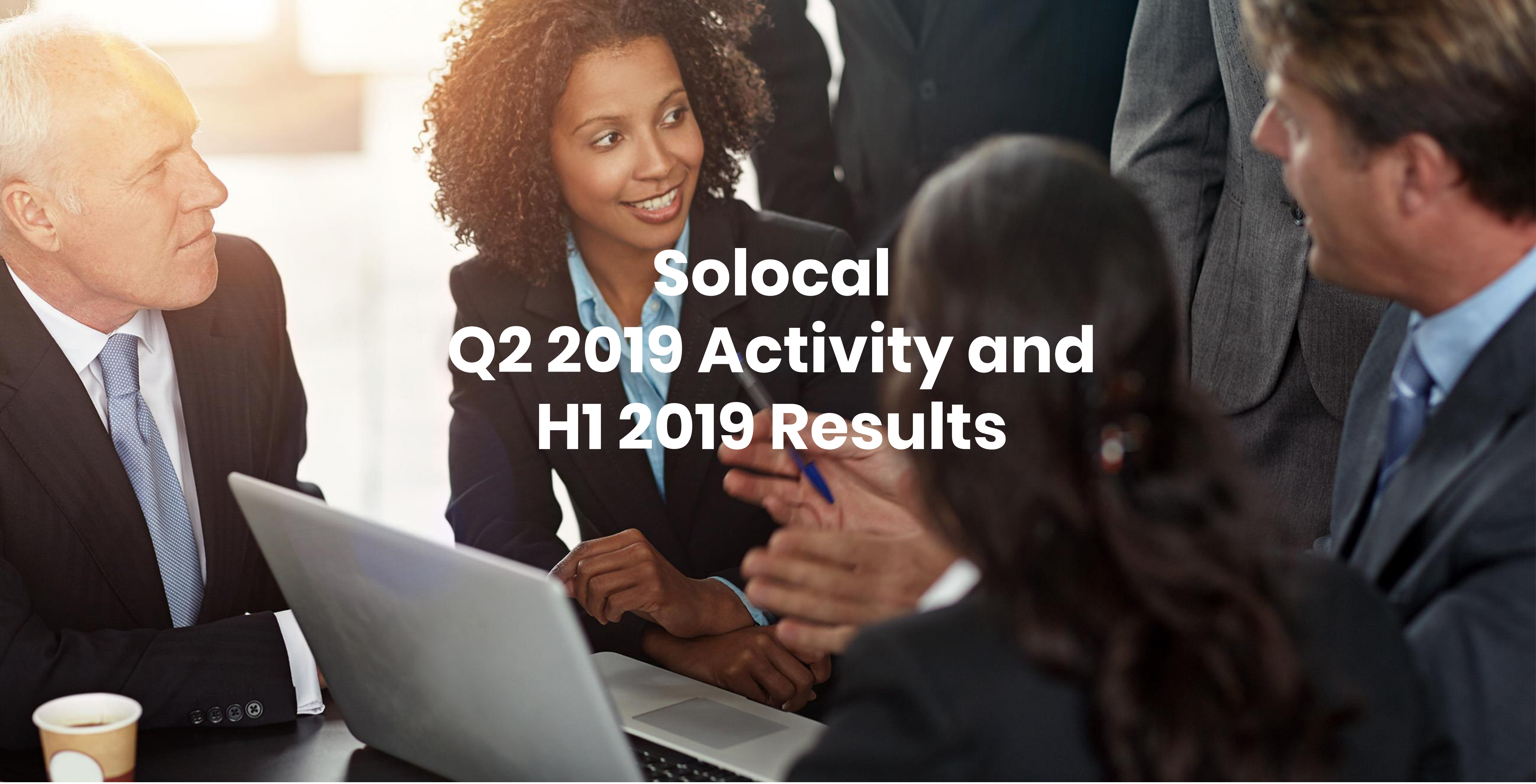

Solocal
Q2 2019 Activity and H1 2019 Results

29 JULY 2019

Disclaimer

This document contains forward-looking statements. Any forward-looking statement does not constitute forecasts as defined in European regulation (EC) 809/2004. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements are based on the Company's current beliefs, assumptions and expectations of its future performance, taking into account all information currently available. Forward-looking information and statements are not guarantees of future performance and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company. These risks and uncertainties include those discussed or identified under section 4 "Risk Factors" of the SoLocal Group's reference document which was filed with the French financial markets authority (AMF) on 21st March 2019. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things: the effects of competition; usage levels; the success of investments by the Group in France and abroad; the effects of the economic situation. SoLocal Group, its affiliates, directors, advisors, employees and representatives expressly disclaim any liability whatsoever for such forward-looking statements.

The Board of Directors approved the consolidated financial statements of the Group as at 30th June 2019. The limited review of H1 2019 accounts was completed and the limited review report has been issued on 26th July 2019. The quarterly financial statements were not audited. Financial statements restated before IFRS 16 are unaudited figures.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the total provided.

All financial data and indicators are published in details within the report of Consolidated financial information as of 30th June 2019 which is available on the corporate website, www.solocal.com (finance section).

