



# 2020 Annual results

18TH FEBRUARY 2021

[solocal](#)

# Disclaimer

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The forward-looking statements included in this document only reflect Solocal Group's views as of the date of this document and, other than as required by applicable law, Solocal Group does not undertake any obligation to update or revise any such forward-looking statements.

All accounting data on an annual basis is presented in the form of audited consolidated information. However, all accounting data on a quarterly basis is presented in the form of unaudited consolidated information. In Solocal results presentation and Solocal press release, Solocal Group isolates continuing operations from discontinued operations. Financial performance indicators are commented on the scope of continuing activities. Financial statement presented for 2020 and Q4 2020 are reviewed in the light of the 2020 scope of continuing operations. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the total provided.

All detailed financial indicators and data are published in the Consolidated Financial Statements Report as of 31<sup>st</sup> December 2020, available on [www.solocal.com](http://www.solocal.com) (Investors and shareholders).



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# 2020 Highlights / Lowlights

## HIGHLIGHTS

- ✓ **Guidance in an unprecedented health crisis context delivered :**
  - Revenues
  - EBITDA
  - Cash
- ✓ **Customer base stabilized on Q4 2020, mainly driven by churn reduction**
- ✓ **Subscription mode successful roll-out**
  - 79% of our customers with at least one product in subscription mode<sup>1</sup>
- ✓ **Strengthening of our financial structure**
  - Net debt : €190 m (divided by 2)
  - Financial costs halved to €20 m on an annual basis
- ✓ **More focus on our core business**
  - Mappy & QdQ disposals
  - End of Print : 100% Digital from now

## LOWLIGHTS

- ✗ **Covid-19 crisis impact on Solocal:**
  - 2020 Digital revenues (excl. QdQ & Mappy) down by -13.6% vs. 2019 Digital revenues, in line with announced target
  - Adverse health environment, although building up appetite for digital solutions
- ✗ **Customer satisfaction & service to be improved**
- ✗ **Continued decrease of PJ traffic & lead generation**

<sup>1</sup> customers with at least one product in subscription mode, Solocal SA scope, based on order intake

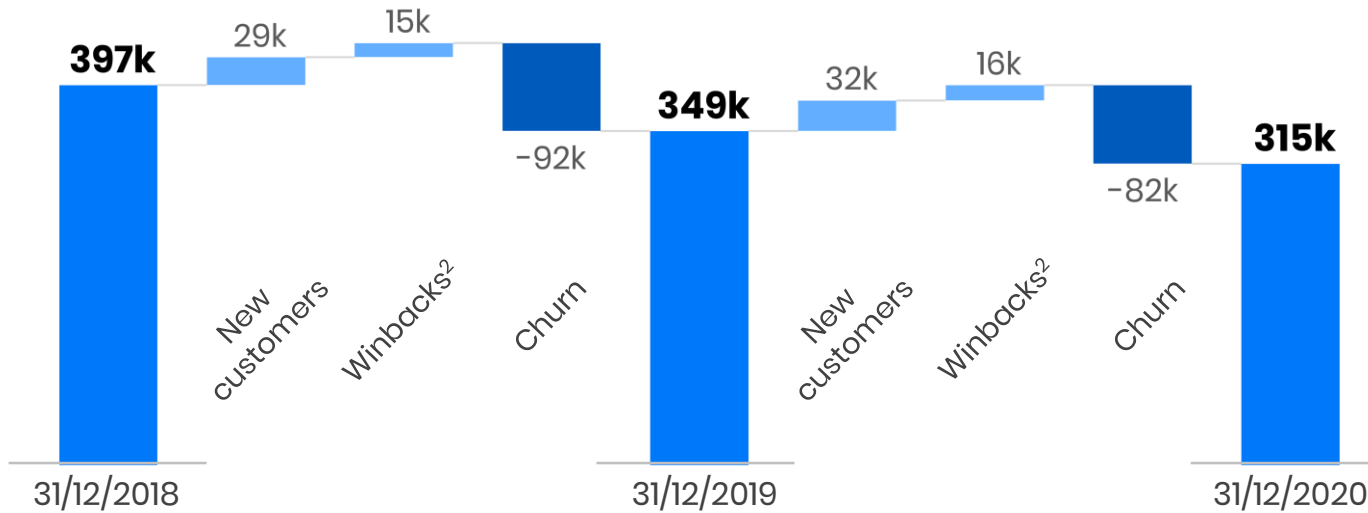


# Business Review

**Pierre DANON**

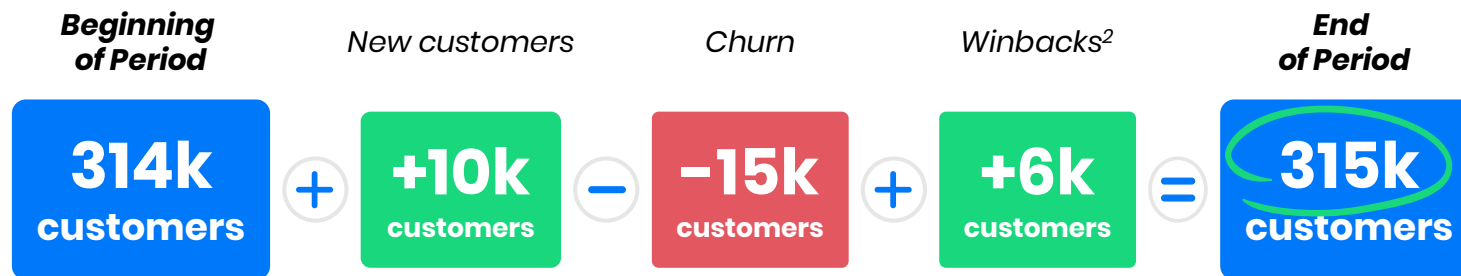
Chairman of the Board & Chief Executive Officer

# 2020 : Customer base stabilized on Q4 2020, driven by churn control

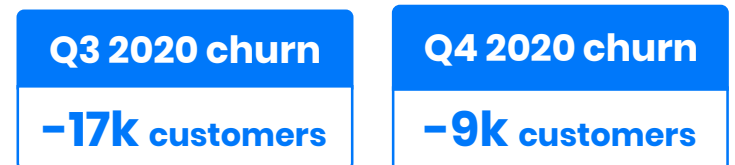


- **Change in customer base overview methodology** : EoP approach vs. LTM approach previously
- Overall decrease of 34k clients over the year
- **2020 churn<sup>1</sup>** : 19%

## Q4 2020 – a stabilized customer base



- **Driven by churn control** significant decrease in the last 3 months of the year :



# How did we achieve churn reduction ?

## Strategic initiatives

## Results

1

### Subscription model

- 82% of our order intake was in subscription mode<sup>1</sup> over Q4 2020
- **Customers with automatically renewed contracts churn less than subscriptionless customers**: initial data suggests **churn range between 9 & 11%**<sup>2</sup>
- Reminder : all products are not sold nor eligible to subscription mode

2

### Retention Management

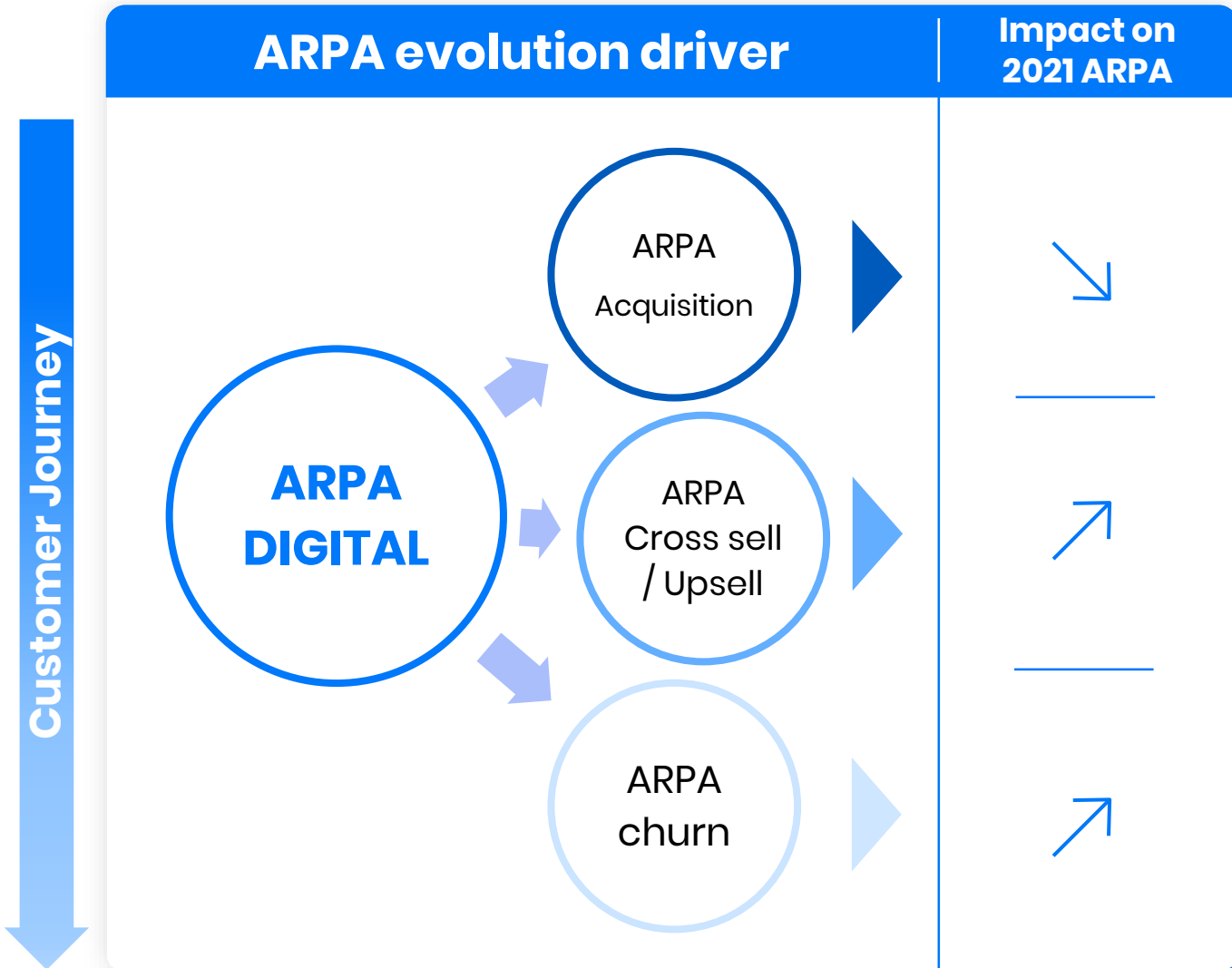
- **Retention squad created in Spring 2020 :**
  - **59** dedicated people
  - Centralizes & deals with **100%** of churn intentions
- **Metrics of the retention squad in December 2020 :**
  - **43%** overall retention rate & **above 60%** retention rate on requests sent to customer service
  - Average of **6.6 contacts / day**

3 & 4

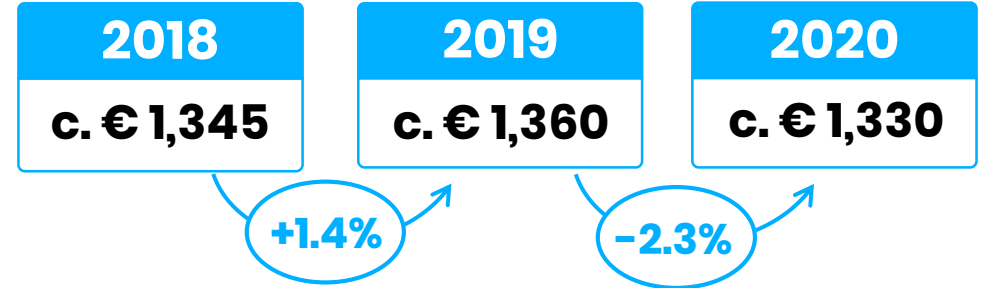
### Improved value for money & customer satisfaction

- Covered later in this presentation ...

# Focus on 2020 ARPA



## Digital ARPA<sup>1</sup>



## Average Digital order intake per Advertiser<sup>2</sup>

Customer segments	Customer base	Average order intake
Very Small Enterprise	c. 195k	c. € 700
Enterprise	c. 75k	c. € 2,715
Large Accounts	c. 25k	c. € 3,625
<b>Total</b>	<b>c. 295k</b>	<b>c. € 1,465</b>

<sup>1</sup>Based on Group revenues, scope excluding QdQ & Mappy  
<sup>2</sup>Based on order intake, Solocal SA customer base as at 31.12.2020





# Financial Results

**Olivier REGNARD**

Chief Financial Officer

# Financial Highlights

## → 2020 results **in line with our forecast**

- Digital revenues **-13.7% vs. 2019**, in line with guidance
- Group EBITDA<sup>2</sup> at € 132.8m impacted by the Covid-19 crisis

## → 2021: **fully focused on Digital**

- QdQ & Mappy disposals in 2020

## → Underpinned by the **subscription mode** effects

- which will offset the effect on revenues related to the Covid-decrease of order intake

## → **A strengthened financial structure**

# 2021 already secured revenues : €235 m

## Digital order backlog<sup>1</sup>

31/12/2019	€340 m	→
31/12/2020	€284 m	→



## Conversion into revenues<sup>2</sup>

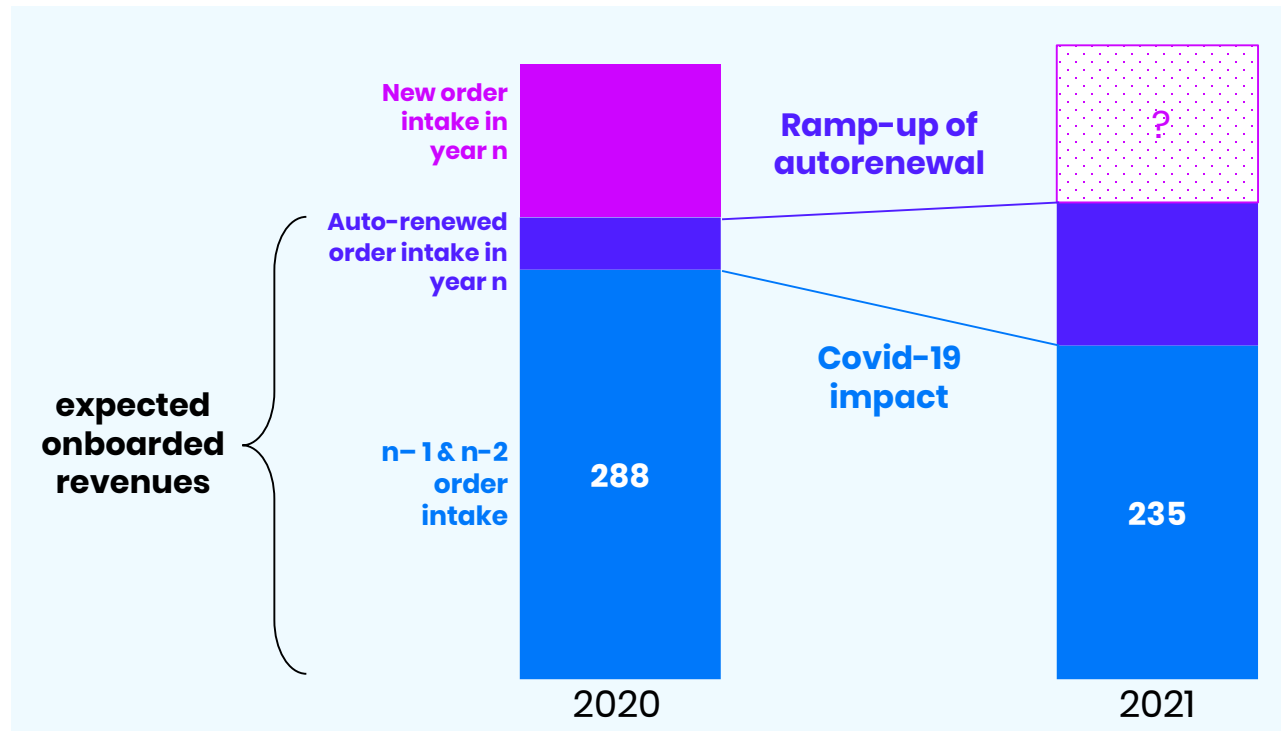
	H1 of n+1	H2 of n+1	TOTAL 12 NEXT MONTHS
	184	104	288
	149	86	235
	-34	-19	-53

