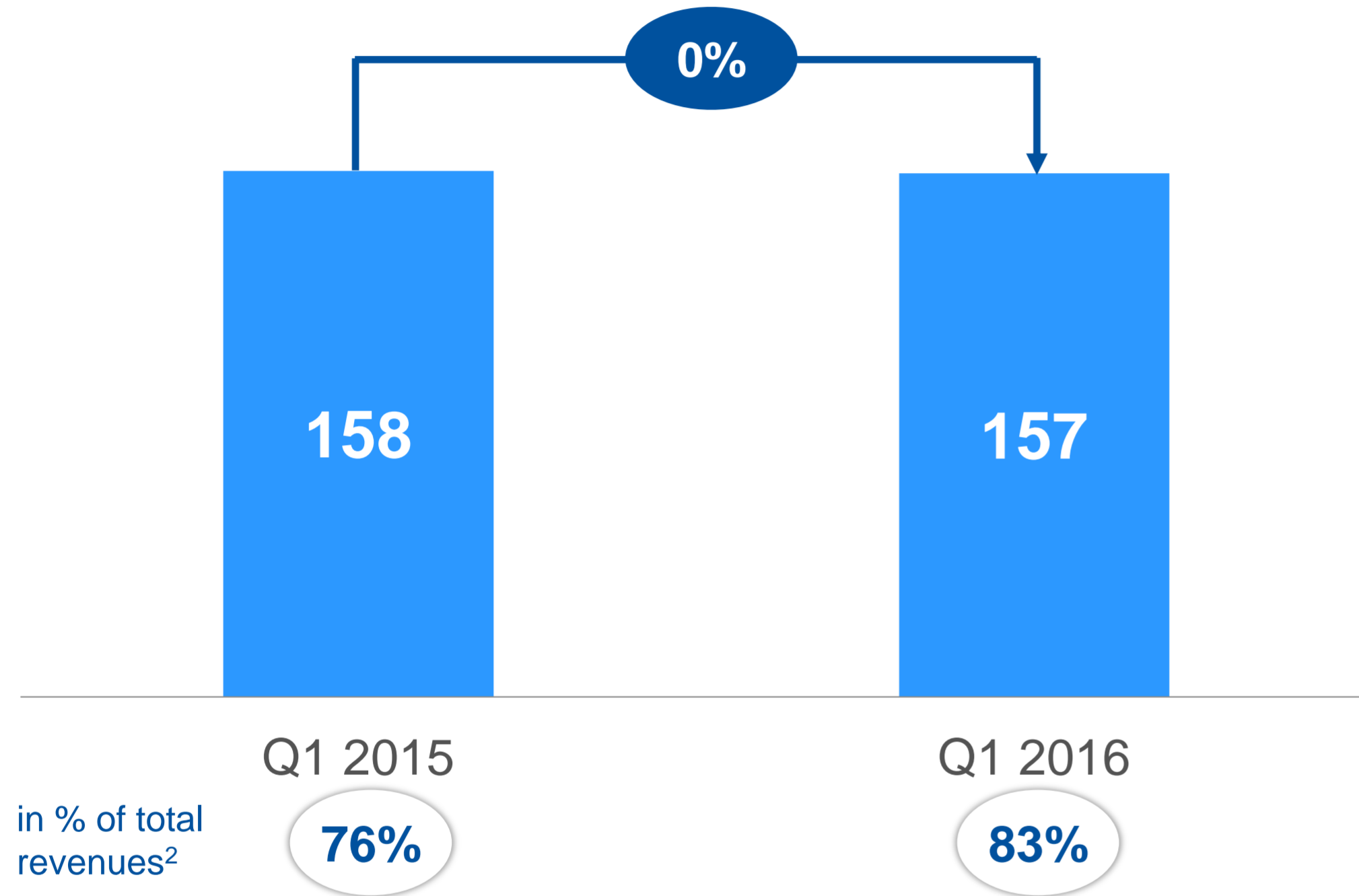
<sup>1</sup> Internet revenue growth <sup>2</sup> Total (Internet + Print & Voice) recurring EBITDA <sup>3</sup> Total (Internet + Print & Voice) recurring EBITDA to revenue margin



