



# SOLOCAL Q3 2019 REVENUES AND ACTIVITY

21 OCTOBER 2019

[solocal](https://www.solocal.com)

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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 21<sup>st</sup> 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.

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The quarterly financial statements are not audited.

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

# Key messages

- **Back to growth in H2 2019**
  - **Q3 2019 Digital order intake growth:** +5.3% vs. Q3 2018
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- New **digital service range** fueling growth
  - Close to 60% subscription sales: driving long-term **recurring revenues**
  - Ongoing step-up in **sales productivity**
  - **Long-term profitable growth**
- 

- **Restructuring plan is behind, growth ahead**

# Q3 2019: Digital order intake growth

In million euros	Q3 2018	Q3 2019	Change
Digital order intake	96	101	+5.3%
Digital revenues	139	129	-7.5%
Digital order backlog (BoP/EoP)	349 <sup>3</sup>	318	-9.0%
Auto-renewal subscription order intake (% of Digital order intake) <sup>1</sup>	22%	59%	+37 pts
PJ traffic (million visits) <sup>2</sup>	429	510	+19%

- +5.3% growth of **Digital order intake** in Q3 2019 vs. Q3 2018:
  - Roll-out of new products in subscription mode to customers
  - Organisation upgrade delivering short & long-term productivity improvement
- **Digital revenues** down -7.5%, led by previous quarters order intake conversion into revenues
- **Digital order backlog** down by -9.0% due to Q3 seasonality of order intake vs revenues
- c. 60% of Digital order intake are in **subscription with auto-renewal**, up +37 pts vs. last year, boosted by Priority Ranking
- **PJ traffic** up +19%, leading to increased volume of first-party data

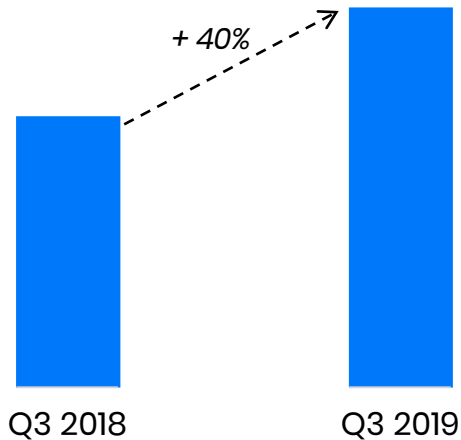
# Structural shift to deliver sustainable growth

- Ongoing organisation upgrade ensuring long-term growth acceleration, including:

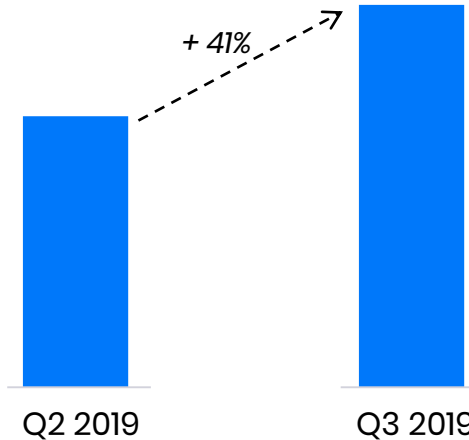
- New product launch
- New sales tools and training
- Upgrading management in sales organisation

- Leading to further increase in productivity & profitability

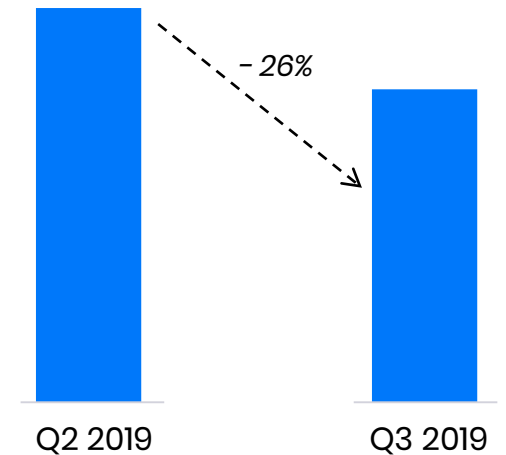
Weekly Digital order intake / Sales rep<sup>1</sup>