- **Digital order intake decrease of €100 m because of Covid-19 crisis, with main impact over the first 12-18 months :**
  - Half of decrease already booked experienced in H2 2020 revenues
  - Remaining impact : €34 m in H1 2021 & €19 m in H2 2021 → **total headwind of -€53 m in secured revenues compared to 2020**

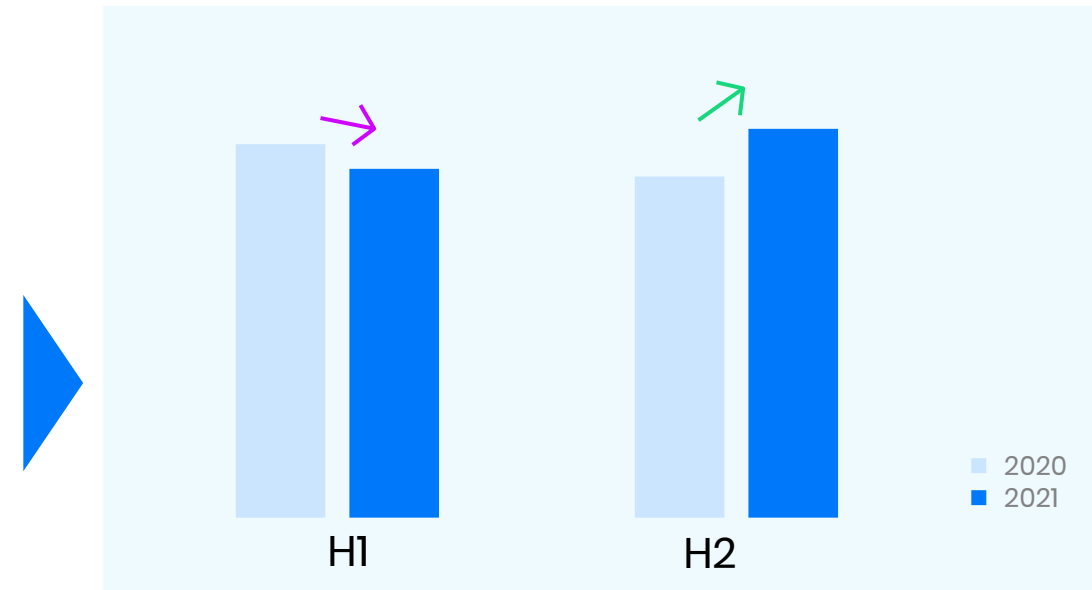
→ **However this will be offset by the rollout of our subscription model**

# Subscription mode should enable offsetting of remaining revenues headwind deriving from 2020

Sources of revenues<sup>1</sup> – excluding Mappy & QdQ



2020 vs. 2021 total revenues – semester on semester



- Adverse effect from 2019 & 2020 order intake on 2021 revenues (mainly Covid-19 impact), offset by ramp-up of autorenewal → **low growth in onboarded 2021 revenues**
- Remaining revenues for 2021 will come from migration & mainly acquisition, with overall same staffing vs. 2020

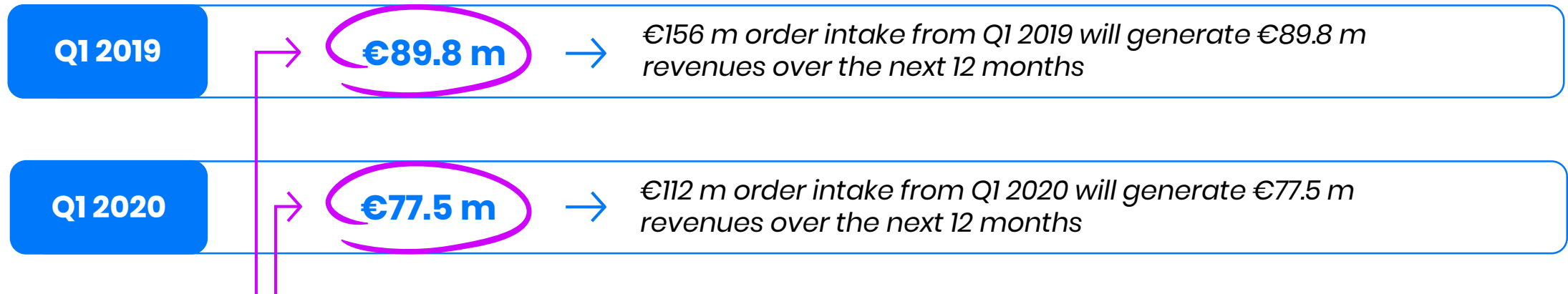
	Trend	Effects
H1 2020 vs. H1 2021	↓	• Headwind from Covid-19 → <b>Unfavourable impact on H1 EBITDA</b>
H2 2020 vs. H2 2021	↑	• Covid-19 headwind fades • Ramp up of <b>subscription mode</b>

# New indicator : Growth KPI

## Definition of Growth KPI – 12 months rolling







- **Aim** : Monitor the evolution of **order intake contribution to revenues** over a period of 12 months
- **Period of reporting** : quarterly basis

## Example : Growth KPI of Q1 2019 vs. Q1 2020 :



**Growth KPI : change in quarter on quarter figures = -14 %**

# Overview of Solocal revenues

	 <b>Connect<sup>1,4</sup></b>	 <b>Websites<sup>2,4</sup></b>	 <b>Booster<sup>3,4</sup></b>	<b>TOTAL</b> <b>Digital<sup>4</sup></b>	  <b>Disposals</b>	 <b>Print</b>
<b>FY 2020</b>	€108 m	€66 m	€259 m	€433 m	€4 m	€27 m
<b>FY 2019</b>	€99 m	€82 m	€320 m	€501 m	€24 m	€59 m
<b>Change</b>	+9.0%	-19.9%	-19.0%	-13.7%	-80.9%	-54.8%
					<b>Divested</b>	<b>Discontinued</b>

<sup>1</sup> Connect = Access, Essentiel, Premium, Marketing Digital, Vocal, MDOOffline

<sup>2</sup> Websites = Essentiel, Premium, Privilège, Websites DIY Websites

<sup>3</sup> Booster = Display/ Adhesive, Booster Contact, Booster Site, Social, Local impact, Ranking

<sup>4</sup> Figures excluding QdQ & Mappy

# 2020 Group EBITDA : €132.8 m, in line with guidance

<i>In million euros</i>	2020		
	Contributory presentation <sup>1</sup>		
	Print	Digital	Total
<b>Revenues</b>	26.6	437.4	<b>464.0</b>
Variable cost	(5.8)	(46.6)	<b>(52.4)</b>
<b>Margin on variable costs</b>	20.8	390.8	<b>411.6</b>
<i>Margin rate</i>	78.1%	89.3%	<b>88.7%</b>
Fixed costs	-	(278.9)	<b>(278.9)</b>
<b>Total costs</b>	(5.8)	(325.5)	<b>(331.3)</b>
<b>Rec. EBITDA</b>	<b>20.8</b>	<b>112.0</b>	<b>132.8</b>

## Contributory approach of 2020 figures

- **Consolidated recurring EBITDA :**  
€132.8 m
- **End of print :**  
€20.8 m gross margin contribution presented as discontinued activities in accordance with IFRS 5 accounting standards
- **Digital EBITDA :**  
€112.0 m

# €112 million recurring EBITDA excluding Print activity

<i>In million euros</i>	2019	2019 PF <sup>1</sup>	2020	Change
<b>Total revenues</b>	<b>584</b>	<b>525</b>	<b>437</b>	<b>-17%</b>
▪ Recurring external expenses	(143)	(133)	(125)	-7%
▪ Recurring personnel expenses	(250)	(248)	(200)	-19%
<b>Recurring EBITDA</b>	<b>191</b>	<b>144</b>	<b>112</b>	<b>-22%</b>
▪ Non recurring items	(24)	(23)	4	
<b>Consolidated EBITDA</b>	<b>168</b>	<b>120</b>	<b>116</b>	<b>-4%</b>
▪ Depreciation and amortisation	(71)	(71)	(67)	+6%
<b>Operating income</b>	<b>97</b>	<b>50</b>	<b>49</b>	<b>-1%</b>
▪ Financial Charges	(45)	(45)	(61)	-38%
▪ Other financial income and expenses	-	-	63	
<b>Income before tax – continued activities</b>	<b>52</b>	<b>5</b>	<b>51</b>	
<b>Income before tax – discontinued activities</b>	<b>-</b>	<b>47</b>	<b>21</b>	<b>-56%</b>
▪ Corporate income tax	(20)	(20)	(6)	
<b>Consolidated net income</b>	<b>32</b>	<b>32</b>	<b>66</b>	<b>+105%</b>

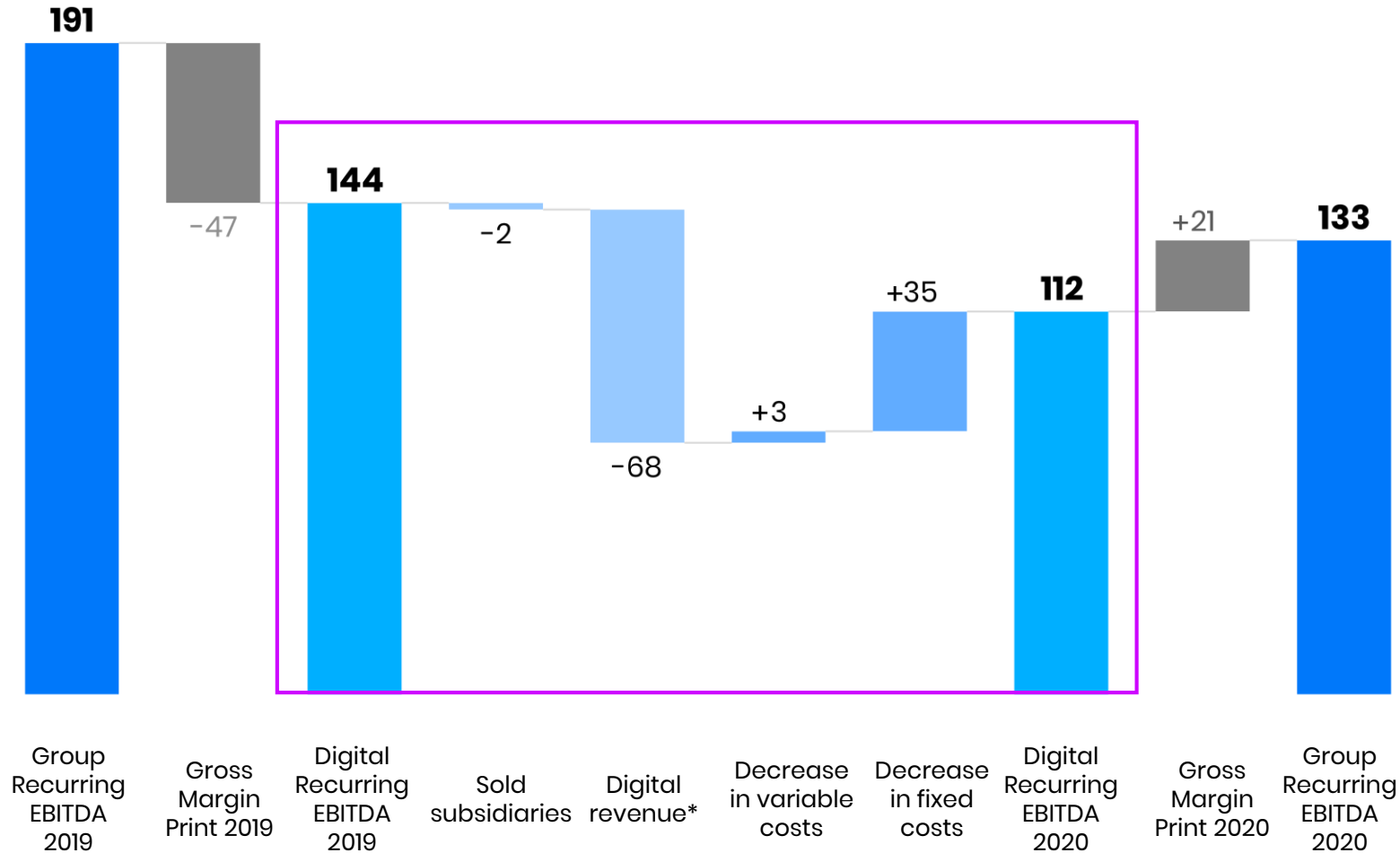
- **2020 : Print business booked as discontinued activities**

- 2019 figures are restated with Print contribution as discontinued activities **in 2019 PF column**, in order to compare with 2020

- **2020 recurring EBITDA : €112 m**, including divested activities



# Revenue impact partially offset by significant cost control



- **Digital Recurring EBITDA down -€32 m**
- Impacted by **decrease in revenues over 2020** & forecasted one-off expenses
- Partly offset by significant savings :
  - **Variable costs** : mechanic decrease linked to decrease in revenues
  - **Fixed costs**, out of which :
    - Covid-19 context : **+€13 m** partial unemployment & other savings
    - Decrease in payroll expenses : full-year effect including 2019 redundancy plan
- **Mappy & QdQ marginal impact**