# Q1 2016 UPDATE: INTERNET

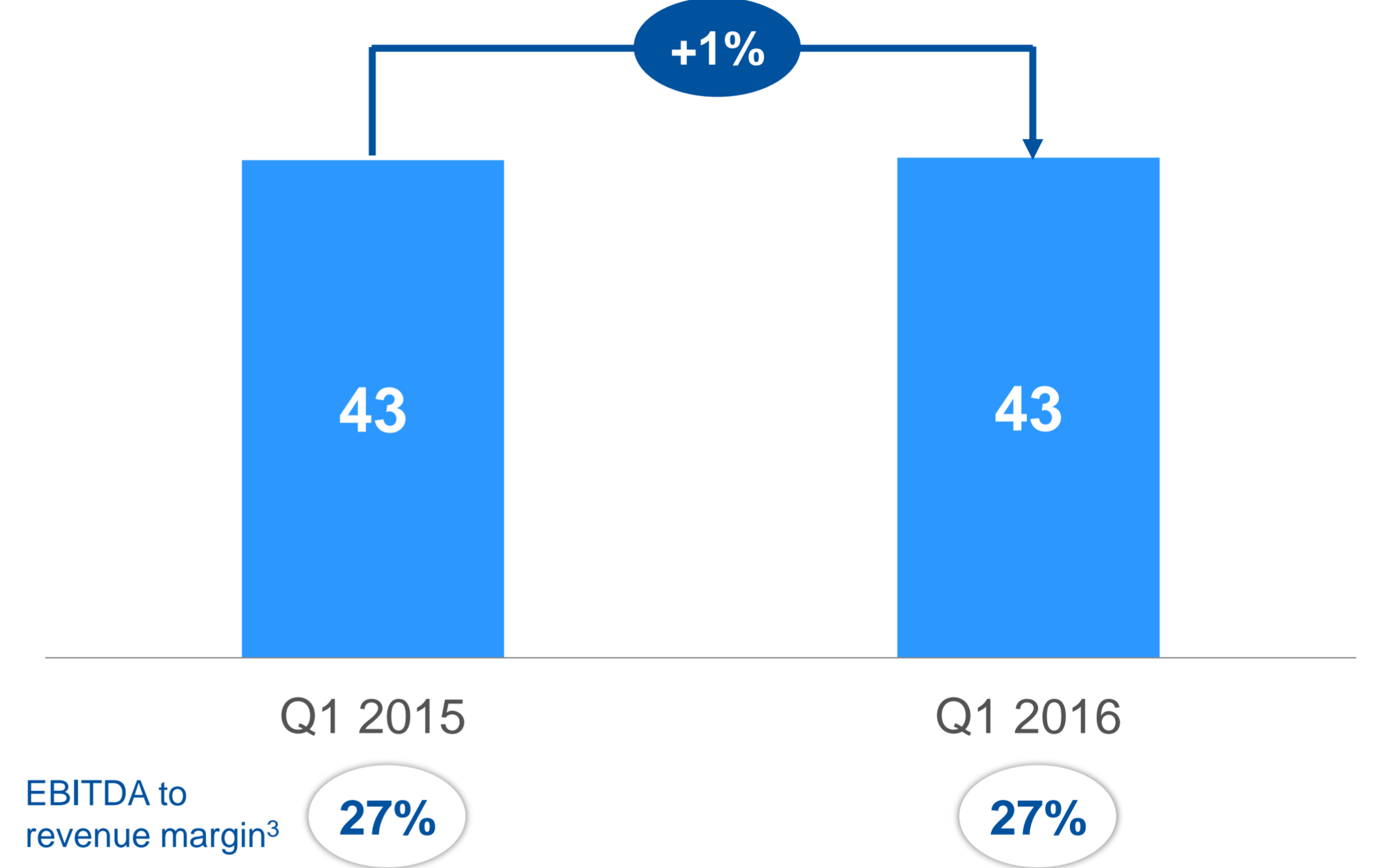
## REVENUES

in millions of euros



## EBITDA<sup>1</sup>

in millions of euros



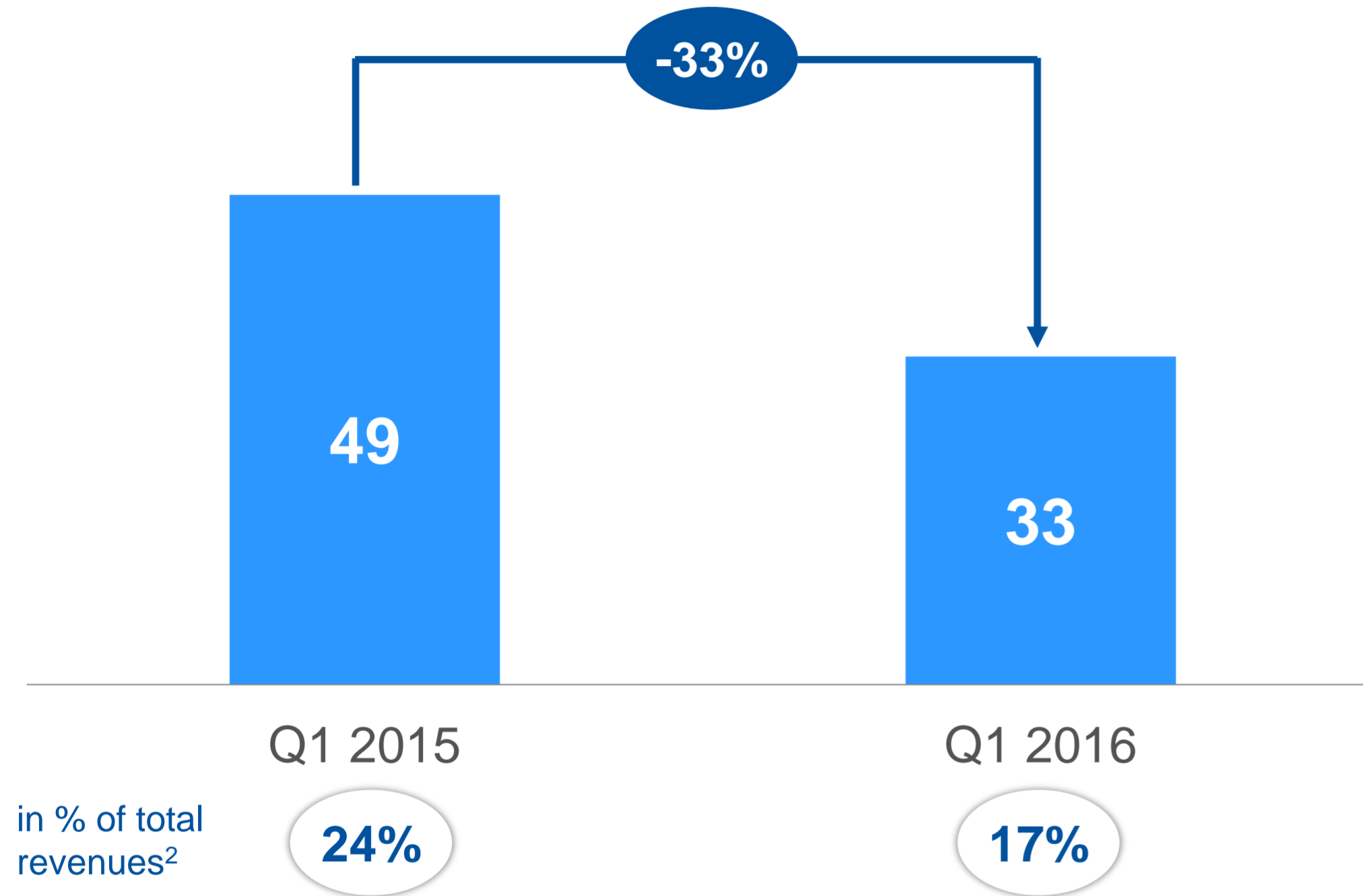
- Internet revenues stable vs Q1 2015, constrained by bank covenants
- Strong dynamic in Digital Marketing (revenues +25% vs Q1 2015) offsetting Local Search decrease (revenues -7% vs Q1 2015)
- EBITDA margin stable vs Q1 2015 thanks to operational efficiency program announced in April 2015

<sup>1</sup> Recurring EBITDA <sup>2</sup> Internet revenues / total revenues <sup>3</sup> Recurring EBITDA to revenue margin