Key messages

- **Q2 2019 Digital order intake trend** in line with the trend of Q1 2019: -5.8% vs. Q2 2018
- **Growth in recurring EBITDA:** +5%[1] vs. H1 2018

- Focus on plan execution: **Solocal 2020 plan in full motion**
- Strong **increase in sales productivity**
- Strong **increase in subscription revenues**
- Further **reduction in the cost base** to achieve >€100m at 2019 year-end (vs. 2017)

- **Strengthened liquidity:** increased RCF up to €40m

- **2019 outlook**
  - Back to Digital order intake growth in H2 2019
  - Stabilised Digital order intake in 2019
  - Moderate growth in recurring EBITDA in 2019
  - Conversion of recurring EBITDA into recurring operating cash flows of c.60%

[1] Same accounting rule, before applying IFRS 16

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Summary

Business update

Eric BOUSTOULLER

Solocal CEO

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Q2 2019 overview

In million euros	Q2 2018	Q2 2019	Change
Digital order intake	140	**132**	*-5.8%*
Digital order backlog (BoP/EoP)	354[3]	**349**	*-1.4%*
Digital revenues	146	**135**	*-7.7%*
Auto-renewal subscription order intake (% of Digital order intake)[1]	21%	**36%**	*+15 pts*
Audience (million visits)[2]	429	**511**	*+19%*

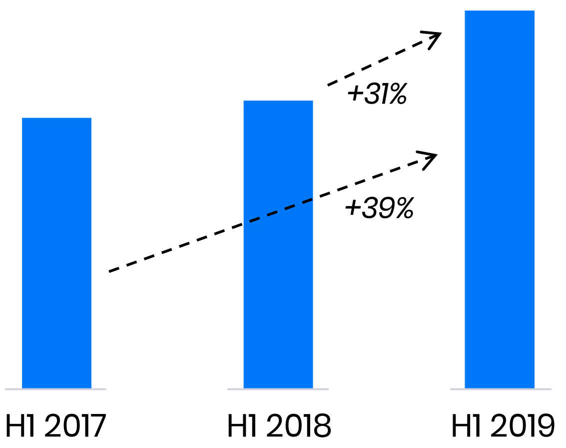
- Q2 2019 Digital order intake yoy trend (-5.8%) in line with Q1 2019 trend
  - In spite of strong Q2 2018
  - Ongoing salesforce performance and capacity management for long term productivity improvement
- Digital order backlog slightly down at -1.4% due to Q2 2019 Digital order intake impact
- Digital revenues down -7.7% led by S2-2018 order intake conversion into revenues
- Auto-renewal subscription: 27% of total and 36% of Digital order intake, boosted by Presence and Websites
- PJ audience up +19%, driven by strong SEO traffic and increasing audience partnerships

[1] Scope Solocal SA
[2] pagesjaunes.fr
[3] As of 31/03/19

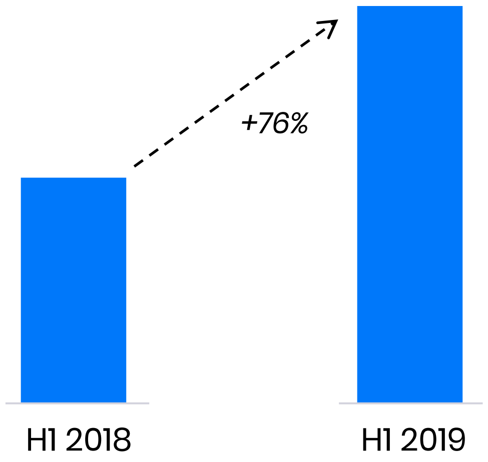
Ongoing organisation upgrade to increase productivity

- **Ongoing salesforce capacity optimisation…**
  - Performance management
  - Targeted salesforce hires and training
  - Focus on renewal and upsell of existing customers, vs. acquisition in Q2 2019
- **… leading to growing productivity** towards long-term and sustainable transformation

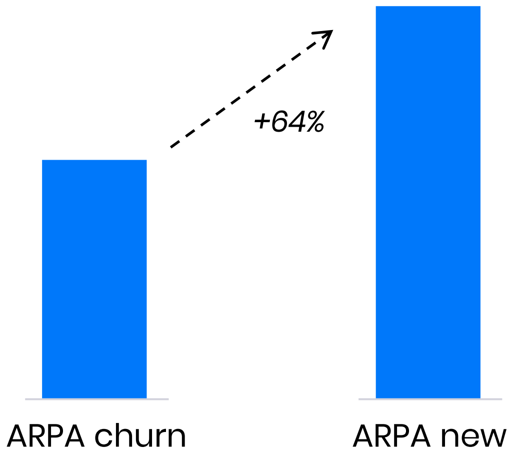
Weekly Digital order intake / Sales rep



Calling time / Telesales rep



ARPA churned customers vs. ARPA new customers (H1 2019)



Sales rep defined as working FTE

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Driving operational performance by customer segment

Customer segments[4]	Digital customer base		Digital ARPA[2,4]		Churn[2,4]	
	2018FY	H1 2019 (LTM)[5]	2018FY	H1 2019 (LTM)[5]	H1 2018	H1 2019
Micro-enterprises **ARPA from 0 to €500**	c. 155,000	c. 149,000	c. €150	c. €220	-	19%
VSEs **ARPA from €500 to €3,000**	c. 150,000	c. 142,000	c. €1,100	c. €1,160	-	12%
SMEs **ARPA > €3,000**	c. 35,000	c. 34,200	c. €5,900	c. €5,400	-	6%
Large accounts & networks[3]	c. 35,000	c. 30,300	c. €2,400	c. €2,500	-	13%
Total Customer segments[2,4]	c. 375,000	**c. 355,000**	c. €1,300	**c. €1,300**	16%	**14%**
Total Group	c. 426,000[5]	**c. 399,000**				

[1] Scope: Group – calculated based on consolidated revenues
[2] Calculated based on order intake, including cancellations
[3] Customers related to business networks, franchised or network heads
[4] Scope excluding non significant subsidiaries, representing 91% of total revenues
[5] Including 5,000 customers moved to Print segment