# Stable operating income compared to 2019 in spite of the health crisis

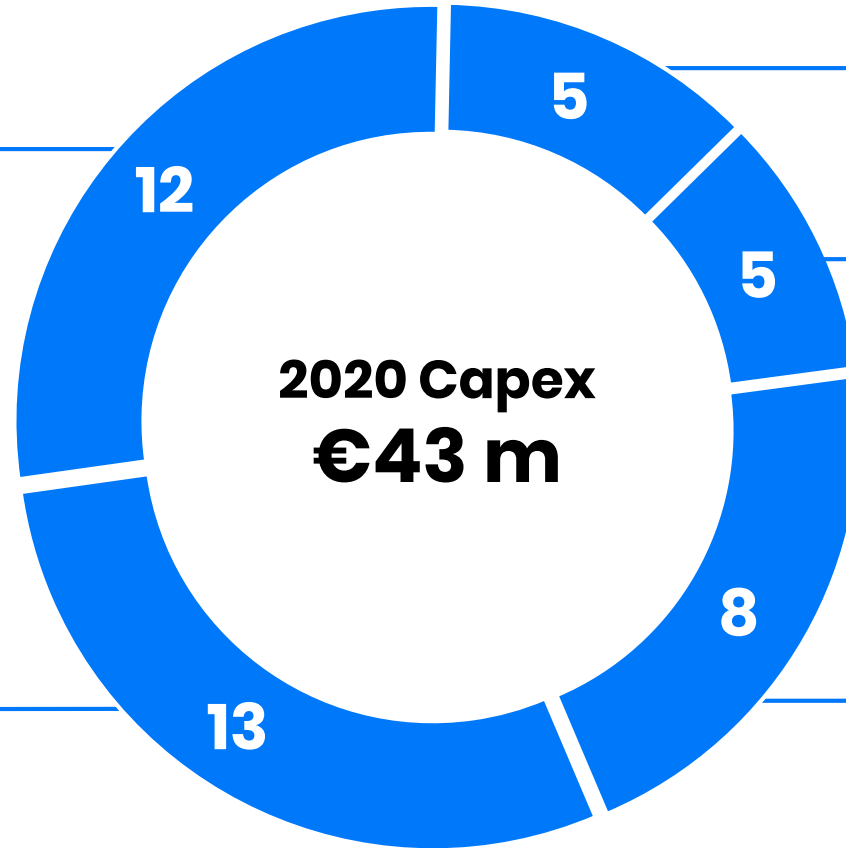
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<b>Operating income</b>	<b>97</b>	<b>50</b>	<b>49</b>	<b>-1%</b>
▪ Financial interests	(45)	(45)	(61)	-38%
▪ Other financial income and expenses	-	-	63	
<b>Income before tax – continued activities</b>	<b>52</b>	<b>5</b>	<b>51</b>	
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<b>Consolidated net income</b>	<b>32</b>	<b>32</b>	<b>66</b>	<b>+105%</b>

- **Decrease in depreciation & amortization** in line with Capex control
- **Stable operating income in 2020**
- **Financial result : €2 m**
  - €61 m financial expenses, out of which :
    - €30 m capitalized interests & €7 m of financial interest in Q4 2020
    - €12 m restructuring costs booked through P&L
  - €63 m gains from debt restructuring : non cash gain offsetting financial expense of the year
- **Net Result : €66 m**

# Capex focused on our strategic goals

## DIGITAL SERVICES

- Connect & new features
- Large Account & Networks products
- Websites
- Solocal Manager



2020 Capex  
€43 m

## DATA & ADVERTISING

## SALES, CRM & MARKETING

Roll out of the new organization  
Adaptation and modernization  
of sales and customer services




## OTHERS

- IT infrastructures
- Back Office application
  - Real Estate

## MEDIA PLATFORMS

Investments in Group media

- Pages Jaunes 
- Search engine
- Media content

Recurring EBITDA – Capex reaches €69 m

# Recurring FCF largely impacted by negative change in WCR

In million euros	2019	2020
<b>Recurring EBITDA<sup>1</sup></b>	<b>190.6</b>	<b>132.8</b>
Non-monetary items included in EBITDA	4.1	(0.6)
Net change in working capital	(48.1)	(89.8)
- of which change in receivables	(39.6)	(67.5)
- of which change in payables	(5.7)	(10.0)
- of which change in other WCR items	(2.8)	(12.3)
Acquisitions of tangible and intangible fixed assets	(42.9)	(43.2)
<b>Recurring operating free cash flow</b>	<b>103.7</b>	<b>(0.8)</b>
Disbursed financial result	(44.0)	(5.6)
Corporate income tax paid	1.8	(5.5)
<b>Recurring Free Cash Flow</b>	<b>61.5</b>	<b>(11.9)</b>

- **A -€90 m deterioration in the WC variation impacted by**
  - -€67 m **change in customers receivables** due to the Covid-19 related decrease in order intake collection vs. revenues recognition
  - Change in other WCR items includes :
    - -€8 m from social & fiscal liabilities repayment (French State)
    - Mappy & QdQ deconsolidation impacts
- **Capital expenditure (CAPEX)**: €43 m
- **Financial result**: Paid interests on RCF (full year) & Bond on Q4 2020
- **Corporate income tax**: CVAE & CFE only

<sup>1</sup> recurring EBITDA includes Digital & Print activities

# Cash flow rebalanced by capital restructuring in 2020

In million euros	2019	2020
<b>Recurring EBITDA<sup>1</sup></b>	<b>190.6</b>	<b>132.8</b>
Non-monetary items included in EBITDA	4.1	(0.6)
Net change in working capital	(48.1)	(89.8)
Acquisitions of tangible and intangible fixed assets	(42.9)	(43.2)
<b>Recurring operating free cash flow</b>	<b>103.7</b>	<b>(0.8)</b>
Disbursed financial result	(44.0)	(5.6)
Corporate income tax paid	1.8	(5.5)
<b>Recurring Free Cash Flow</b>	<b>61.5</b>	<b>(11.9)</b>
Non-recurring items	(154.8)	(67.0)
Others		3.1
<b>Free cash flow</b>	<b>(93.2)</b>	<b>(75.7)</b>
Increase (decrease) in borrowings	58.9	24.1
- of which LT borrowings		32.0
- of which ST borrowings		(7.9)
Capital increase	17.1	89.2
Others	(22.9)	(17.7)
<b>Net change in cash</b>	<b>(40.1)</b>	<b>19.9</b>
Net cash & cash equivalents BoP	81.6	41.5
<b>Net cash &amp; cash equivalents EoP</b>	<b>41.5</b>	<b>61.4</b>

- **Non-recurring items**

- €46 m disbursed redundancy plan indemnities, €9m remaining over 2021
- €20 m in financial restructuring costs

- **Borrowings**

- **LT borrowings**: BPI loan (“Prêt ATOUT”) drawdown and new bonds issuance in August 2020
- **ST borrowings**: Working Capital and asset financing lines partial repayment

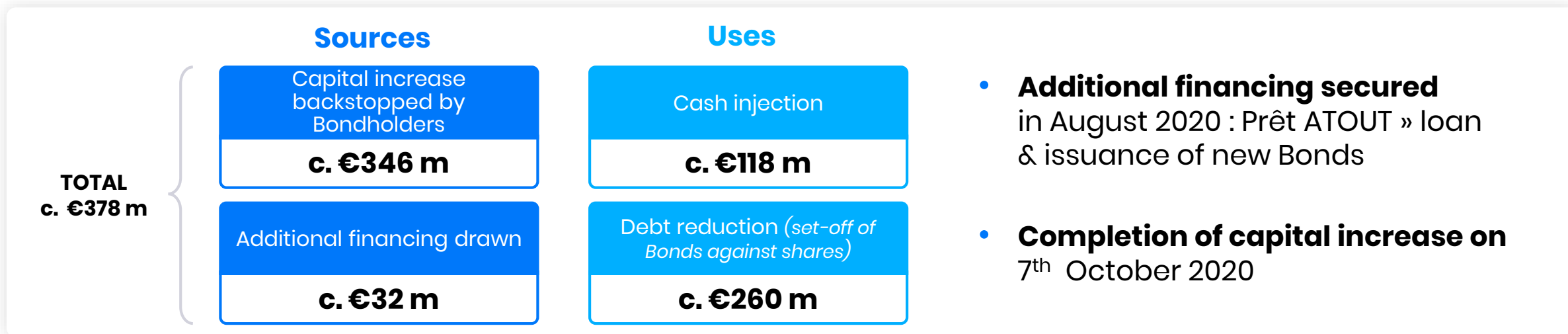
- **Capital increase**

- €85 m **capital increase** in cash in October 2020
- €4 m from **equity line** drawdown in January 2020

- **Others**: IFRS 16 cash impact (rents)

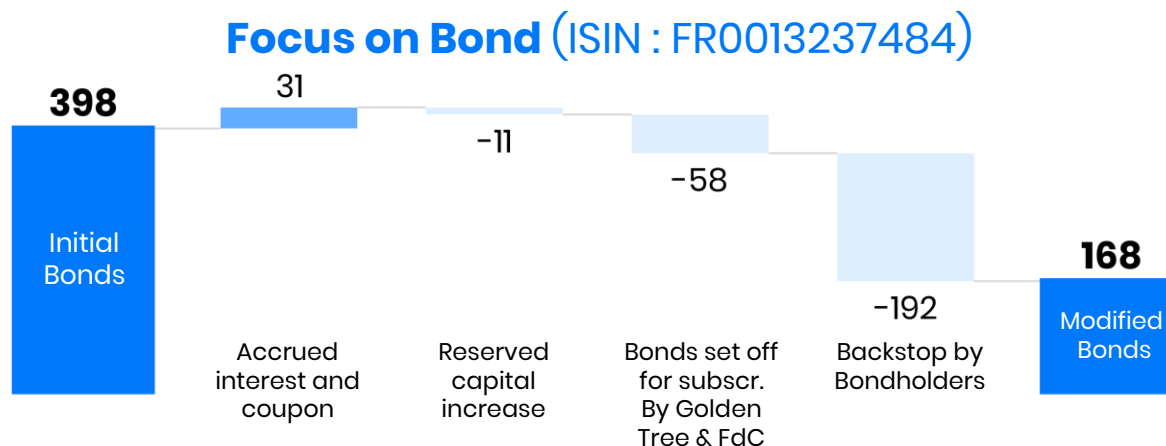
- **Net cash** of **€61 m** at EoP

# Key takeaways of 2020 financial restructuring

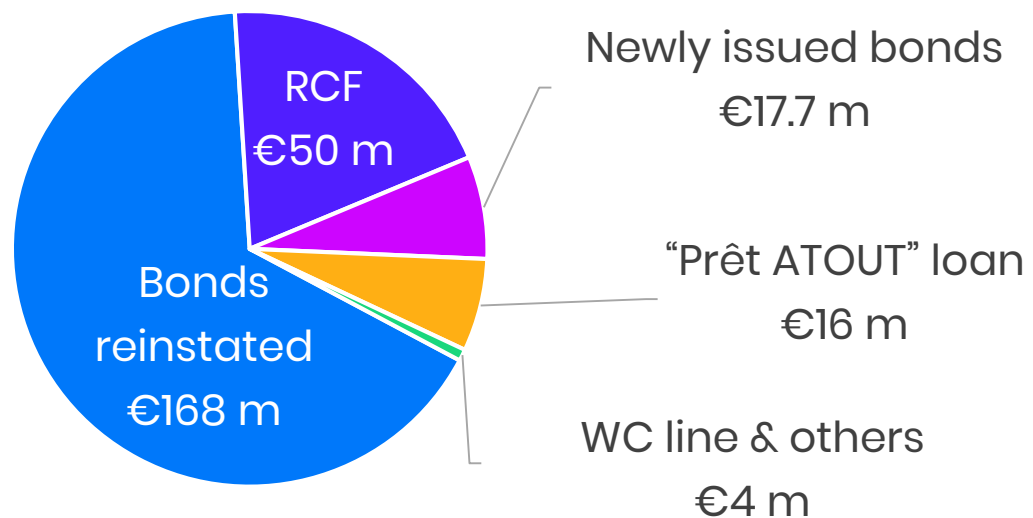


## Strengthening of the financial structure :

- **Cash injection** : c. €118 m
- **Net debt halved**, to €195 m as at 31<sup>st</sup> 2020
- **Annual financial costs decreased to €20 m** (vs. €45 m previously) onwards



# Strengthened financial structure



<i>in million euros</i>	2019	2020
Gross debt	463	256
Cash	42	61
Net debt	422	195
Covenant EBITDA <sup>1</sup>	175	101
Financial leverage	2.3x	1.9x

**2020**

- **Consolidated Net Leverage** ratio (Consolidated net debt<sup>1</sup> / Consolidated EBITDA<sup>1</sup>) **< 3.5x** → **1.9x**
- **Interest Coverage ratio** (Consolidated EBITDA<sup>1</sup> / Consolidated Net Interest Expense<sup>1</sup>) **> 3.0x** → **> 5x**

<sup>1</sup> calculated in accordance with the Bonds documentation



# 2021 Strategy

**Pierre DANON**

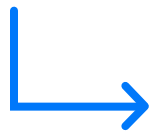
Chairman of the Board & Chief Executive Officer



# Churn stems from a lack of performance in customer service

Satisfaction results from surveys carried out after every interaction with Solocal (Sales, Delivery & Customer service)<sup>1</sup>

**Sales operations**  
**7 / 10**



**Delivery operations**  
**8 / 10**



**Customer Service**  
**4 / 10**



## Churn triggers :

- Request resolution time
- Multiple contact persons
- Lack of tracking

# Recovery plan Customer Service : our stocks of customers has been brought to almost normal levels



# An ongoing transformation plan with first expected results in Q2

	KPI	2021 TARGET	End of 2020
<b>Availability</b>	Opening hours	6 days a week – 8am to 8pm	5 days a week – 8.30am to 6pm
<b>Reachability</b>	QoS	90%	83%
<b>Efficiency</b>	Once & Done	80%	<i>Not measured</i>
	Call rate vs. customer base	<1	1.19 avge call / customer
<b>Resolution time of request</b>	• For easy requests	<5 days	13.4 days
	• Expert requests	<8 days	17.9 days
▼			
<b>Customer satisfaction</b>	Average satisfaction rate	>4/5	3.5/5

## Execution plan down the road by Q2 2021

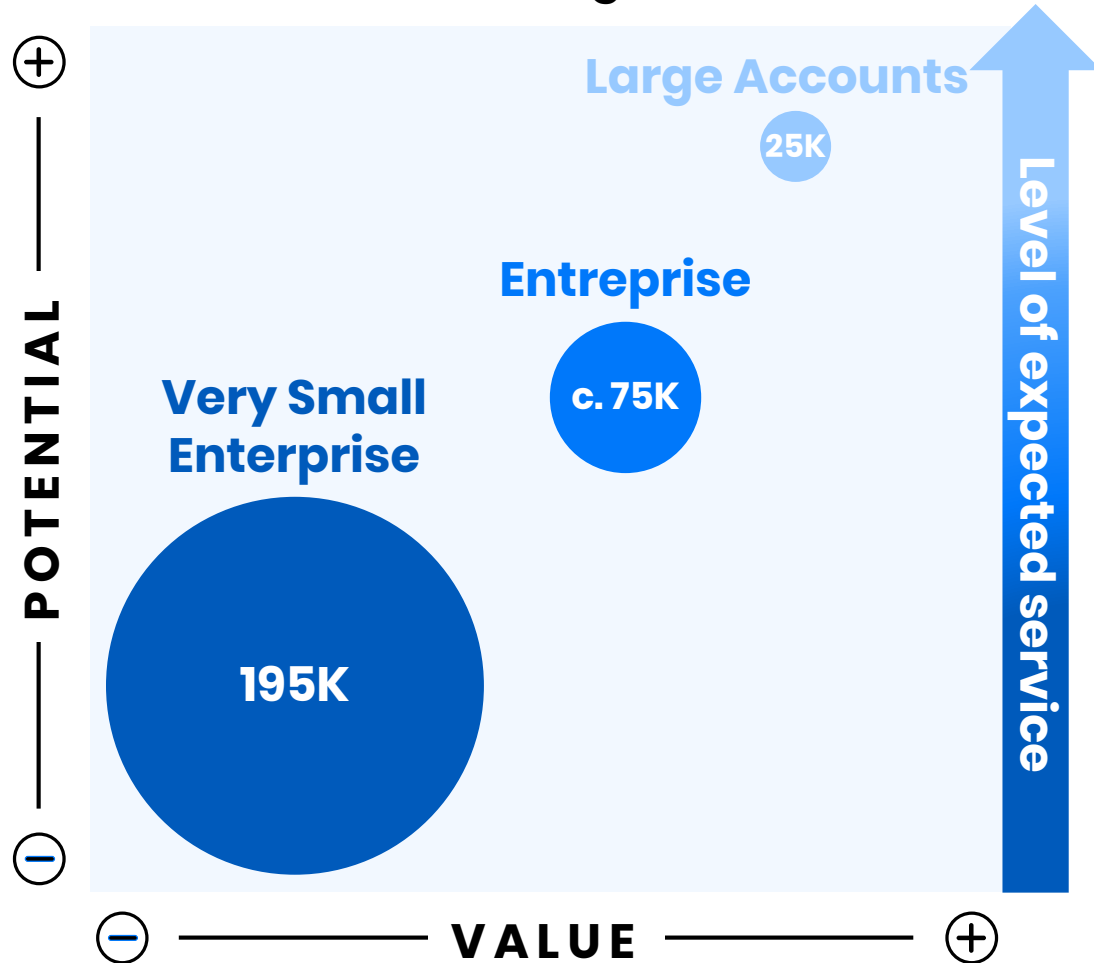
- Operational teams** reorganized with specialization of areas of expertise
- Tech** : unique phone number, interactive voice response upgraded, change in routings rules
- Partnerships with outsourcers** renegotiated : from a best-effort to a performance approach
- Quality** system reinforced
- Solocal Manager** : bots, enhancement & service promotion