# Q1 2016 UPDATE: PRINT & VOICE

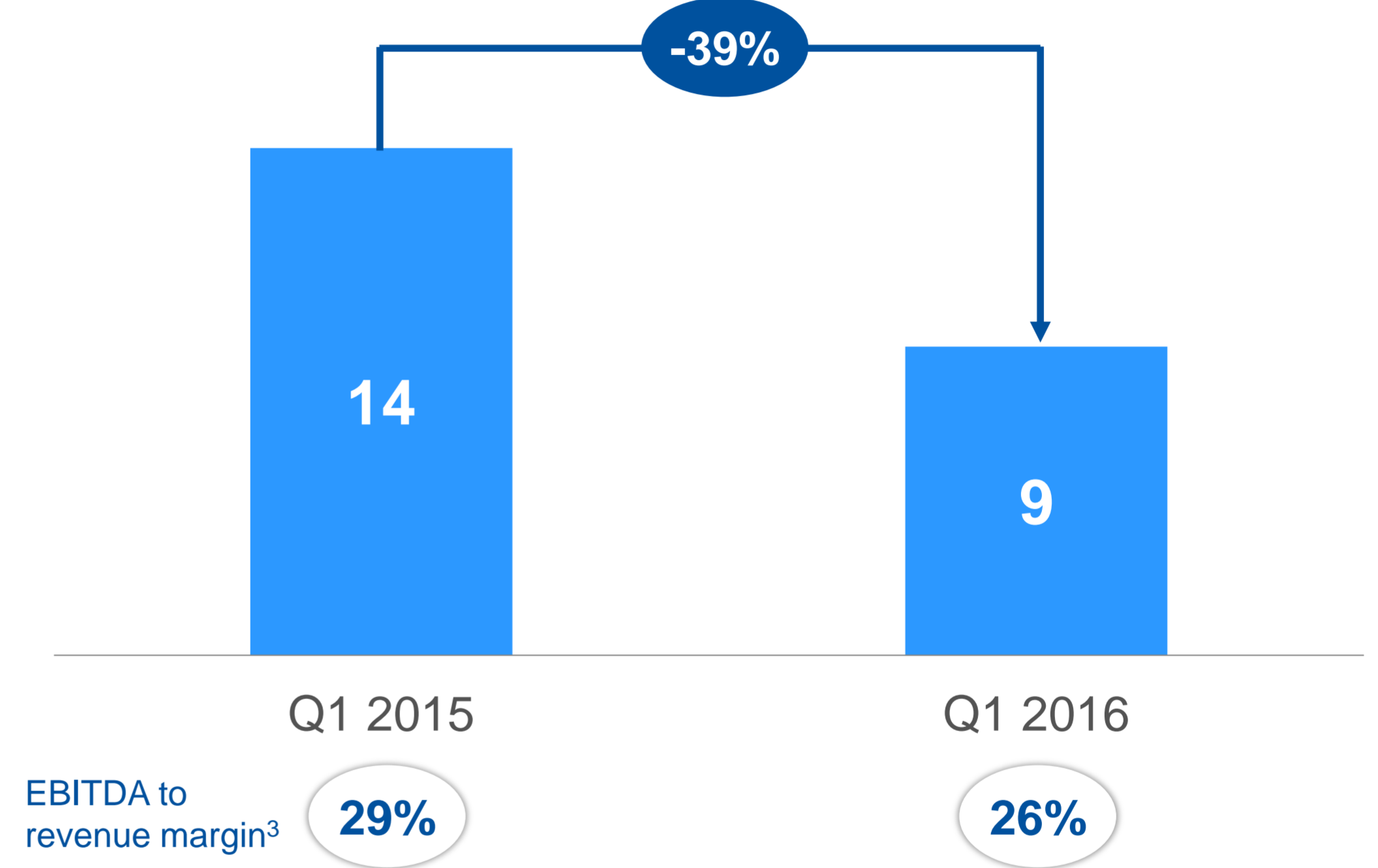
## REVENUES

in millions of euros



## EBITDA<sup>1</sup>

in millions of euros

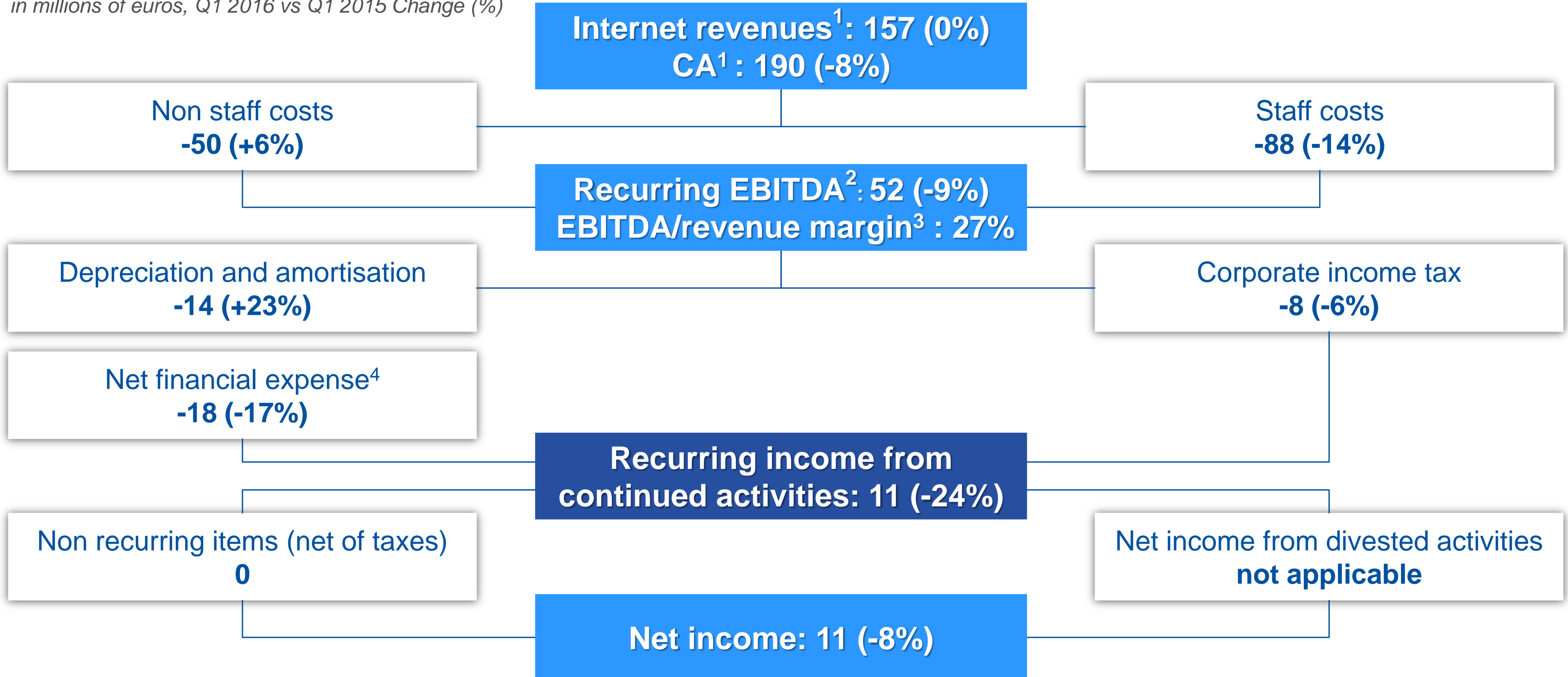


- Print & Voice revenues down by -33% over the period, mainly due to both strong decline of PagesBlanches and the underperformance of a few published books which is not expected to occur in the upcoming quarters
- Decrease in EBITDA margin as the reduction in cost of revenues and staff costs does not fully offset revenue decline

<sup>1</sup> Recurring EBITDA <sup>2</sup> Print & Voice revenues / total revenues <sup>3</sup> Recurring EBITDA to revenue margin

# Q1 2016 NET INCOME OF €11 MILLION

in millions of euros, Q1 2016 vs Q1 2015 Change (%)