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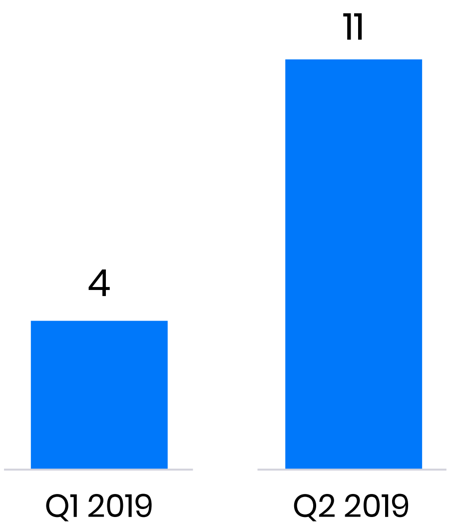
Ramping up Large Account momentum

- Solocal Bridge platform: large network accounts **manage local campaigns at national level**
- Customers control their budget and manage a consistent branding
- Solocal added value: tech platform, local presence, telesales activation and structured process

New Large Account framework agreements



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New Large Account contract with Intermarché

- **Strategic 3-year contract announced in July 2019**
- Intermarché, Bricorama, Bricomarché, Brico Cash, Roady et Netto brands benefit from Presence product
- Les Mousquetaires drive visibility and branding for c. 3,000 points of sale: reliable and consistent information communicated full web
- Each point of sale can manage and control its online content, data…
- Target: enable customer acquisition and loyalty

Focus on Presence and Priority Ranking product range

Presence

	Essential	Premium
	Visibility on: **9** websites & media	Visibility on: **21** websites & media
		E-reputation
	Mini-website	Mini-website
From:	**€29/month**	**€49/month**

Priority Ranking

Initial	Privilege	Integral
Up to **20 keywords**	Up to **35 keywords**	**All relevant keywords**
+	+	+
Visibility on: **21** websites & media	Visibility on: **21** websites & media	Visibility on: **21** websites & media
E-reputation	E-reputation	E-reputation
Mini-website	Mini-website	Mini-website

From €59/month… … to €387/month

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Presence and Priority Ranking range: Early insights

Acquisition and penetration of the customer base in 2019

Q2 2019	Q3 2019	Q4 2019
	Test Presence & Ranking SME Field sales	**Roll-out** Presence & Ranking SME Field sales
Test Presence & Ranking Telesales customers	**Roll-out** Presence & Ranking Telesales customers	
Ongoing Presence (since Q4 2018) & Ranking (since Q2 2019) Telesales leads		
Ongoing Presence (since Q1 2019) Ecommerce	**Roll-out** Ranking Ecommerce	

- Customers praise the clear value proposition, full web approach and keyword relevance: **boosting customers' ROI performance**
- Tests on telesales to existing customers yield positive results: **ARPA increase** when buying new Presence/Priority Ranking products
- Target: 50% penetration rate of customer base in 2019 year-end

I have more leads than before!

Magic Geek[1]

We received numerous requests for quotes

L & M Autos[2]

Keywords are very relevant to our business

Au palais d'Eric[3]

[1] IT repair company
[2] Auto repair company
[3] Catering company

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Optimising investments for successful transformation & growth

OTHER

IT & CLOUD

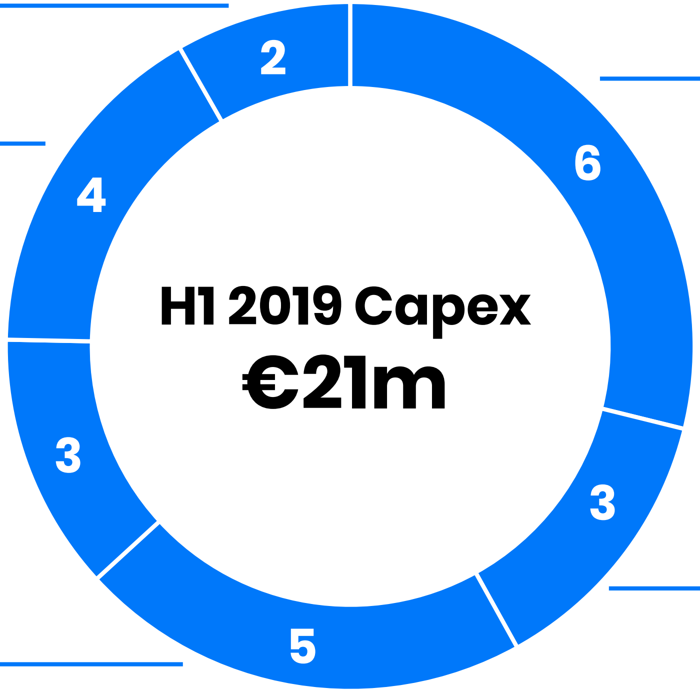
IT infrastructure modernization
and Move to Cloud

DATA

Big Data and artificial intelligence

DIGITAL SERVICES

- Presence
- Priority Ranking
- Digital Advertising
- Websites



MEDIA PLATFORMS

Investments in Group media

- Pages Jaunes
- Search engine
- Voice search
- Mappy MaaS *(mobility as a service)*…

SALES, CRM AND MARKETING

Launch of the new range of services and sales

Presence and Full Web Digital advertising
in subscription mode

Adaptation and modernisation
of sales, CRM and marketing tools

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H2 2019: Back to growth

- **Fully roll out new subscription-based services:** Priority Ranking and Presence across customer base
  - Strategic impact on new customer acquisition, ARPA increase, revenue recurrence and churn reduction
- **Boost upsell** through focus on Websites and Booster advertising services
- Roll-out of **digital coaching** by customer segment