### Definitions

- QoS** : nb of phone call picked up in < 30sec
- Once & Done** : % of requests solved in 1 call

# A 2021 segmentation based on market potential and Sales skills

## Solocal 2021 segmentation<sup>1</sup>



<b>Large A.</b>	<ul style="list-style-type: none"> <li>• &gt; 5 Point of sales ; average order intake of €3,625</li> <li>• Solocal penetration rate of ~20% ; more than 2000 strategic accounts targeted by 126 fieldsales with the support of 41 telesales</li> <li>• Specific offers</li> </ul>
<b>Enterprise</b>	<ul style="list-style-type: none"> <li>• Average order intake of €2,715 &amp; potential of €6,000</li> <li>• Subscription Acquisition Cost (SAC): €1,422</li> <li>• Multi product equipment rate ~50%</li> <li>• 442 fieldsales ; including 115 hunters (new)</li> </ul>
<b>VSE</b>	<ul style="list-style-type: none"> <li>• Average order intake of €700 &amp; potential of €1,000</li> <li>• Low margin : industrialized operations &amp; cost optimizations (50% offshore)</li> <li>• Subscription Acquisition Cost (SAC): €713 (France) and €214 (Offshore)</li> <li>• Mono product (95%)</li> </ul>

# A strategy underpinned by a reinforced staffing of growth-generating activities

## FTEs by activities<sup>1</sup>

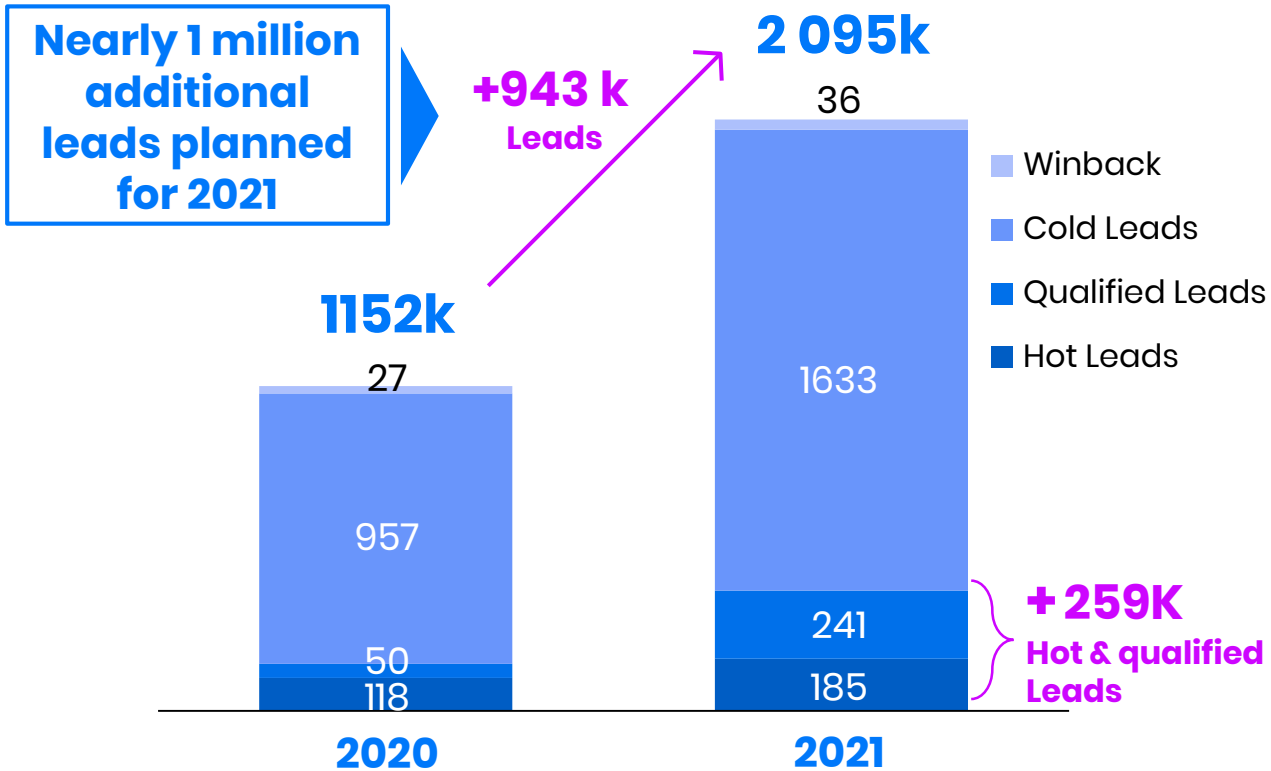
	2020 <sup>2</sup>	2021	Delta	% Near & Off-shoring 2021
<b>Lead Generation</b>	49	107	<b>+58 (+118%)</b>	100%
<b>Acquisition</b>	382	545	<b>+163 (+43%)</b>	32%
<b>Development</b>	193	222	<b>+29 (+15%)</b>	23%
<b>Migration</b>	366	161	<b>-205 (-56%)</b>	0%
<b>Prevention</b>	0	131	<b>+131</b>	0%
<b>Retention</b>	74	78	<b>+4 (+5%)</b>	26%
	<b>1 064</b>	<b>1 244</b>	<b>+178 (+17%)</b>	

	2020	2021	Delta	% Near & off-shoring 2021
<b>VSE</b>	400	450	<b>+50 (+13%)</b>	50%
<b>Enterprise</b>	398	442	<b>+44 (+11%)</b>	0%
<b>Large A.</b>	143	167	<b>+24 (+14%)</b>	0%
	<b>941</b>	<b>1059</b>	<b>+39 (+4%)</b>	

# Enabling tools for our growth : Lead Factory

Warm up leads to master SACs<sup>1</sup> and support the growth

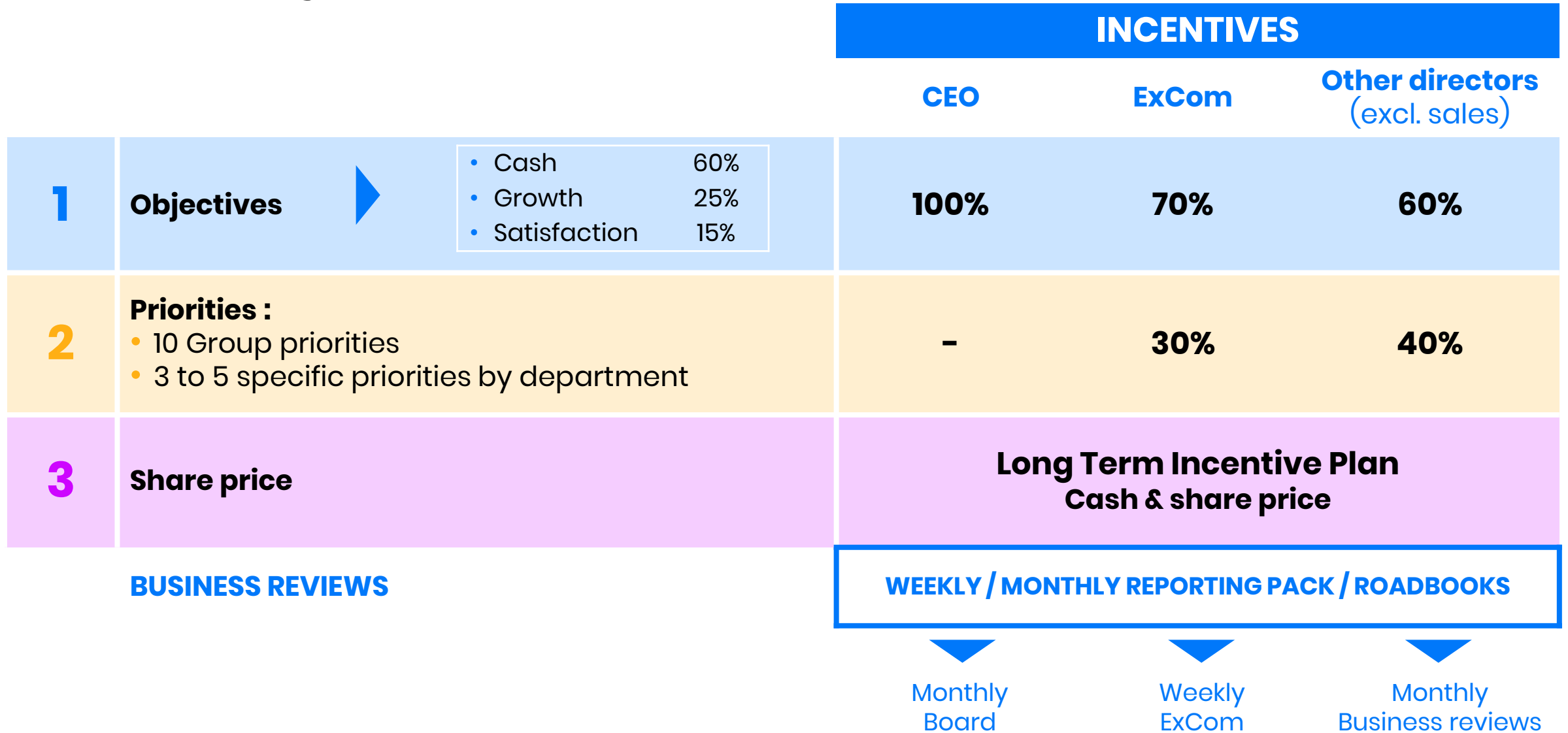


Levers to warm up leads:

- Digital Audits Solocal.com
- Freemium with Solocal Manager
- Content Hub & inbound marketing
- Outbound Marketing (emailing, SMS, push app)
- Inscription on PJ directory
- Crawl external websites
- Database qualification
- Pre-Sales booking

<sup>1</sup>SAC : Subscription Acquisition costs

# Solocal Management Process



# ISR Scoring : blue chip performance for Solocal

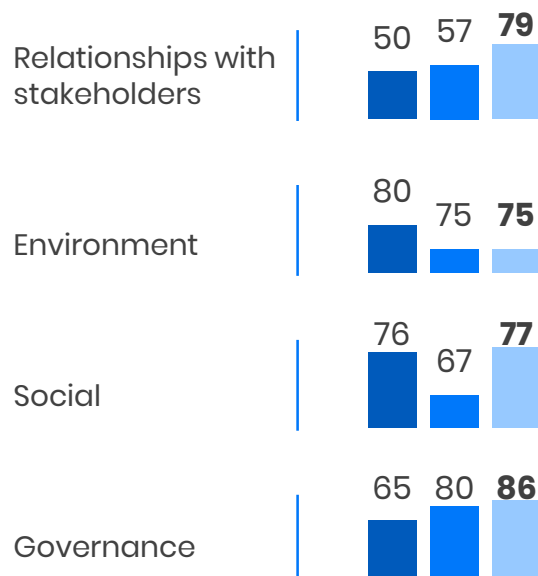
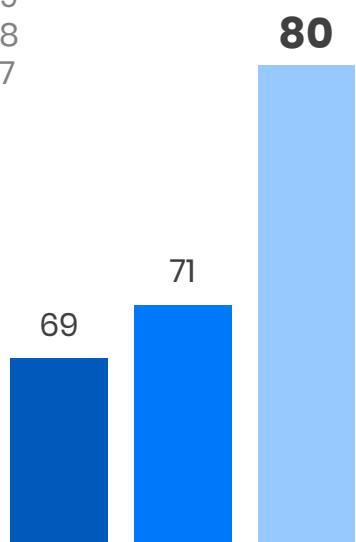
## Scoring

- **Solocal scoring - Gaïa Rating 2020 : 80/100**  
(vs. 76/100 - 2019 rating)

## Ranking

- Solocal **ranks 26th** among 230 French listed midcaps;  
(+21 ranking vs. 2019 rating)
- **2<sup>nd</sup> score** in the media / communication sector

■ 2019  
■ 2018  
■ 2017



## What is the Gaïa rating ?



### Gaïa Rating is a ISR Rating agency

- Part of the **Ethifinance** non-financial analysis and consulting agency
- Covers most of the French listed small and midcaps in France
- Firms are scored annually on their **transparency & performance** in 4 key areas :
  - **Governance**
  - **Social**
  - **Environment**
  - **Relationships with stakeholders**





# Guidance

**Pierre DANON**

Chairman of the Board & Chief Executive Officer

# Guidance 2021

- ✓ Customer base **moderate growth** :
  - ✓ Increase in new customer acquisition (subscription mode)
  - ✓ churn reduction
- ✓ €120 m Group EBITDA **confirmed, with a fully digital business**



# Questions & Answers

**Pierre DANON**

Chairman of the Board & Chief Executive Officer

**Olivier REGNARD**

Chief Financial Officer

# CLICK & CONQUÊTE.

Click & collect, RDV en ligne, messagerie instantanée...  
PagesJaunes fournit aux **commerçants** et aux **artisans** tous  
les services digitaux pour conquérir de nouveaux clients.