Calling time / Telesales rep<sup>2</sup>

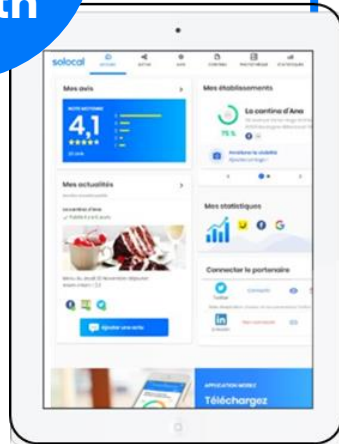


Customer request backlog<sup>2</sup>

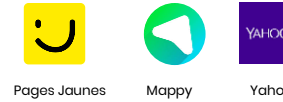


# Priority Ranking: Top ranking and full visibility

From  
**€59**  
/month

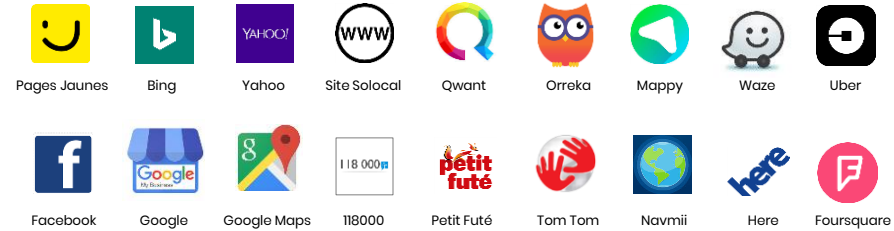


## Priority visibility



## Update and publish content and local information

Phone, opening hours, description, pictures...



## Manage reviews



## Release news



## Check dashboard



## Landing page



# Priority Ranking: Competitive edge

## 1 SIMPLIFIED

- **Packaged** product
- **Clear** pricing
- **Subscription** model
- **Interactive** sales tools

## 2 FULL WEB

- 21 **partner medias**:  
vs. PJ-centric
- **Solocal App**:  
content management,  
news update, dashboard

## 3 MORE VALUE FOR MONEY

- More **leads** to customers
- Extended geo **visibility** on PJ
- Client **interaction tools**:  
post alerting & management,  
booking tool

# Presence and Priority Ranking: Positive first results

Migration rate<sup>1</sup>

> 80%

Telesales Development rate<sup>2</sup>

+ 20-25%

Field sales Development rate<sup>3</sup>

+ 5-10%

*PagesJaunes accounts for 30% of requests for quotes and 18% of signed quotes.*

BSPI Rénovation  
(Restoration)

*Being top ranked means more leads calling, hence more work.*

Guillon Père et Fils  
(Levelling and sanitation)

*It brings me customers, prospects and more visibility.*

Sudelec  
(Electrical equipment)

*I subscribed to the Priority Ranking offer to have an online presence on high-traffic websites and social networks, and for the centralised dashboard via the app.*

CTA  
(Vehicle inspection)

*We wanted to be top ranked, as we have a lot of competitors. With Solocal we have a relationship based on trust.*

Luminex Provence  
(Electricity, heating)



# Large Account business momentum

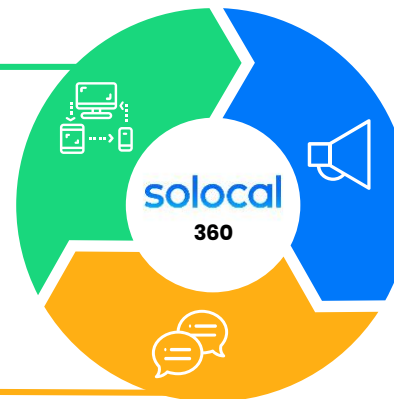
- Ongoing momentum of Large Account customer segment
- Solocal provides **local support** to all Large Accounts' points of sale via **comprehensive product range**, including
  - Site Locator / Presence
  - Priority Ranking
  - Drive to store