- Ongoing upgrade of sales organisation to secure long term **productivity**: increasing sales intensity and more efficient new sales tools
- Acquire new customers through ecommerce and **full sales capacity** across all segments
- **Convert strong pipeline** of Large Accounts framework agreements into new customers

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- Continuously **add value** to customers by developing new products & functionalities
- Further **grow PJ traffic** through stronger partnerships and reinvented UX, to increase monetisation and drive higher margins

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Financial highlights

Olivier REGNARD

Solocal CFO

Overview of Solocal revenues

	Digital Presence	Websites	Digital Advertising	New Services	Print
H1 2019 Revenues	€69m	€55m	€140m	€4m	€36m[1]
H1 2018 Revenues	€66m	€56m	€166m	€4m	€57m[1]

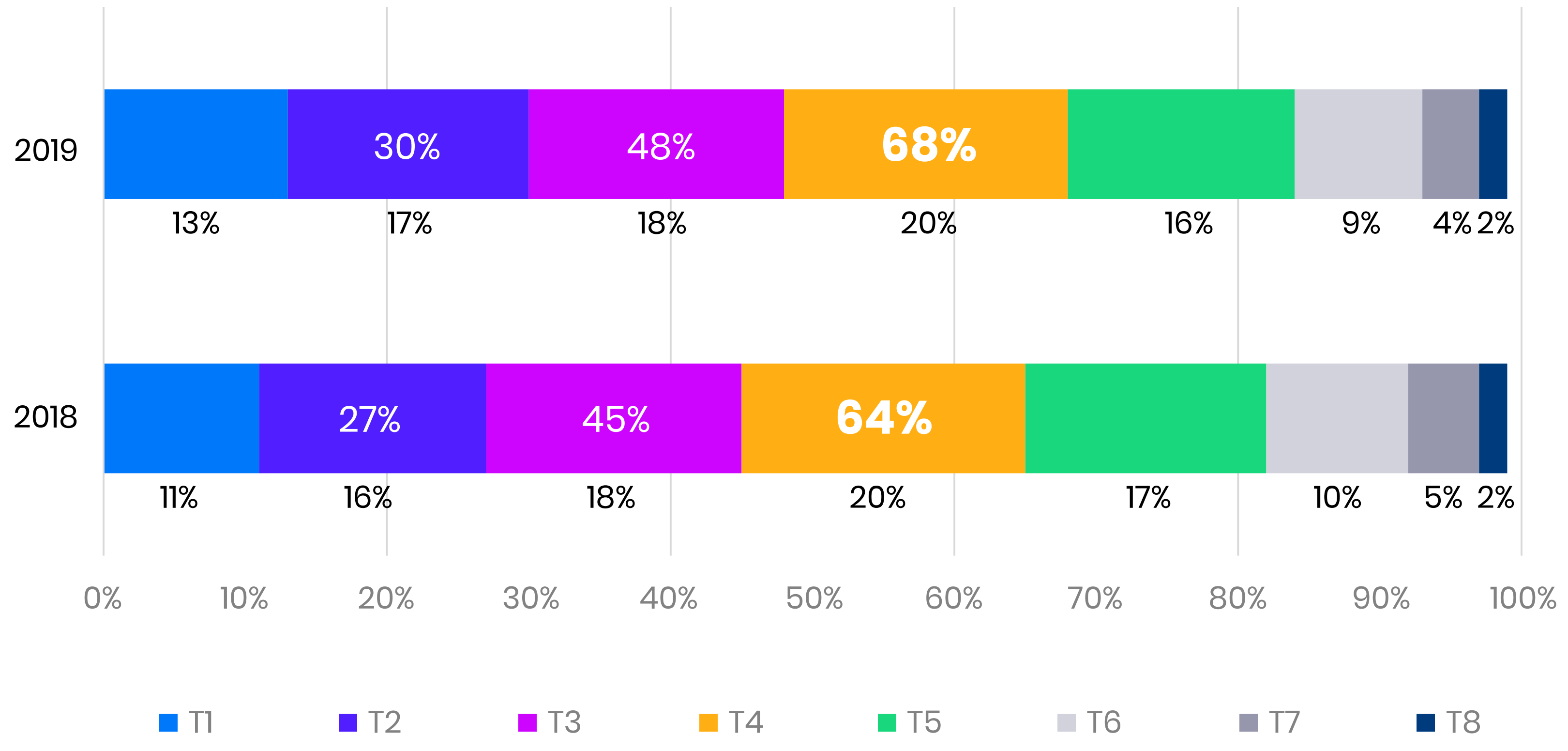
"FULL WEB" | ALL DEVICES | MULTICHANNEL
IN SUBSCRIPTION MODE | WITH DIGITAL COACHING

[1] Printed directories business

Accelerated order intake conversion into revenues

% of quarterly order intake converted into revenues in the following quarters (average of first two quarters)

Digital



- Order intake are converted into revenues faster than previous years thanks to:
  - Sales work on clearing and incresing quality of order intake
  - Product Mix improvement
- Conversion rate into revenues over the next 12 months
  - **In H1 2018, 64%**
  - **In H1 2019, 68%, i.e. +4pts**
- This improved conversion rate demonstrates that:
  - **Solocal 2020** is in motion
  - **SaaS Business model** in progress
  - Positive impact on **2020 Digital revenues**

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Growth in recurring EBITDA despite the decrease in revenues