3938\*

Click & collect = cliquez et emportez  
\*Service gratuit + prix d'un appel local  
RCS Nanterre 444 212 955

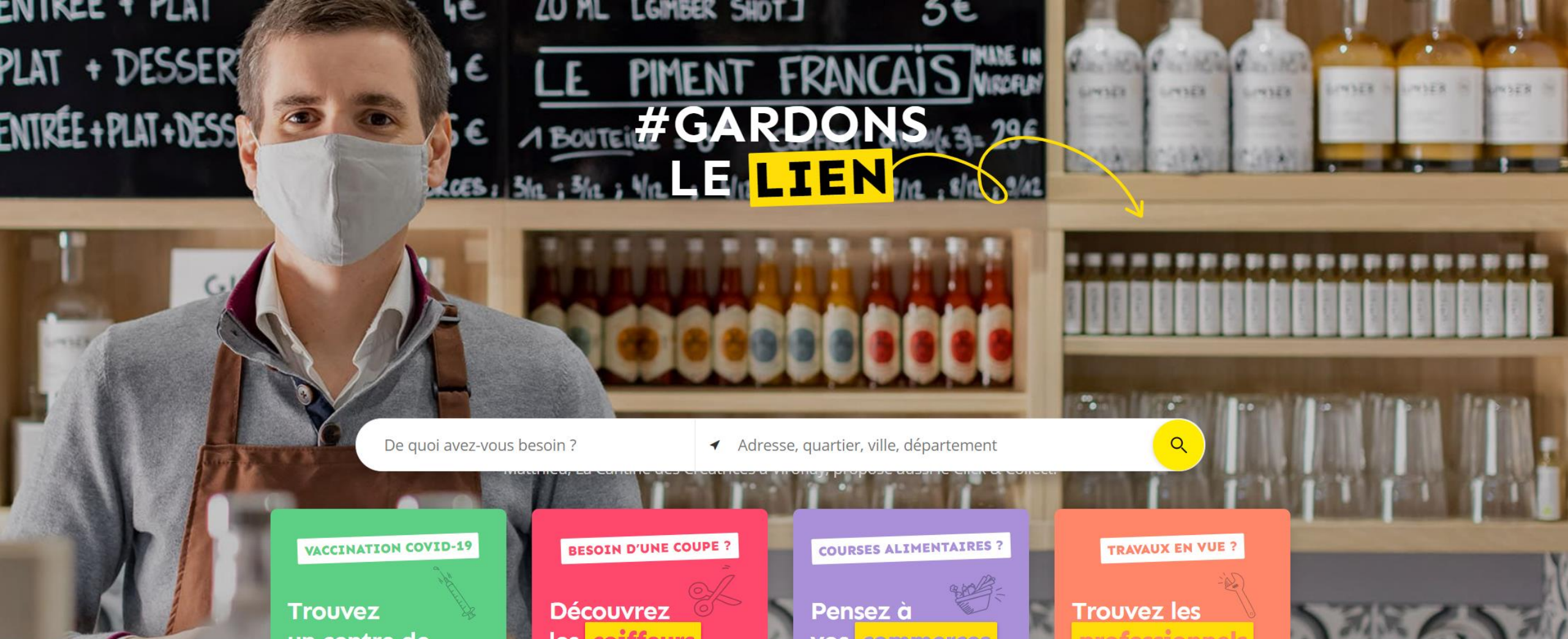
## PagesJaunes Strategy

## Questions & Answers

**Pierre DANON**

Chairman of the Board & Chief Executive Officer

solocal



# #GARDONS LE LIEN

De quoi avez-vous besoin ?  Adresse, quartier, ville, département

**VACCINATION COVID-19**

Trouvez un centre de **vaccination**

**BESOIN D'UNE COUPE ?**

Découvrez les **coiffeurs** disponibles

**COURSES ALIMENTAIRES ?**

Pensez à vos **commerces** de quartier

**TRAVAUX EN VUE ?**

Trouvez les **professionnels** autour de vous

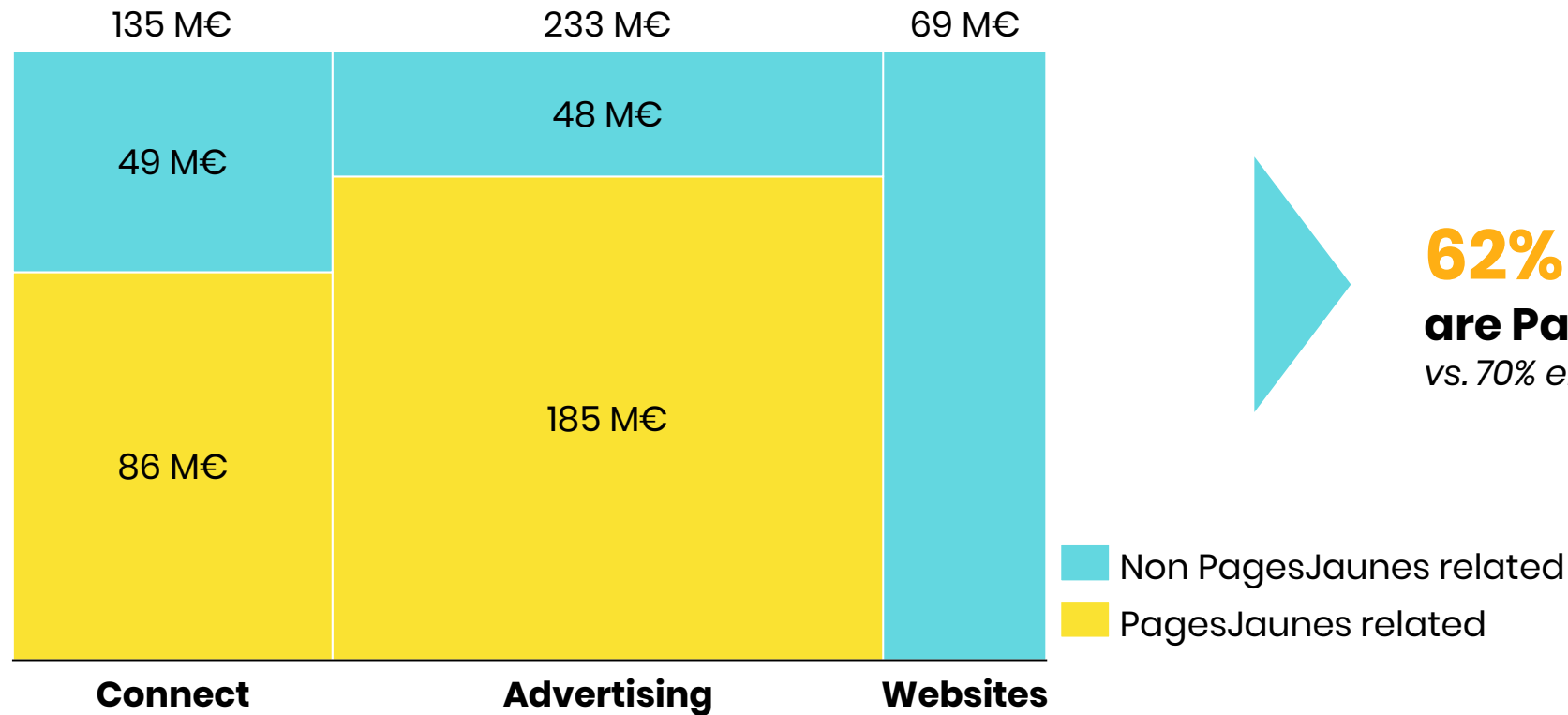
Pagesjaunes soutient, encore et toujours, le commerce local en proposant le **Click & Collect** !  
Professionnels, activez ce service **gratuitement et sans engagement** jusqu'au 31 mars.

**Key facts**

**Strategy**

# PagesJaunes, a major financial component for Solocal

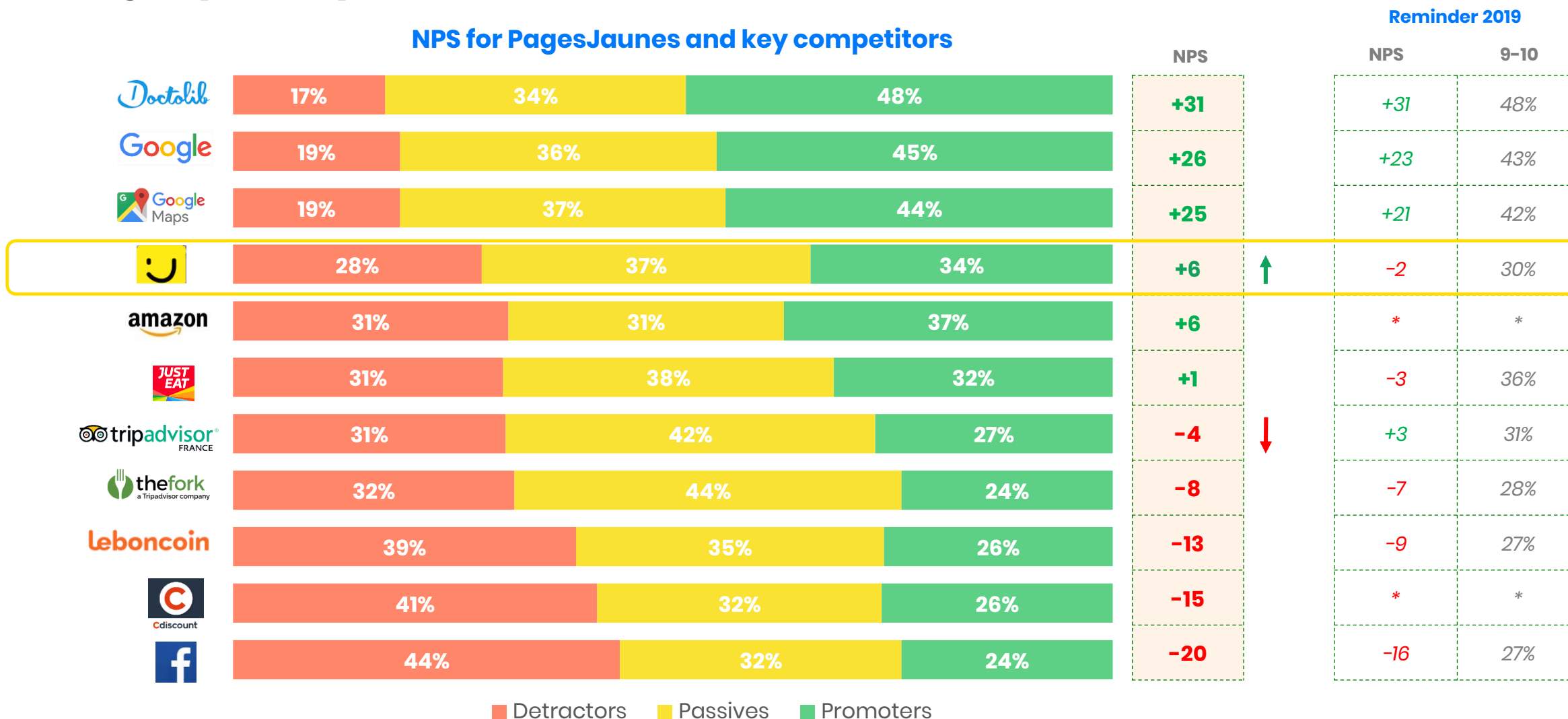
Solocal 2020 revenues breakdown



**62%** of Solocal revenues are PagesJaunes-related vs. 70% en 2018

# Users are positive about PagesJaunes, with a +6 NPS, and #4 rank among top competitor brands

NPS for PagesJaunes and key competitors



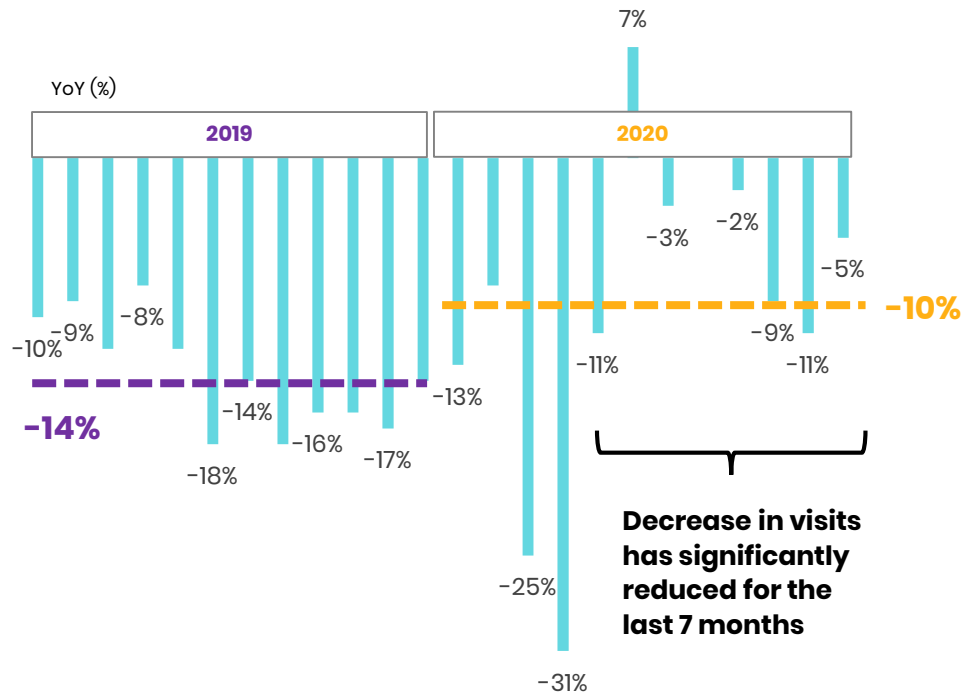
Source: NPS Survey carried out with 2000 French internet users in Jan.2021  
 NPS data for actives users of the brand, for largest competitors in terms of usage

↑↓ Significantly positive or negative evolution versus last poll

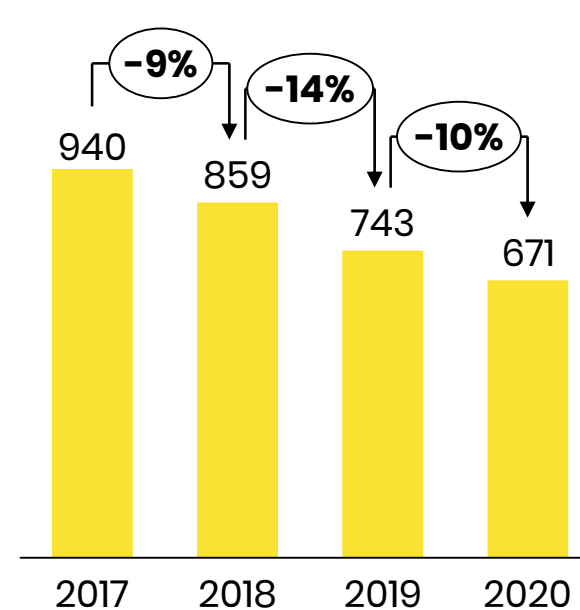


# Encouraging inflection point in visits trend within sanitary crisis \_ however overall declining trend

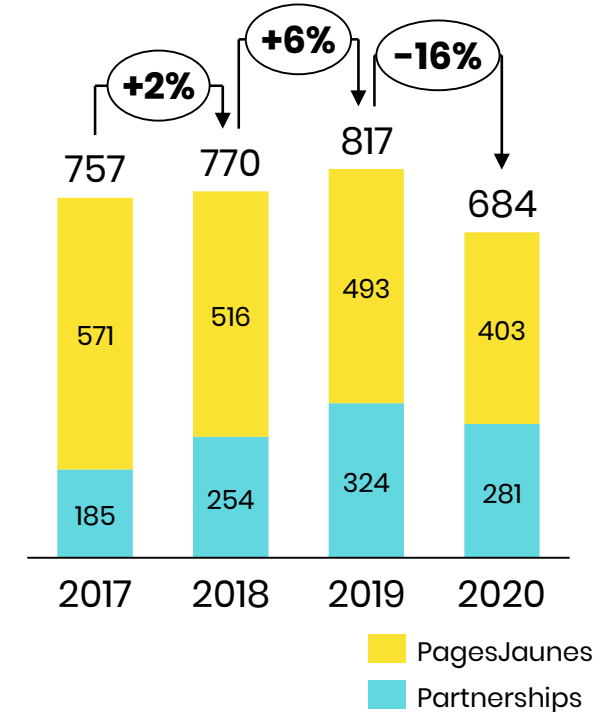
Year-over-year monthly visits on PagesJaunes



