

Boulogne-Billancourt, 15th April 2021

Revenue in line with Group's expectations down -10% for Q1 2021 Customer base stable Churn improved by +3 points vs. Q1 2020

Revenue in line with Group's expectations for Q1 2021

- Revenue (now 100% Digital): €106.6 million, i.e. -10.2% vs. Q1 2020¹ impacted by the effect of lockdown periods on order intake
- Digital order backlog unchanged: €282.7 million as at 31st March 2021 (-0.5% vs. 31st December 2020)
- Based on order intake² already signed, €310 million of revenue⁷ is secured as at 31st March 2021 for the year 2021 vs €235 million as at 31st December 2020 for the year 2021
- Contribution of the quarter's order intake to revenue for the next 12 months : +2.6% in Q1 2021 vs. Q1 2020⁶

Encouraging operational indicators despite the context

- Customer base unchanged³ as at 31st March 2021 with 314k customers vs 315k customers as at 31st December 2020
- 88% of Digital order intake² in subscription mode, i.e. +9pts vs Q1 2020¹
- Continued churn⁴ reduction: 16.7% in Q1 2021 vs 19% over the year 2020¹ and 19.7% in Q1 2020
- Almost stable ARPA⁵: c; € 1,320, -0.8% vs c. €1,330 in 2020¹
- PagesJaunes traffic: -3.9% vs. Q1 2020(vs c. -10% in Q1 2020 vs Q1 2019)

Outlook 2021 unchanged

To date and considering the current health restrictions announced so far in relation to the Covid-19 health crisis, Solocal confirms its ambitions for the year 2021, namely:

- Moderate growth in customer base driven by churn reduction and to a lesser extent an improvement in customer acquisition
- 2021 EBITDA at €120 million for a fully digital business

Arrival of Hervé Milcent, CEO, on 6th April 2021

When releasing revenue of the first quarter of 2021, Pierre Danon, Solocal Chairman of the Board, said :

“The year 2021 began in a persistently difficult context, marked by new health restriction measures which logically continued to weigh on our business. However, we remain aligned with our roadmap and in this first quarter we are recording encouraging operational indicators with, namely, a stable customer base and a decrease in our churn. These developments constitute positive steps given the context and reflect the benefits of the transformation that we are pursuing month after month. The arrival of Hervé Milcent at our helm will constitute an additional asset in the management of these changes. It will enable us to come out stronger from the crisis, with a now 100% digital activity backed by a subscription model with better visibility on our business.”

Quarterly financial statements have not been audited. Financial items presented in this press release for Q1 2020 are revised in light of the scope of continued activities¹ as at 31st March 2021.

1. Revenue and order backlog

Reminder: The Print business was discontinued in November 2020 and is restated as discontinued operations under IFRS 5 in the 2020 Income Statement. Solocal's revenue consist only of Digital revenue since the year 2020.

Solocal revenue¹ in the first quarter 2020 are as follows :

<i>In million euros</i>	Q1 2020	Q1 2021	Change
<i>Digital Revenue</i>	118.8	106.6	-10.2%
Total revenue	118.8	106.6	-10.2%

First quarter 2021 revenue amounted to €107 million, down -10% compared to the first quarter 2020¹ revenue. This decrease in revenue is the direct consequence of the conversion into revenue of the previous quarters' drop in Digital order intake² linked to the Covid-19 health crisis (more particularly the effect of the first lockdown in the first half of 2020).

The share of revenue for the quarter relating to order intake already carried over by automatic renewal stood at 24% compared to 12% in the first quarter of 2020. The weight of those "automatically renewed order intake" in the total revenue will mechanically keep on growing over the following next quarters. It will enable increased visibility on revenue while mobilizing the Group's salesforces on the development of existing customers and the acquisition of new customers.

In order to illustrate the evolution of new digital services, Digital revenue is presented in three business lines:

<i>In million euros</i>	Q1 2020	Q1 2021	Change
<i>Connect</i>	26.2	31.1	+18.5%
<i>Booster</i>	71.7	59.9	-16.5%
<i>Websites</i>	20.8	15.7	-24.7%
Total revenue	118.8	106.6	-10.2%

The **Booster** activity includes services related to digital advertising and represents 56% of the first quarter of 2021 revenue (Booster Contact, Priority Ranking, etc). The **Connect** activity includes Digital Presence services and represents 29% of the revenue for the first quarter of 2021. **Websites** represent 15% of the revenue of the first quarter 2021 and encompasses all the ranges of websites sold (Essentiel, Premium, Privilège). This decrease mainly derives from a unfavorable basis effect while Q1 websites revenue is line with previous quarters (Q2, Q3 and Q4 2020). In addition to this, this activity has not

benefited yet from the refocus performed over the last 6 month (digital audit, optimized production...).