In million euros	H1 2018	H1 2019[1]	Change	H1 2019 (IFRS 16)
▪ Digital revenues	293	268	*-9%*	268
▪ Print revenues	57	36	*-37%*	36
Total revenues	**350**	**304**	*-13%*	**304**
▪ Net recurring external expenses	(96)	(91)	*-5%*	(83)
▪ Recurring personnel expenses	(183)	(139)	*-24%*	(140)
Recurring EBITDA	**70**	**74**	*+5%*	**81**
▪ Non recurring EBITDA	(133)	(1)	*-99%*	(1)
Consolidated EBITDA	**(63)**	**73**	*+216%*	**80**
▪ Depreciation and amortisation	(33)	(29)	*-12%*	(37)
Operating income	**(96)**	44	*+146%*	43
▪ Other financial income and expenses	(19)	(17)	*-11%*	(20)
Income before tax	**(115)**	**26**	*+123%*	**23**
▪ Corporate income tax	35	7	*-80%*	7
Consolidated net income	**(80)**	**20**	*+125%*	**16**

- Revenues are still impacted from H2 2018 order intake decrease
- **Moderate growth in recurring EBITDA[1] in H1 2019:** €74m in H1 2019 vs. €70m in H1 2018
- **Expenses significantly reduced**
- **Positive net income**

[1] Before applying IFRS 16 rule

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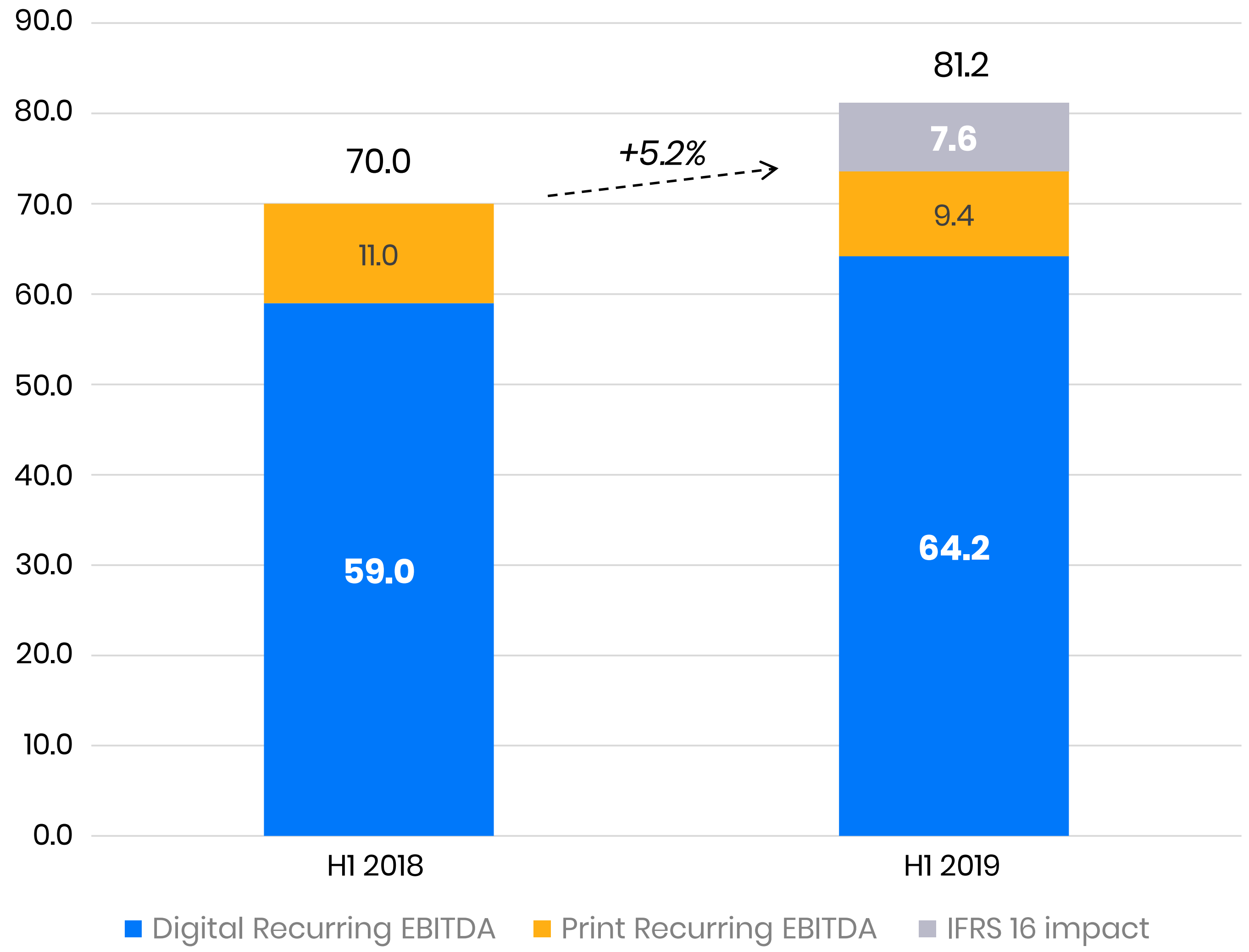
Focus on recurring EBITDA



- IFRS 16 accounting rule applied since 1st January 2019
- IFRS 16 impact on EBITDA: +€8m as of 30th June 2019
  - Due to rent costs
- Estimated 2019FY impact: c. €16m
- **Recurring EBITDA growth** under same standard in H1 2019 vs. H1 2018 of **5.2%**

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Ongoing decrease in the fixed cost structure in H1 2019

In million euros	H1 2018	H1 2019[1]
Revenues	**350**	**304**
▪ Variable costs	(33)	(33)
▪ Fixed costs	(247)	(190)
Total recurring expenses	(280)	(223)
Recurring EBITDA	70	81

- €50m reduction in costs in H1 2019, on top of €60m cost reduction in 2018 (already booked in 2018FY), driven by
  - Decrease in personnel expenses
  - Rigorous cost control
- Variable costs stable due to the change in product mix