Visits on PagesJaunes



Leads







**21M unique visitors** per month  
**50% reach** on 35-yr+

**Covid lockdowns** explain lower conversion rate. Trend should follow visits trend in 2020

Scope: PagesJaunes website + app. Traffic sources are mostly Direct and SEO ; **no sponsored traffic in 2020**  
 P.41 Conversions: intentional clicks (call or display phone number, itinerary, beginning of transactional funnel...)  
 Sources : AT Internet + internal logs / Médiamétrie for unique visitors

# Users express dissatisfaction regarding search experience on PagesJaunes

## Reasons why Detractors do not recommend PagesJaunes






	2019	2020	Verbatims
 <b>Content</b>	42%	42%	« Phone numbers are not up-to-date. Some companies are definitely closed but are still listed... » « Half of the results is not relevant » « Didn't find the result according to my query whereas I know the business exists »
 <b>User experience</b>	19%	24%	« When typing a street and a specific profession, why do we get plenty of other ??????????" « More accurate search results please. Thanks in advance »
 <b>Usability</b>	23%	19%	« Only a few results. Very sensitive to spelling errors. Some far-fetched results. » « Complicated to do a search » « Browsing is unfortunately not very smooth »
 <b>Service</b>	16%	16%	« Outdated and messy. I prefer Google for similar benefits »

**48% of users** launching a search on PagesJaunes **ending not clicking on any result**, although **7/10** still tell us they're satisfied with the answer

# Vertical competitors offer a more engaging user experience



## Market overview

## PagesJaunes

Competition	User Value Proposition	Audience Jan-Feb. 2020 vs. 2015	Audience Jan-Feb. 2020 vs. 2015
	<ul style="list-style-type: none"> <li>• Booking</li> <li>• Teleconsultation</li> <li>• Medical history</li> </ul>	15,5M VU ∞	Health 6,8M VU <b>+0,3%</b>
	<ul style="list-style-type: none"> <li>• Booking</li> <li>• Discount</li> <li>• Click &amp; Collect / delivery</li> <li>• Reviews</li> </ul>	4,6M VU <b>+150%</b>	Restaurants 1,8M VU <b>-23%</b>
	<ul style="list-style-type: none"> <li>• Reviews</li> <li>• Scoring</li> </ul>	10,3M VU <b>+23%</b>	Restaurants + Hotels 2,0M VU <b>-25%</b>
	<ul style="list-style-type: none"> <li>• Booking</li> <li>• Discount</li> <li>• Payment</li> </ul>	14,1M VU <b>+33%</b>	Hotels 392K VU <b>-35%</b>
	<ul style="list-style-type: none"> <li>• Real estate inventory</li> </ul>	6,5M VU <b>+27%</b>	Real estate 563K VU <b>-26%</b>

# Professionals complain about Return on Investment of our products, e.g. a lack of contacts

What would be the reasons for Solocal non recommendation ?

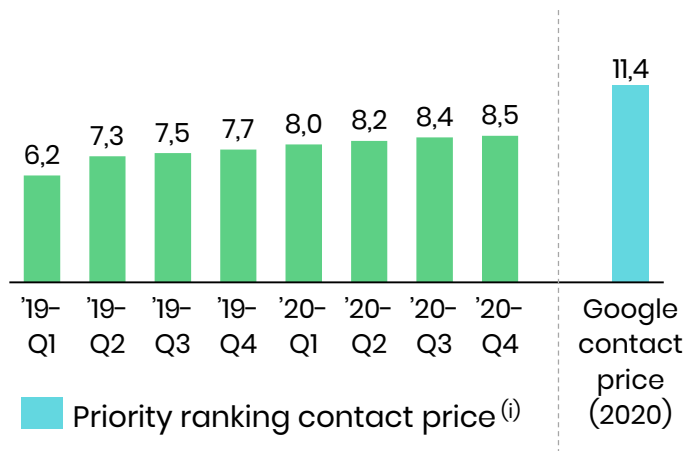
	2019	2020
Performance and return on Investment	43%  +12 pts	55%
Customer Care	32%  +6 pts	38%
Pricing and billing	29%	31%
Image	12%	14%

What satisfaction grade would you give to Solocal regarding Return on Investment ? (from 0 to 10)

2019	2020
5,2/10	5/10

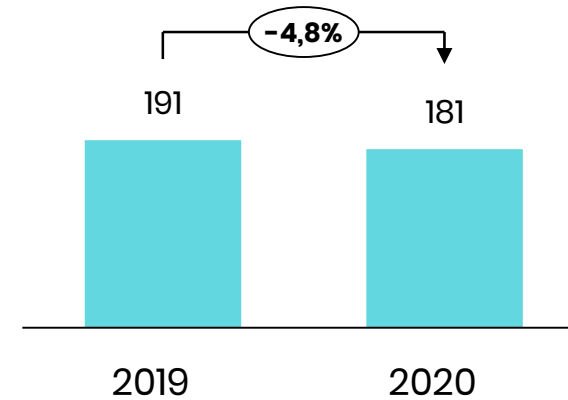
# Advertisers' value for money needs improvement in order to remain attractive

Lead price benchmark [€]



As PagesJaunes audience decreases, advertisers on PJ search are actually paying a higher price per lead, and are getting closer to what advertisers could get on Google

« Priority ranking » product revenues [m€]



Clients churning because of a lack of visibility on ROI

P.45 (i) Revenue "priority ranking" / # contacts on "priority ranking". Adjusting Covid-19 effect on leads generated  
(ii) Google contact price is what we experiment on our Booster contact product (revenue booster/# leads booster)

**Statu quo is not an option !**

# Gladly, the demand is there, growing



## Local, short channels, environment-friendly

*77 % of consumers try to buy local products as soon as possible<sup>1</sup>*



## Revitalization of city centers with small businesses

*86% of the French people believe that local is key to address major social issues (unemployment, rural depopulation)<sup>2</sup>*



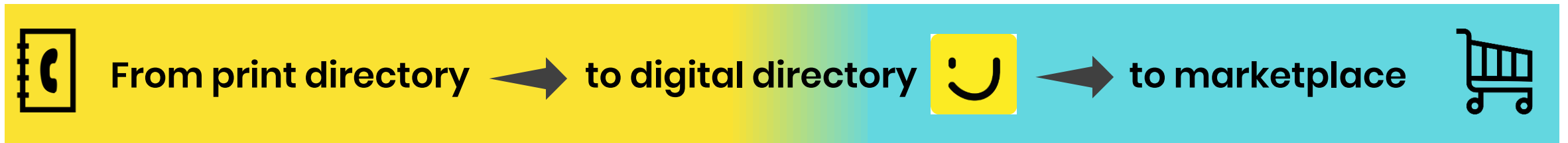
## Web now also in the standards for local shopping

*7 French out of 10 believe that Internet can create or reconnect social link with local professionals<sup>2</sup>*



## National champion alter-GAFAM

# We need to complete the digital transformation





Key facts

**Strategy**

# Key pillars of our strategy



**Develop  
transactional &  
relational usage**



**Improve  
relevancy of our  
search engine**



**Offer  
contextual  
experience**



**Leverage our  
assets**



# Accelerate move from a directory to a marketplace



2000

2014 - 18

2020

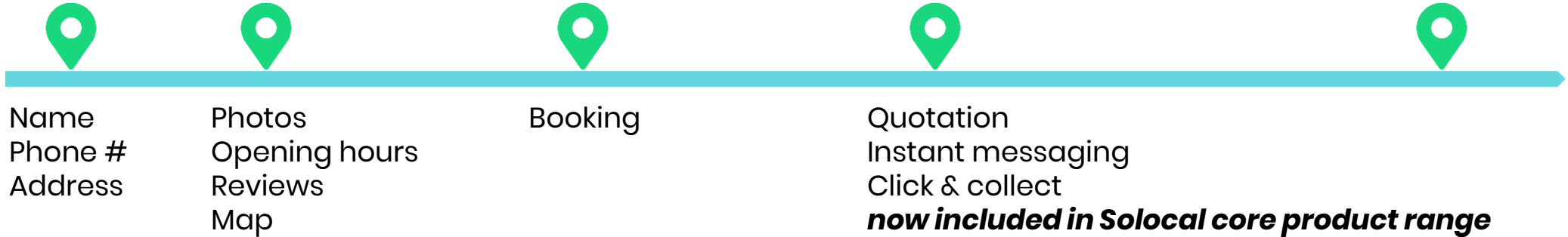
2021

2023

From print ... to digital directory...

to marketplace

More transactional



More verticalized



Capex €	2019	2020	2021	Total
PJ	820k	600k	730k	<b>2M</b>
Connect		4.3M	3.4M	<b>7.7M</b>



# Launched new, « Connect » product range in July 2020 to support this strategy



			Accès	Essentiel	Premium
			0 €/month	From 29 €/month	From 49 €/month
	• <b>ONLINE APPOINTEMENT</b>		-	-	✓
	• <b>QUOTATIONS</b>		-	-	✓
	• <b>CLICK &amp; COLLECT Shopping</b>		-	-	✓
	• <b>CLICK &amp; COLLECT Showcase</b>		✓	✓	✓
	• <b>INSTANT MESSAGING</b>		✓	✓ FULL WEB	✓ FULL WEB
	• <b>REVIEWS MANAGEMENT</b>		✓ ONLY smile	✓ FULL WEB	✓ FULL WEB
	• <b>INFORMATION &amp; NEWS</b>		✓ ONLY smile	✓ FULL WEB	✓ FULL WEB

2-minute video on Connect, by Pierre Danon

Password: solocal



# We have strong assets to grow against vertical competitors

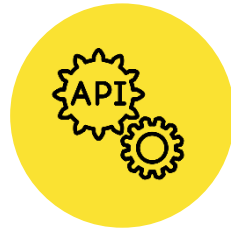


## Technology

Build horizontal technological platforms: eg. ClicRDV

Customize for a Vertical: health

Easily iterate for the next one: beauty



## Architecture

Open architecture and API to leverage external developers

Capacity to easily connect external high value services seamlessly:

- Smooch for messaging
- POS software



## Consumer demand

Leverage historically large audience for every given vertical: 1M monthly visits on beauty, up to 7M for health



## Go-to-market capabilities

Sales force

Onboarding

Customer support

100% national territory coverage



## Multi vertical

Ability to ensure all dimensions of local city life

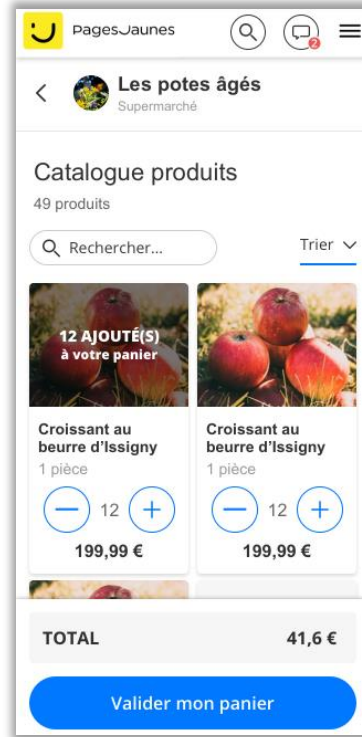


# Take-off 2020 : 3 new services launched on top of Booking, all showing encouraging greeting by professionals

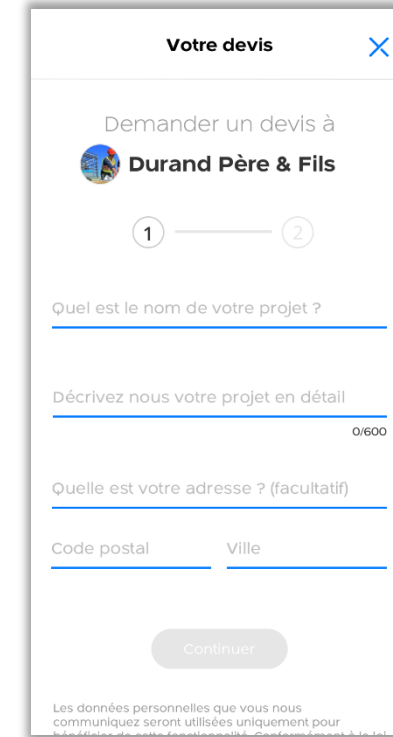
## Instant Messaging



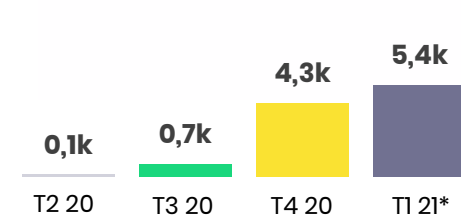
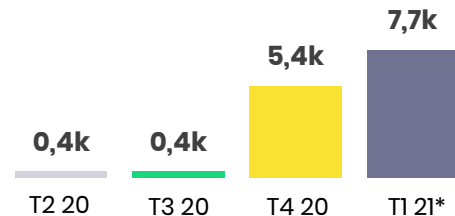
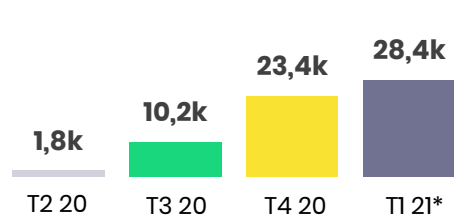
## Click & Collect



## Quote



#pros having activated the service



# Marketplace benefits



**USERS** : Easy access to local professionals, bypassing GAFAM's marketplaces hegemony, as well as time saved on their day-to-day local shopping



**PROFESIONNAL** : Direct access to the consumer, leveraging hybrid approach for the business both online and offline



**SOLOCAL** : New growth areas for the monetization of PagesJaunes media

# Small businesses at the heart!



**Professionals keep control of their digital transition with a tailor-made approach.**



Thanks to the appointment setting, click & collect, online presence, **they manage according to their needs and their customers.**



Digital is not their job. But **digital should allow them to do better for their clients.** Simplicity and agility are essential for our clients.



**The "French click" reassures professionals** ... They remain **in control**, have contacts in France and aspire to true loyalty.