## Examples of Q3 2019 new Large Account contracts



## Presence Management

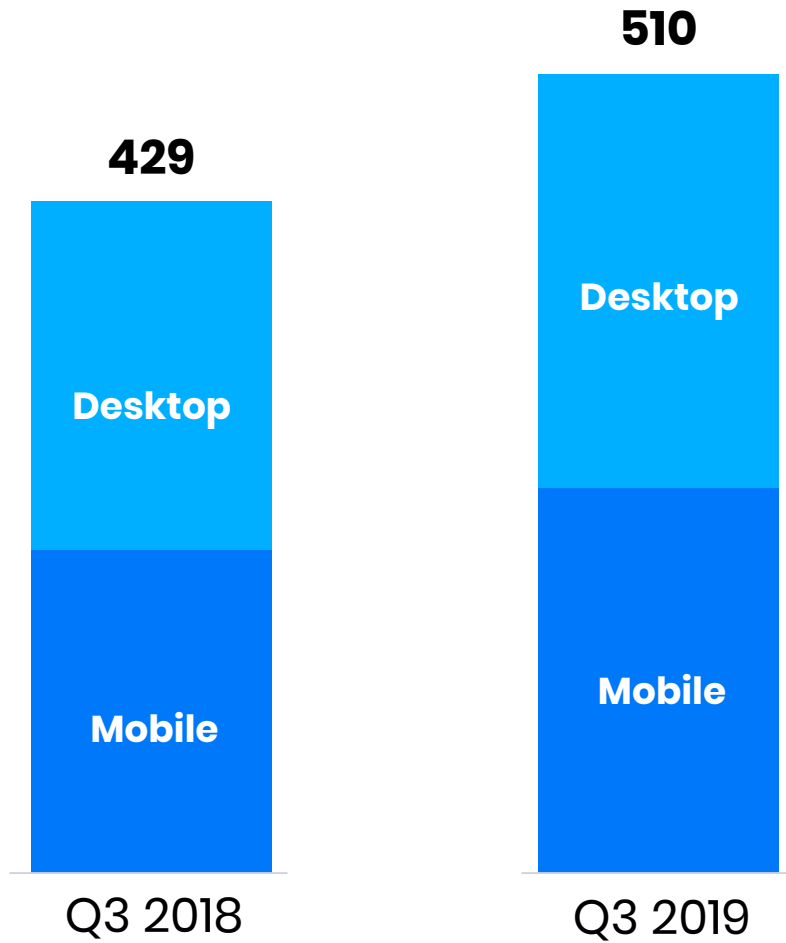
## Data & Relationship Marketing



## Search & Display Advertising

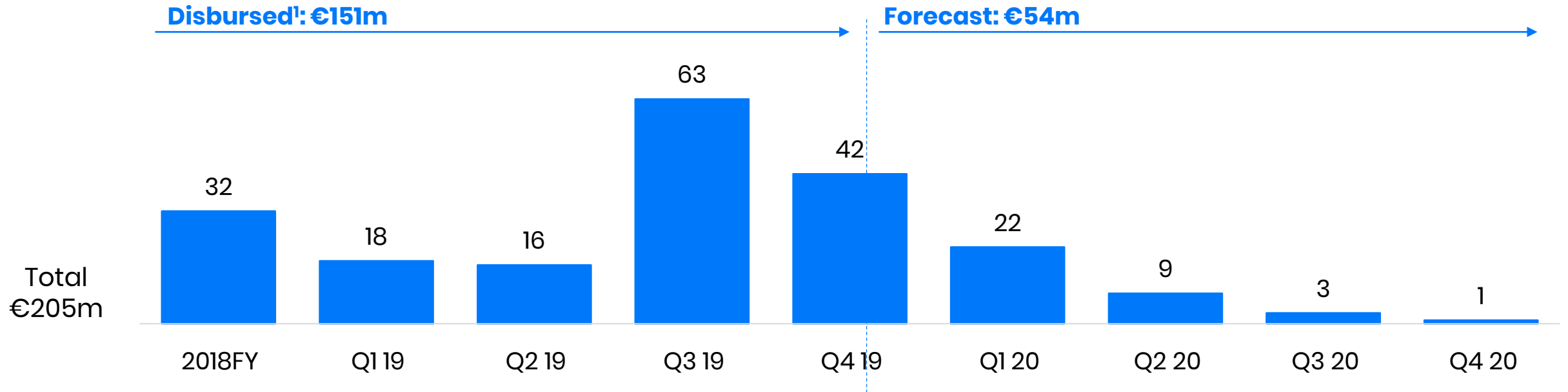
# Keeping up PagesJaunes traffic positive trend in Q3 2019