[1] As per IFRS 16 rule

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Cash flow generation

In million euros	H1 2018	H1 2019[1]	*o/w IFRS 16 impact*
Recurring EBITDA	**70**	**81**	*+8*
▪ Non monetary EBITDA	5	6	-
▪ Change in WCR	(25)	(19)	-
- of which Change in customers WCR	(10)	(5)	-
- of which Change in suppliers WCR	13	(6)	-
- of which Change in other WCR	(27)	(8)	-
▪ Capex	(22)	(21)	-
Recurring operating cash flow	**30**	**47**	**-**
▪ Non-recurring items	(12)	(46)	-
▪ Financial expenses	(17)	(20)	*(3)*
▪ Corporate income tax paid	(12)	4	-
FCF from continued activities	**(12)**	**(15)**	**-**
▪ Others (of which leases)	(2)	(8)	*(5)*
Net cash variation	**(14)**	**(23)**	**-**
Net cash position at start of period	**86**	**82**	**-**
Net cash position at end of period	**72**	**58**	**-**

- IFRS 16 included for H1-2019
- Seasonality in cash generation: H2 historically higher than H1
  - More Print revenues recognised in H2 due to business seasonality, impacting customers WCR
  - €25m one-off personnel-related outflows in H1 2019
- €38m of restructuring costs paid in H1 2019
- Tax refund received for €6m
- EBITDA – capex in line with plan: €53m (*before IFRS 16*)

[1] As per IFRS 16 rule

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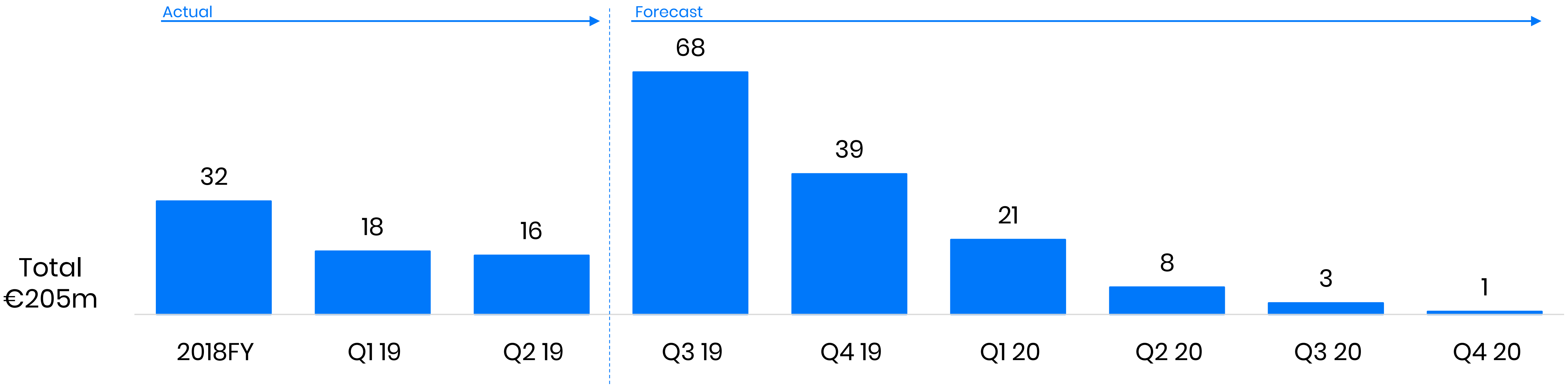
Cash outflows related to the restructuring plan: update



Notice period

- Monthly salary (2-3 months)

Mobility / reclassification leave

- 80% of the monthly salary for 9-10 months

Indemnities

- Amount according to seniority

Note: excluding real estate provision

Stable financial leverage

In million euros	H1 2018	H1 2019[1]
▪ Gross debt	398	**409**
▪ Cash EoP	72	**58**
▪ Net debt	326	**349**
▪ Recurring EBITDA	70	**81**
▪ Financial leverage[2]	1.8x	**1.9x**

- **Debt covenants according to the bond documentation are not based on IFRS 16**
  - €398m bond maturing March 2022
- **Financial leverage[2] = 1.9x**, ie 45% headroom relative to the bond covenant (3.5x)
- **ISCR of 5.6x**, ie 86% headroom relative to the bond covenant (3.0x)

[1] Before applying IFRS 16 rule
[2] Calculated according to the documentation of the Solocal bond maturing March 2022

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Increased and strenghthened liquidity

- **Revolving credit facility (RCF) upsized to €40m (from €15m)**
  - Undrawn as of 30th June 2019
  - Maturity March 2022

- **Working capital facility** signed in December 2018 with a financial partner
  - €2m used as of 30th June 2019, out of €10m allowed basket
  - 95% receivables acceptance rate

- Ongoing discussions with other financial partners in order to achieve other similar agreements