**All small businesses access to the digital arsenal** of the biggest companies.



For consumers, this is **an additional guarantee of security and flexibility**



**On average over the year 2020, the marketplaces grew by 27%, twice as fast as in 2019. An increase driven by the small and medium businesses.**



# PagesJaunes strategy



**Develop  
transactional &  
relational usage**



**Improve  
relevancy of our  
search engine**



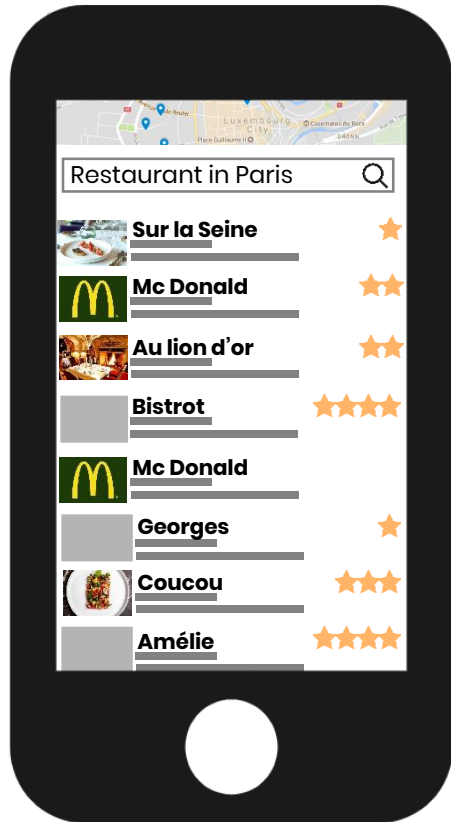
**Offer  
contextual  
experience**



**Leverage our  
assets**



# Up to 2019, random ranking, advertisers first



- \* (orange)
- \* (orange)
- \* (orange)
- \* (orange)
- \* (orange)
- \* (green)
- \* (green)
- \* (green)

Advertisers

Other pros



Advertisers :  
random ranking

Then other pros :  
random ranking



## Challenges :

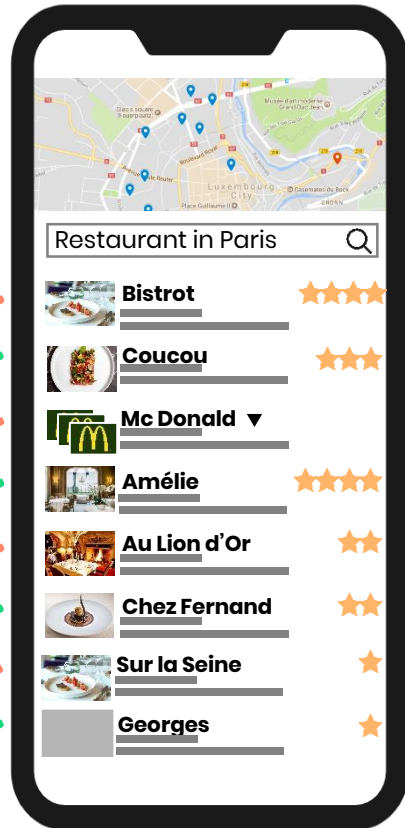
Professionals that actually well match a user's query may never be surfaced on top of the list

Advertisers can "spam" the results list

Capping of advertising opportunity



# Starting 2020 : smart ranking, to improve both search experience and advertising revenues



Advertisers

Other pros

## Quality scoring based on:

- Click rate
- Review score
- Content
- Booking/Transaction features
- Proximity



## Public information



Advertisers get additional points

## Overall ranking merging

Advertisers and other pros



Smart ranking already deployed on results lists without advertisers: generated +5% additional clicks

## Benefits :

Professionals that actually perfectly match a user's query can show-up on top of the list even though they don't advertise

Moving to a performance-based advertising brings more control on both relevancy and monetization

Capex €

2019	2020	2021	Total
550k	1.5M	1.4M	<b>3.5M</b>



# Continue the investment in content in order to maintain our leadership

## Content database of 4.7 M professionals



**65 people** dedicated to content update



**4.2 M€** spent on content update



### Leveraging free data :

- +30 aggregated sources (open data & partnerships)
- +500 networks & +200K small business websites crawled



### IA strategy :

- Automatic moderation of UGC & AGC
- Auto-generated text (+90K business descriptions generated)

## Allowed strong partnerships



amazon alexa

YAHOO!



*On top of Users contributions and Professionals enriching their content*

# PagesJaunes strategy



**Develop  
transactional &  
relational usage**



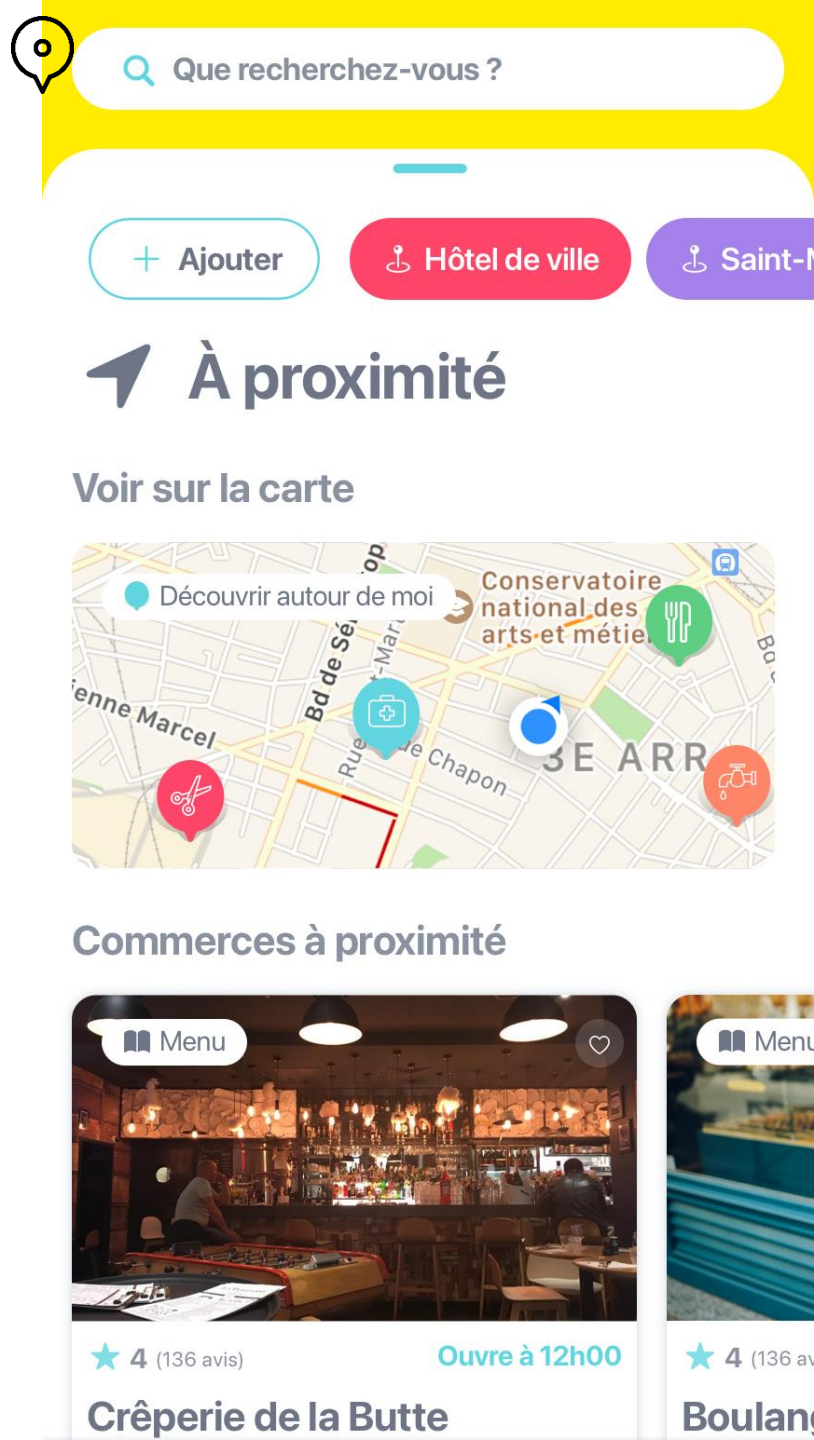
**Improve  
relevancy of our  
search engine**



**Offer  
contextual  
experience**



**Leverage our  
assets**



# Deliver a new local and personalized user experience, especially on the mobile App !

New app coming in July 2021, already in beta test

## Pull to Push

Get suggestion of content: promotions, best-rated, available tables...

## Personalization

Favorite locations, professionals, activities...

Personalized mobile pushes based on user actions & XY data (1.1M user optin)

## Local

Nearby professionals

Discover neighborhoods

Capex €

2019	2020	2021	Total
550k	1.9M	1.6M	<b>4M</b>



**Spark Daily**

Rue au Maire, 75003 Paris

Les myrtilles de saison sont arrivées venez les dégustez !



**% -50%**



**LE MARCHÉ**

Rue au Maire, 75003 Paris

★ 5/5

Ce restaurant est fantastique, la cuisine est délicieuse et les prix sont abordables !



PagesJaunes

A l'instant

**Déjà 3 mois depuis votre dernier RDV !**  
 Besoin de rafraichir votre balayage ? Cynthia est disponible au même créneau que la dernière fois ! On y va ? :)

Plus tard

**Je prends rendez-vous**



**Votre commande**



Bonjour Marie Feugères,

Vous avez récemment passé une commande de :

**Livre Design interactif**

Chez :

**Les Bouquinistes**  
**Librairie**  
**15 Rte du Pont de Sèvres, Boulogne-Billancourt**

Vous pouvez la récupérer à partir de **17h aujourd'hui**.

Nous vous remercions d'avoir utilisé notre service et espérons que vous serez satisfait de votre commande.

# PagesJaunes strategy



**Develop  
transactional &  
relational usage**



**Improve  
relevancy of our  
search engine**



**Offer  
contextual  
experience**



**Leverage our  
assets**






# PagesJaunes is even faster and more reliable



## Fast-response site

Automation of 40k tests on PagesJaunes

 From 3 releases per month to 7 releases per day



## Real-time content updates


Content changes are immediately published on PagesJaunes

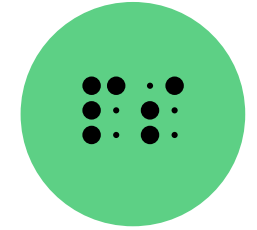


## Reliable platform

Move servers to the Cloud

Service availability over 99,95% last year

 Sustained a pick of 400k queries within an hour !



## Accessibility

Apply the latest guidelines for accessibility

Already 75% compliant



**RGPD compliant**

Capex €

2019	2020	2021	Total
2M	1,7M	600k	<b>4.3M</b>



# PagesJaunes is simple to use for the professional

A dedicated application

## Manage visibility on PagesJaunes

**Informations**

**Reviews**

Mes avis (6)    Mes demandes d'avis

Romain Woillet  
8 sept. 2020    ★★★★★

Rapide, simple et efficace

Le Bronier

✓ Répondre    Partager

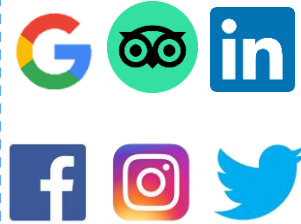
**Posts**

Créez votre actualité

**Promotions**

Créez votre actualité

## Full web



## Activate and manage transactional services

**Chat**

Sarah M. 19:00

Bonjour,  
Avez vous des soins du visage  
labélisés bio ?

**Agenda**

- ✓ Soins  
Massage du visage
- ✓ Conseillère beauté  
Johanna

3 Date et horaire

**Click & Collect**

QUE SOUHAITEZ-VOUS COMMANDER ?

Exemple : Un bracelet argent collection Tara

**Quote**

NOM  ✓

E-MAIL  ✓

TÉLÉPHONE  ✓

## Digital self-care

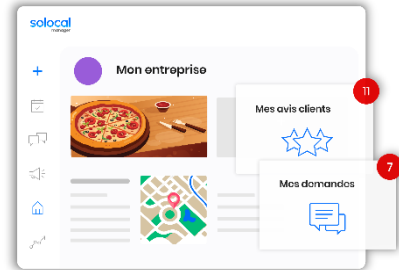
A single user login

Invoices

Solocal contact  
Live chat

Chatbot


FAQ





# PagesJaunes is more affordable than its competitors

## Market overview

Competition <i>(illustrative)</i>	Business Model	Pricing
	Licence fee	129€ / month + teleconsultation (79€ / month)
	Licence fee	From 59€ / month
 a TripAdvisor company	Commission	2€ / person / booking
	Commission	Avg. 17% / booking
 GROUPE EDF	Commission	30% / project
	Licence fee + commission	39€ / month + min. 15% commission

## PagesJaunes

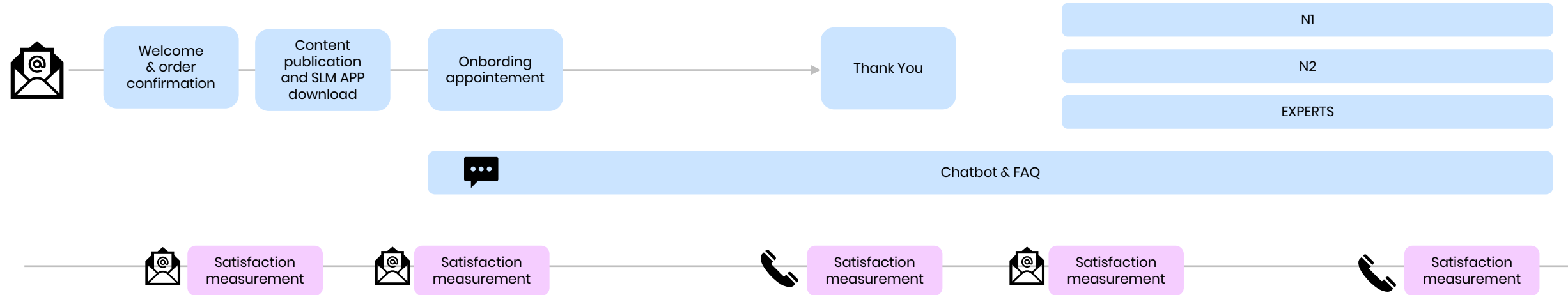
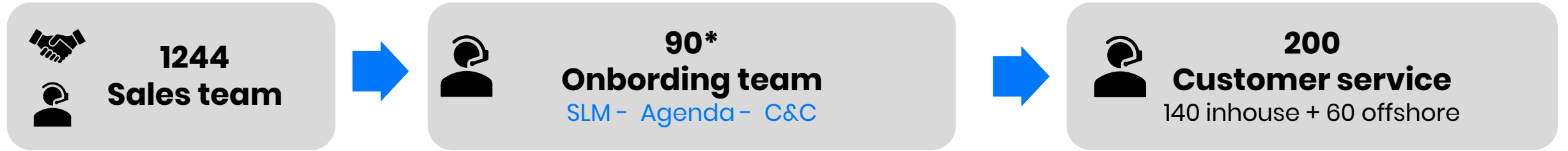
### Business Model