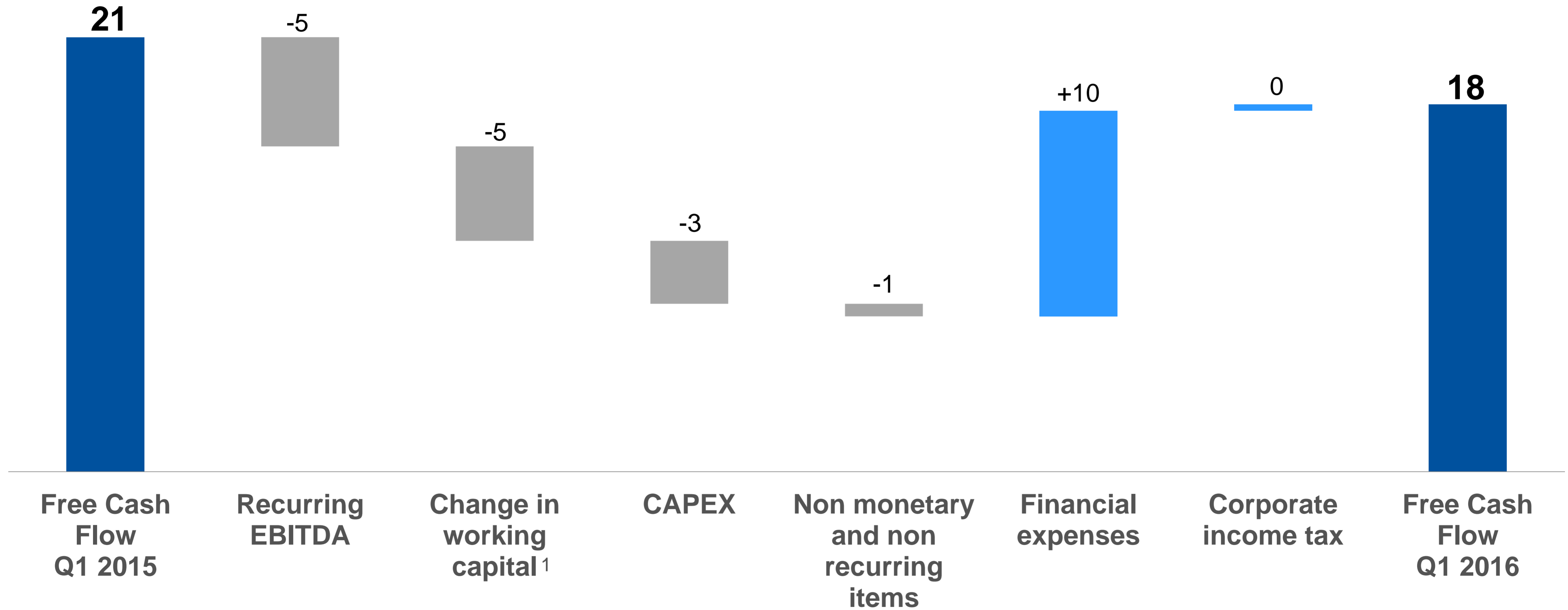


<sup>1</sup> Indicators for continued activities <sup>2</sup> Total (Internet + Print & Voice) recurring EBITDA <sup>3</sup> Total (Internet + Print & Voice) Recurring EBITDA to revenue margin <sup>4</sup> Including share of profit and loss of an associate



# Q1 2016 FREE CASH FLOW

in millions of euros



<sup>1</sup> Change in working capital due to regulatory change in cash out phasing of social charges

# OUTLOOK

JEAN-PIERRE REMY  
CHIEF EXECUTIVE OFFICER

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## OUTLOOK FOR 2016

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**Internet revenue growth rate<sup>1</sup>**

**0% to +2%**

**EBITDA to revenue margin<sup>2</sup>**

**≥ 28%**

**Given the envisaged timing for the debt restructuring, the Group top line growth will continue to be constrained by bank covenants (reduced investment in sales force, client acquisition and technology) for most of 2016.**

**Post restructuring positive impact on growth would occur at the earliest in Q4 2016.**

<sup>1</sup> Compared to 2015 <sup>2</sup> Total (Internet + Print & Voice) recurring EBITDA to revenue margin



## SOLOCAL GROUP IS PREPARING A PLAN TO DRASTICALLY REDUCE ITS DEBT

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**SoLocal Group is working with various investors to present an offer to its lenders and shareholders that would drastically reduce its debt.**

- Discussions with various investors which could invest new equity in order to finance a part of this reduction plan
- Consultation with both lenders and shareholders on this restructuring which could result in the dilution of the current shareholders. These shareholders could be offered the opportunity to participate in the transaction and therefore reduce any such dilution
- **Upcoming events :**
  - ↳ Ordinary General Assembly, postponed upon the Commercial Court of Nanterre, so that shareholders can vote both on the 2015 accounts and the restructuring
  - ↳ Target to announce the terms and conditions of such restructuring on or before the H1 2016 results publication planned for the end of July

# QUESTIONS & ANSWERS

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