Wrap-up

- **Solocal 2020 plan in full motion**

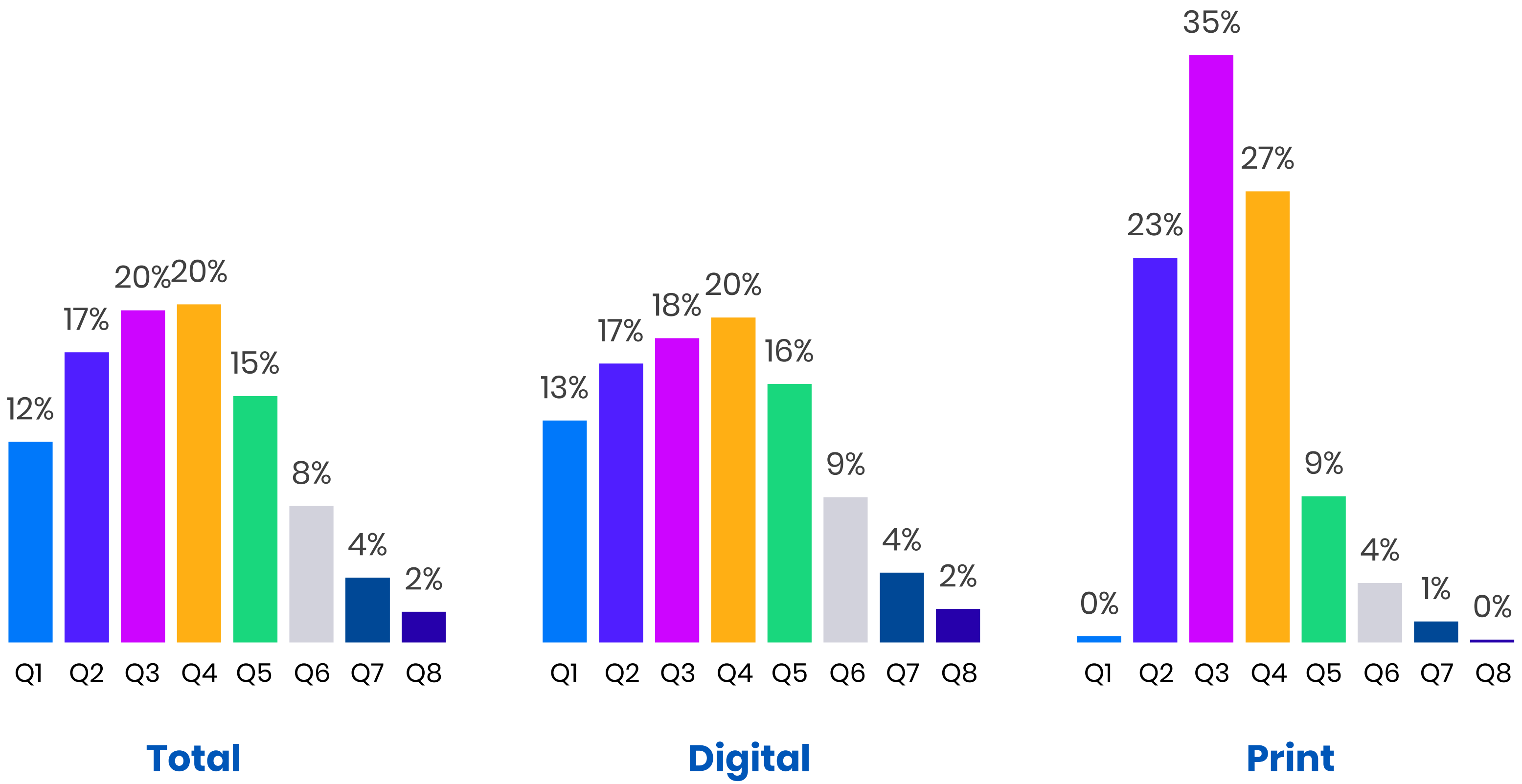
- **Back to Digital order intake growth in H2 2019**
- **Stabilised Digital order intake in 2019**
- **Moderate growth of recurring EBITDA in 2019**
- **Conversion of recurring EBITDA into recurring operating cash flows c.60%**

- **Strenghtened liquidity**

Appendix

Accelerated order intake conversion into revenues[1]

% of quarterly order intake converted into revenues in the following quarters (average of two 2019 quarters)



- Digital order intake are converted into revenues over the following 8 quarters at a slower pace than Print order intake
- The conversion pace of Digital order intake into revenues has slightly accelerated vs. 2018, due to the improvement in product mix

[1] Scope excluding non significant subsidiaries, representing 91% of total revenues

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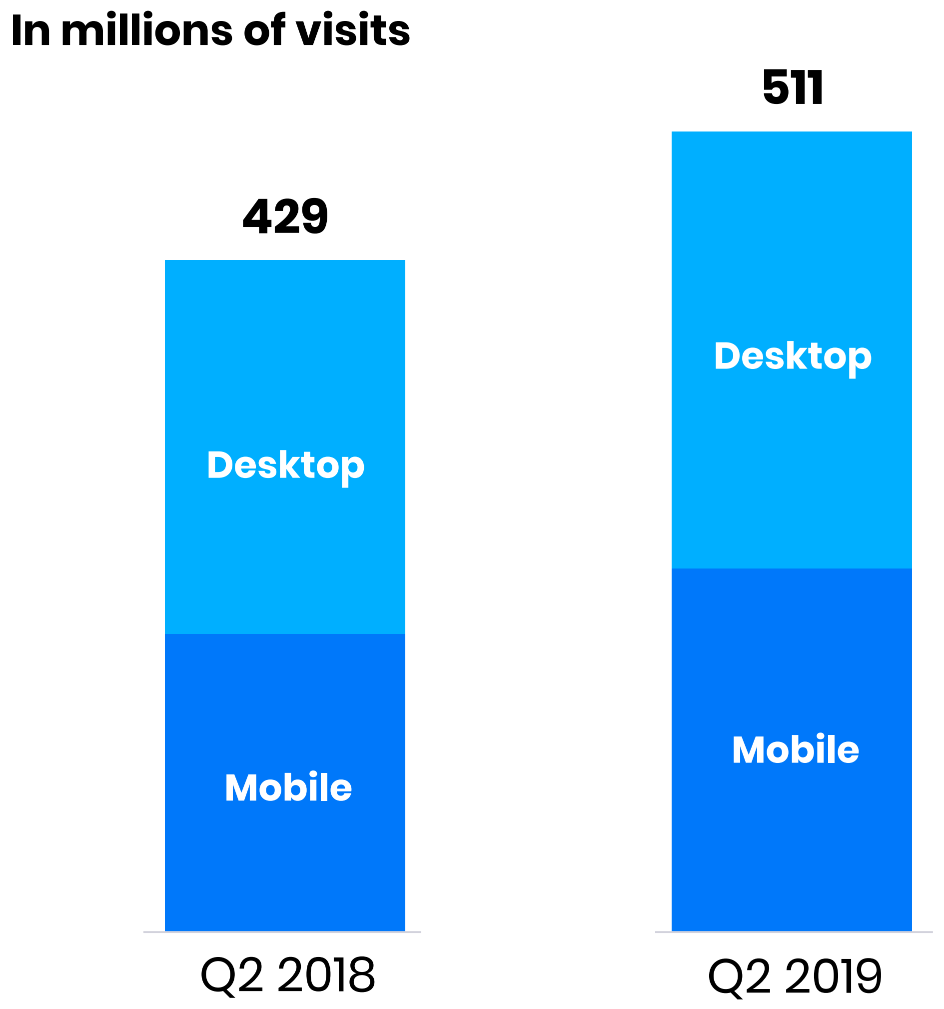
H1 2019: Impact of the IFRS 16 standard on leases