### Pricing

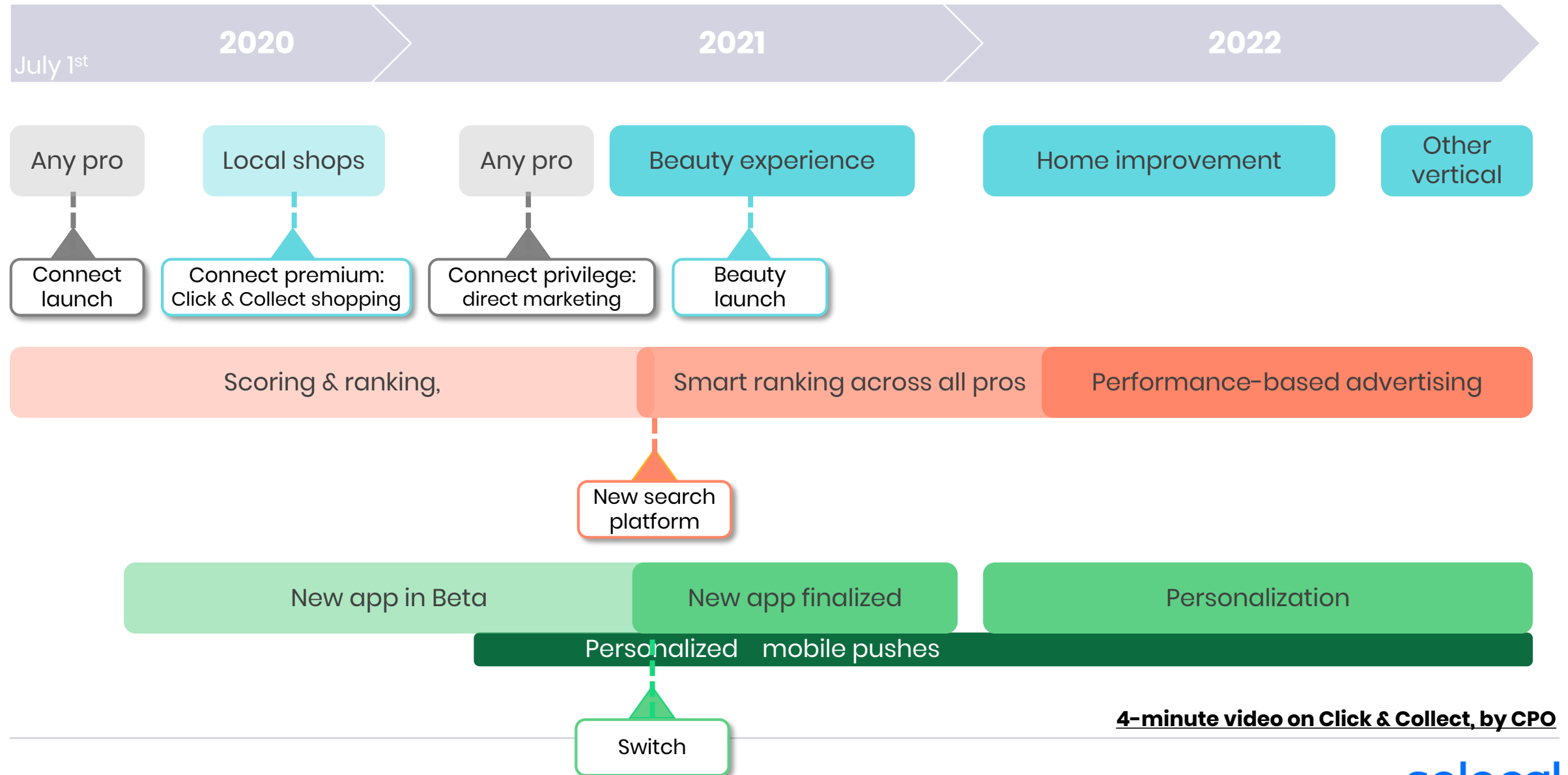
**Fixed license fee  
from 49€ / month  
for transactional  
features**



# PagesJaunes offers a very good level of support to the time-constrained and unskilled professional



# PagesJaunes transformation is a journey 2021-2023



[4-minute video on Click & Collect, by CPO](#)

# Key performance indicators to follow

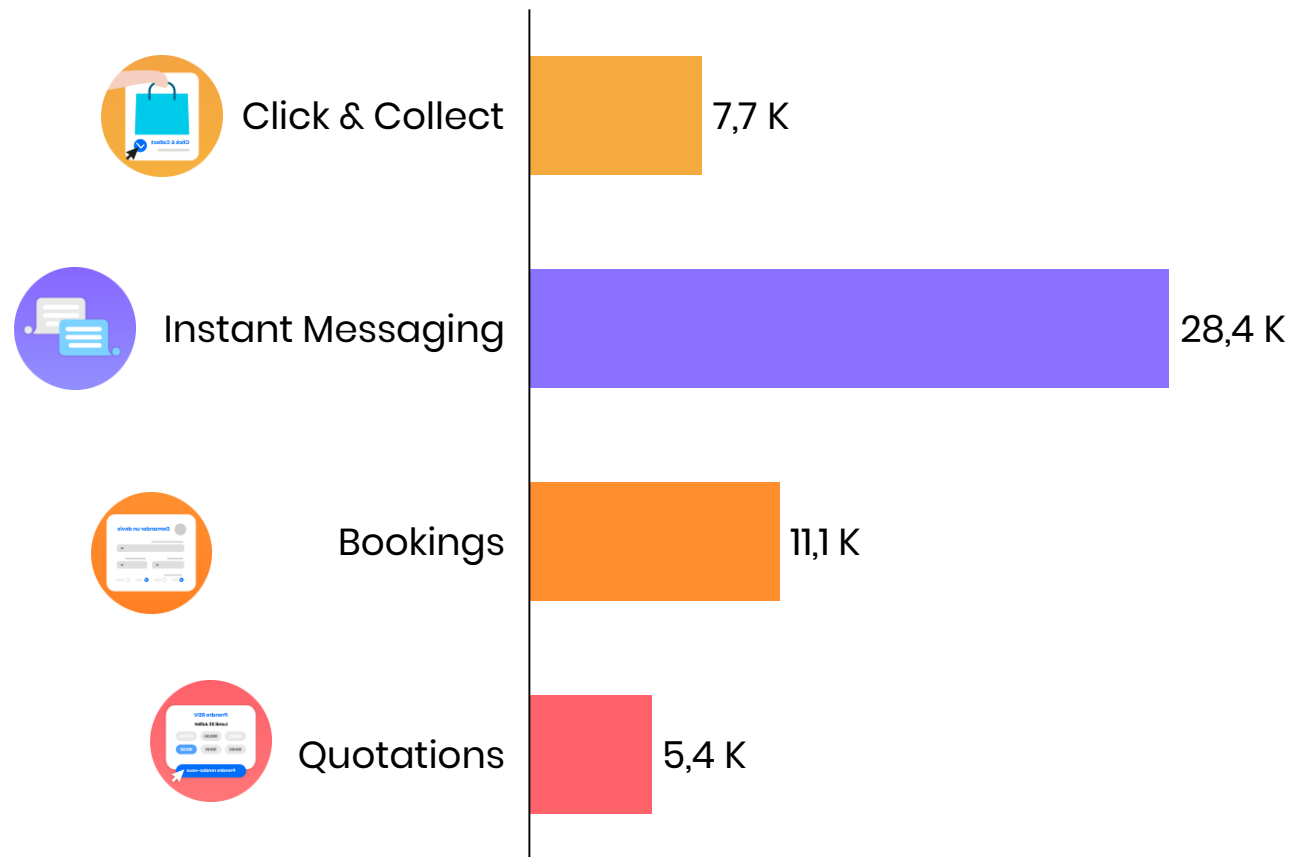
## PagesJaunes

- Visits : 54,2 M (jan.)
- Search click rate : 44,9% (jan.)
- Leads : 33,8 M
- Transactions : 365k (jan.)

## Solocal Manager

- Active user : 380k (dec.)
- Clients equipment rate : 68%
- Usage: 60% of Connect premium connected over the last month (jan.)

## Professionals having activated the service \*



# Ambition



Stability of Contacts



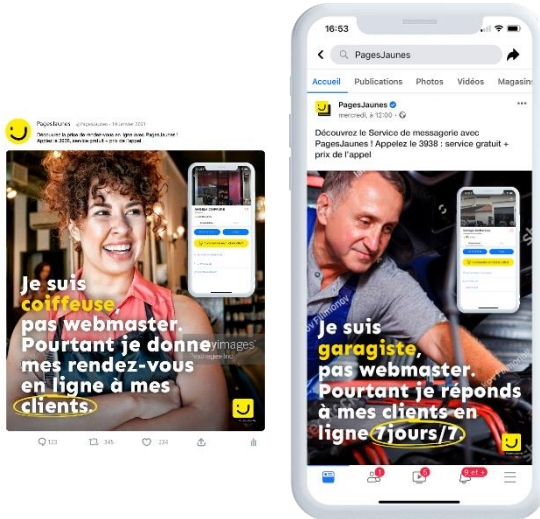
Underpin Booster budget growth



Expand Connect customer base

# We have now already started to communicate !

## # Local Advertising



## # Stickers & flyers



## # Social networks



## # Direct marketing

**solocal**

**TOUJOURS À VOS CÔTÉS**

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**2-minute video on Priority Ranking, by Pierre Danon**

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## PagesJaunes Strategy

## Questions & Answers

**Pierre DANON**

Chairman of the Board & Chief Executive Officer

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# Appendix

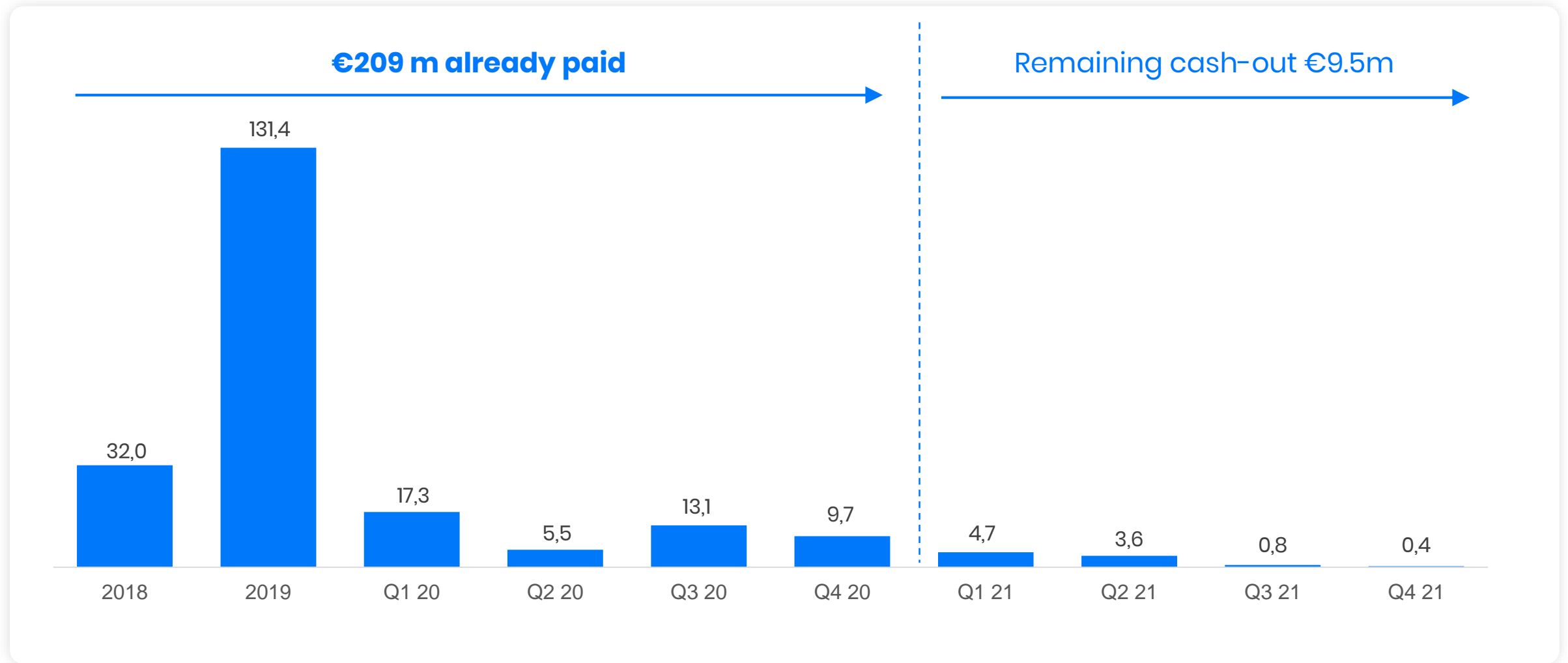
# Change in staff numbers

Category	31/12/2019 Proforma of PSE departures <sup>1</sup>	31/12/2020 Proforma of PSE departures <sup>1</sup>
Quota-bearing salesforce	1517	1558
Production and Customer Service	521	439
R&D	167	177
Marketing & Product	160	154
Staff (finance, HR & other support departments...)	794	485
<b>TOTAL</b>	<b>3159</b>	<b>2813</b>

- Departures related to the redundancy plan are taken out of staff figures after their severance benefits are settled

<sup>1</sup>Based on FTEs at end of period including long term illness

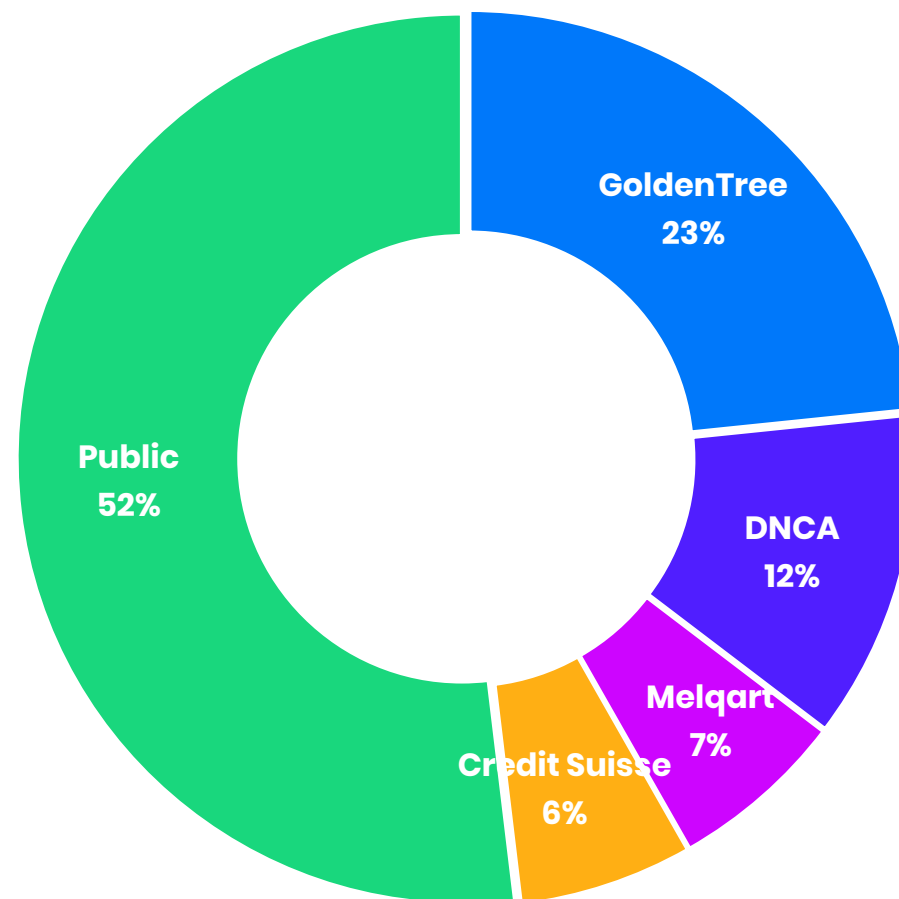
# Redundancy plan 2018 & 2019: 96% of costs already paid



# Shareholding structure & number of shares

## Shareholding structure as at 31.12.2020<sup>1</sup>

- Number of shares :  
**129 505 837**



# Main features of the Bonds

## Main securities

- **ISIN** : FR0013237484
- **Amount**: €168.4m
- **Maturity date** : March 15th, 2025, with 2.5 non call years ;
- **Interests (as from October, 1st, 2020)**:
  - Euribor with Euribor floor 1% + 7% spread (no less than 8%), 50% in cash and 50% PIK, until December 15th, 2021 ;
  - Euribor with Euribor floor 1% + 7% (no less than 8%) payable fully in cash thereafter;

## Additional Bonds issued on 14th August 2020

- **ISIN**: FR0013527744
- **Amount** : €17.8 m
- **All other features similar to the main Bonds**

## Credit Ratings :

	Issuer rating	Securities rating	
		FR0013237484	FR0013527744
<b>Fitch</b>	CCC+	B-	B-
<b>Moody's</b>	Caa1 stable outlook	Caa2	Caa2