Solocal order backlog as at 31st March 2020 breaks down as follows:

<i>In million euros</i>	31/12/2020	31/03/2021	Change
Digital order backlog	284.2	282.7	-0.5%

The **order backlog is flat (-0.5%)** as of 31st March 2021 compared to 31st December 2020. This variation can be explained by a slightly lower value of order intake recorded in the first quarter of 2021 compared to the revenue booked over the same period.

The €283 million order backlog is expected to convert into revenue to the tune of **73% over the year 2021** (i.e. over the next nine months of 2021) and 25% in the year 2022.

Based on management's best estimates, as of 31st March 2021, **secured revenue**⁷ amounts to €310 million for the year 2021 thanks to the revenue already booked & the order intake already recorded as at this date.

<i>In million euros</i>	31/03/2020	31/12/2020	31/03/2021
Secured Digital revenue for current year	361	235	310

Note: for 31/12/2020, secured revenue for the year 2021

2. Operational performance indicators

Solocal's operational **performance indicators** for the first quarter of 2021 are as follows:

	Q1 2020	Q1 2021	Change
Subscription-based order intake	79%	88%	+9 pts
- as a % of Digital order intake			
"Growth KPI" ⁶	-	+2.7%	
Traffic : number of PagesJaunes visits - <i>in million</i>	479	461	-3.9%

In the first quarter of 2021, **88%** of order intake² were recorded as subscription-based products, i.e. an increase of +9 points compared to the first quarter of 2020. This subscription-based order intake rate has been experiencing an ongoing ramp-up since the full roll-out of new digital Connect (previously Presence) and Priority Ranking services in July 2019. Subscription-based products are pivotal for the **transformation of the business model**, as it enables (i) a decrease in churn, while (ii) more importantly, it fosters

the increase in new customer acquisition and cross-selling of existing clients by freeing up some salesforce time historically devoted to renewal.

Since February 2021, Solocal has been disclosing a "growth KPI"⁶, which corresponds to the contribution of order intake of the quarter to revenue for the next twelve months. This indicator allows the group to monitor its order intake conversion into revenue and is up + 2.6% in the first quarter of 2021 vs. the first quarter of 2020. This means that the first quarter of 2021 order intake helped secure + 2.6% in revenue over the upcoming 12 months compared to the order intake recorded in the first quarter of 2020.

PagesJaunes traffic is down -3.9% in the first quarter of 2021 compared to the first quarter of 2020 as it is impacted by the health crisis as well as by the lockdown and curfew measures which penalized the entire French economy. As a reminder, the first effects of investments aimed at strengthening the PagesJaunes platform are expected to take place from the second half of 2021.

Solocal **customer base**³ evolved as follows in the first quarter of 2021:

	Q1 2020	FY 2020	Q1 2021	Change Q1
Customer base - BoP^(a)	349k	349k	315k	
+ Acquisitions	9k	32k	9k	+1k
- Churn	-23k	-82k	-14k	+9k
+ Winbacks	3k	16k	4k	+1k
Customer base - EoP^(a)	338k	315k	314k	
Net change	-11k	-34k	-1k	
Churn ^(b) - in %	-19.7%	-19.0%	-16.7%	+3pts
Digital ARPA ^(c)	c.1,380	c.1,330	c.1,320	

Note : BoP = Beginning of Period / EoP = End of Period

The **Group's customer base³ is stable at 314k customers**, with a reduction of c. 1,000 customers as at 31st March 2021 compared to 31st December 2020, i.e. a decrease of approximately -0.3% over the quarter. This quasi-stability constitutes a clear progress with 9,000 fewer customers lost than in the first quarter of 2020. This decrease in the number of lost customers can be explained (i) by the setting-up of a team dedicated to customer retention in spring 2020, (ii) by the first effects of the subscription model, which has been rolled out since summer 2019 and which tends to limit customer attrition, and (iii) by improving the product offer and gradually implementing solutions aimed at placing customer satisfaction at the heart of the Group's strategy.