- **Applicable as of 1st January 2019**
  - Recognition on balance sheet of all lease commitments **currently recognised as off balance sheet commitments** and finance leases
  - Impact on the Group's balance sheet:
    - **Recognition of a lease debt among liabilities** (discounted residual future rentals)
    - **In exchange for a right-of-use posted in the assets as a fixed asset amortised over the lease term**
    - Leases with a residual term of less than twelve months are excluded
  - Most lease contracts are related to the head office
- **The impact on financial debt is €113m as of 30/06/19**
- **Impact on recurring EBITDA is +€8m in H1 2019, estimated 2019FY impact of +€16m**
- **No impact on cash**

In million euros	IFRS 16 Impact as of 30/06/19	Estimated IFRS 16 Impact as of 31/12/19
Revenues	-	-
▪ Net external expenses	8	16
▪ Personnel expenses	-	-
▪ Restructuring costs	-	-
EBITDA	8	16
▪ Depreciation and amort.	(8)	(16)
Operating income	(0)	(0)
▪ Financial income	-	-
▪ Financial expenses	(3)	(6)
Financial result	(3)	(6)
Result before tax	(3)	(6)
▪ Corporate income tax	-	-
Net income	(3)	(6)

PagesJaunes audience positive trend in Q2 2019



- **PagesJaunes audience up by +19%, representing 82 million incremental visits in Q2 2019 yoy**
  - Growth boosted by partnerships
  - Increase in SEO visits
  - Ongoing work on PagesJaunes UX and UI to optimise direct traffic
- **Mobile audience up (vs. Q2 2018)**
- **Rich PJ content: leads generated for Solocal customers up +9% yoy**

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Change in staff numbers

Category	31/12/2018	31/12/2018 Including PSE departures	30/06/2019 Including PSE departures
Telesales	849	684	645
Field sales	1,325	960	996
Non-sales staff	343	244	254
IT – R&D	364	329	322
Others	1,439	1,174	1,181
TOTAL	**4,320**	**3,391**	**3,398**

- Departures achieved in 2018 will be taken out of staff numbers when their severance benefits have been settled later in 2019

Main features of 2022 bond

- **Amount:** €398m
- **Interests:** 8% payable quarterly

3-month EURIBOR rate – with a minimum of 1 % + margin based on the level of consolidated net financial leverage ratio (consolidated net debt/consolidated EBITDA) at the end of each semester

Greater than 2.0:1	9.0%
Less or equal to 2.0:1 but greater than 1.5:1	7.0%
Less or equal to 1.5:1 but greater than 1.0:1	6.0%
Less or equal to 1.0:1 but greater than 0.5:1	5.0%
Less or equal to 0.5:1	3.0%

- **Maturity:** 15 March 2022
- **Early repayment** or callable by the company: at any time, all or part of the bonds at 100% of the principal amount (par value)
- **Credit ratings:**

	Issuer rating	Security rating
Fitch	B- negative watch	B-
Moody's	Caa1 negative outlook	Caa2

BASKETS IN THE BOND DOCUMENTATION	
Working capital facility	Up to €10m
Asset financing	Up to €50m
Bilateral credit lines	Up to €50m
RCF	

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Solocal Digital offer

PRESENCE

Presence ESSENTIEL

MINI-SITE

Visibility on 9 websites, search engines and social networks

€29 Excl. taxes/month

Presence PREMIUM

MINI-SITE

+

Visibility on 21 websites, search engines and social networks

+

e-reputation

€49 Excl. taxes/month

WEBSITES

Websites

- Essentiel
- Premium
- Privilege

From €70 Excl. taxes/month

E-commerce website

- Essentiel
- Premium
- Privilege

From €80 Excl. taxes/month

ADVERTISING

Priority Ranking

PRESENCE PREMIUM

+

Priority Ranking

- Initial
- Privilege
- Integral

From €59 Excl. taxes/month

Offline Performance

LEADS AND DRIVE TO STORE

- Booster Contact
- Local Impact — Full Web

From €75 Excl. taxes/month

Online Performance

TRAFIC TO WEBSITES

- Booster Site
- Social Clic

From €75 Excl. taxes/month

Visibility

DISPLAY CAMPAIGNS

- Social Tract
- ADhesive — Full Web

VIDEO CAMPAIGNS

- Social Vidéo

From €69 Excl. taxes/month

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