In millions of visits



- **PagesJaunes traffic up +19%, representing 81 million incremental visits in Q3 2019 yoy**
  - Growth driven by partnerships
  - Increase in RGPD-compliant first-party data for Solocal
- **Mobile traffic up (vs. Q3 2018) to a record high**

# Update on cash outflows related to the 2018 restructuring plan



## Notice period

- Monthly salary (2-3 months)

## Mobility / reclassification leave

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

## Indemnities

- Amount according to seniority<sup>2</sup>

# Q4 2019 & beyond: Accelerating growth

- **Keeping up growth into Q4 2019**

- Focus on new Products roll-out (existing & new customers)
  - Cross-media ad campaign to fuel new customer acquisition
  - Building on Q3 2019 sales momentum and positive energy
- 

- **Confirming 2019 target:**

- Digital order intake growth in H2 2019
  - Stabilised Digital order intake in 2019
  - Moderate growth of recurring EBITDA in 2019
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- **Pursuing growth dynamics into forthcoming quarters**

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# Appendix

# 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	CCC+	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**

# Solocal Digital offer











## PRESENCE

## WEBSITES

## ADVERTISING


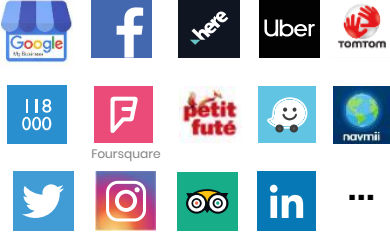
Presence ESSENTIEL	Presence PREMIUM
 MINI-SITE	 MINI-SITE
Visibility on 9 websites, search engines and social networks	Visibility on 21 websites, search engines and social networks
	
	e-reputation
	
€29 Excl. taxes/month	€49 Excl. taxes/month

Websites
Essentiel
Premium
Privilege
From €70 Excl. taxes/month
E-commerce website
Essentiel
Premium
Privilege
From €80 Excl. taxes/month




Priority Ranking	Offline Performance	Visibility
PRESENCE PREMIUM 	LEADS AND DRIVE TO STORE	DISPLAY CAMPAIGNS
	Booster Contact 	Social Tract 
Priority Ranking	Local Impact  Full Web	Adhesive  Full Web
	From €75 Excl. taxes/month	
Initial	Online Performance	VIDEO CAMPAIGNS
Privilege	TRAFFIC TO WEBSITES	Social Vidéo 
Integral	Booster Site 	From €69 Excl. taxes/month
From €59 Excl. taxes/month	Social Clic 	
	From €75 Excl. taxes/month	

# Focus on Presence and Priority Ranking product range

## Presence

Essential	Premium
	
<p>Visibility on: <b>9</b> websites &amp; media</p> <p>Mini-website</p>	<p>Visibility on: <b>21</b> websites &amp; media</p> <p>E-reputation</p> <p>Mini-website</p>
<b>From: €29/month</b>	<b>€49/month</b>

## Priority Ranking

Initial	Privilege	Integral
		
<p>Up to <b>20</b> keywords</p>	<p>Up to <b>35</b> keywords</p>	<p><b>All relevant keywords</b></p>
<p>+</p> <p>Visibility on: <b>21</b> websites &amp; media</p> <p>E-reputation</p> <p>Mini-website</p>	<p>+</p> <p>Visibility on: <b>21</b> websites &amp; media</p> <p>E-reputation</p> <p>Mini-website</p>	<p>+</p> <p>Visibility on: <b>21</b> websites &amp; media</p> <p>E-reputation</p> <p>Mini-website</p>
<b>From €59/month...</b>		<b>... to €387/month</b>