The Group's **net churn rate**⁴ thus stands at **16.7% in the first quarter of 2021**, i.e. a drop of more than 2pts compared to the 19% churn rate in 2020 and a drop of 3pts compared to the first quarter of 2020 (19,7%), thus reflecting the first effects of the retention measures detailed above.

Group ARPA⁵ is almost **stable** at c.**€1,320 as at 31st March 2021** (based on a last 12 months average) compared to c. €1,330 in 2020. This trend can be explained by the adverse health environment and by the measures penalizing the French economic activity this year, offset by an upsell and cross-sell dynamic.

3. Outlook 2021 unchanged

To date, based on improved operational indicators and the restrictive measures related to the Covid-19 health crisis announced so far, the Solocal Group confirms its 2021 objectives.

Indeed, Solocal aims at a **moderate growth in customer base** and a €120 million EBITDA for 2021.

4. Other information

As previously announced, **Hervé Milcent** has been appointed as **Chief Executive Officer** of Solocal on 6th April 2021.

Furthermore, as of 31st March 2021, Solocal had disbursed a cumulative amount of €214 million (out of a total estimated amount of €225 million), in salaries and compensation as provided by the 2018 transformation plan and its extension in 2019; i.e. 98% of the amount planned. There is still **€5 million to be disbursed** over the rest of 2021, under this transformation plan.

Next major dates in the financial calendar

The next financial calendar dates are as follows:

- Combined General Meeting on 3rd June 2021
- Publication of first half 2021 results on 28th July 2021

Notes :

¹ Comparable scope. 2020 figures are restated from the figures of the QdQ and Mappy, subsidiaries sold on 28th February 2020 and 30th October 2020

² Digital order intake, scope Solocal SA, based on order intake net of cancellations.

³ The customer base now represents the number of customers recorded at a defined moment (Beginning or End of Period) and no longer the average number of customers over the last twelve months. Group scope (excluding non-significant subsidiaries) and restated from QdQ & Mappy, which were subsidiaries sold during fiscal year 2020.

⁴ Churn: Number of lost customers (net of winbacks) over the last twelve months (LTM) divided by number of BoP customers

⁵ ARPA calculated as LTM revenue divided by the average customer base over the past 12 months, scope restated from QdQ and Mappy

⁶ Based on order intake from 15th December in year n to 15th March in year n+1. This KPI does not imply a similar trend in 2021 revenue.

⁷ Secured revenue including Vocal and Offline activities but excluding Mappy & QdQ

Definitions

Order intake : Orders recorded by the salesforce, that gives rise to a service performed by the Group for its customers

Order backlog : The order backlog corresponds to the outstanding portion of revenue yet to be recognised as at 31st March 2020 from order bookings such as validated and committed by customers. For subscription-based products, only the current commitment period is considered

Traffic : Indicator of visits and of access to the content over a given period of time

ARPA : Average Revenue per Advertiser, based on the last twelve months order intake for Solocal SA

Winback : Acquisition of a customer who has been lost in the previous 12 months

Churn : Number of lost customers out of number of customers at Beginning of Period

Growth KPI : Indicator to monitor the evolution of the contribution of order intake for a given period to revenue for the following 12 months

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Solocal is the digital partner for all local companies in France, from VSEs, to SMBs or Large Companies with networks. Our job; vitalize local life. We strive every day to unveil the full potential of all companies by connecting them to their customers thanks to our innovative digital services. We advise over 314,000 companies all over France and support them to boost their activity thanks to our digital services (Relational Presence, Websites and Digital advertising). We also bring users the best possible digital experience with PagesJaunes, and Ooreka, and our GAFAM* partners.

We provide professionals and the public with our high audience services, geolocalised data, scalable technology platforms, unparalleled commercial coverage across France, our privileged partnerships with digital companies and our talents in terms of data, development and digital marketing. Solocal moreover benefits from the "Digital Ad Trust" label. To know more about Solocal (Euronext Paris "LOCAL"): let's keep in touch [@solocal](#)

*GAFAM : Google, Microsoft/Bing, Facebook, Apple, Amazon

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