

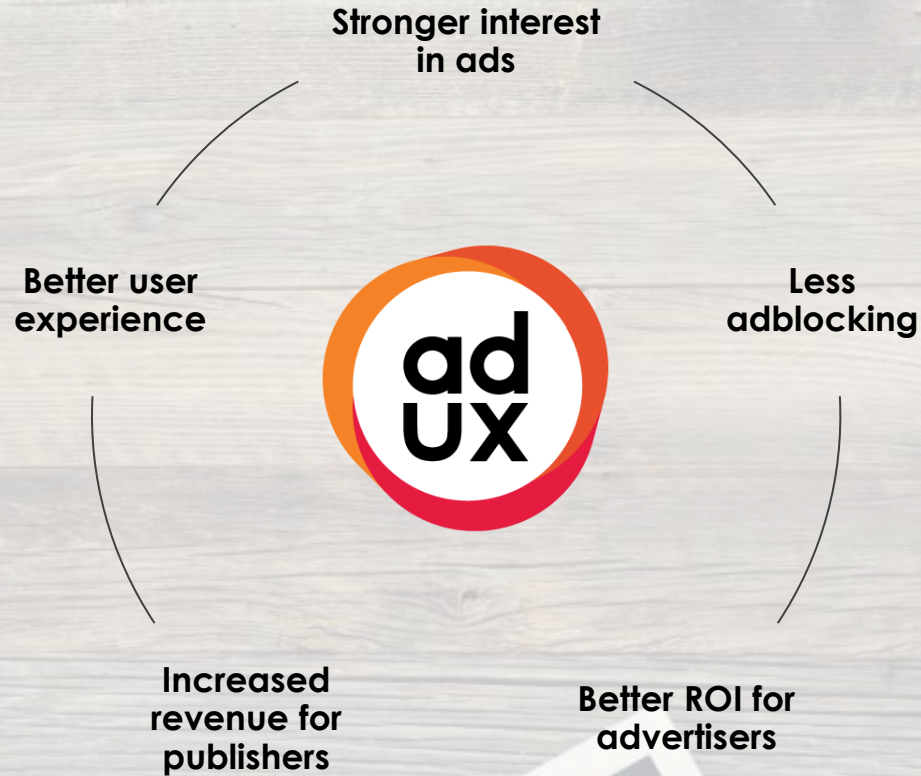


# H1 2017 FINANCIALS



# 1. STRATEGIC ROAD MAP

# Our business future : Ads with a better UX



# Two existing business lines

## 1. TRADITIONAL ADVERTISING SALES

- Media sales house business model on Display, video, mobile, RTB enabled
- A historical South European scope : Belgium, France, Italy, Spain, Portugal
- A more recent business in Hispanic America (LDV)

## 2. UX FRIENDLY NEW BUSINESSES

quantum

 **admoove**  
data for intelligent media

 **adpulse**

# Traditional advertising sales are suffering

## **BECAUSE THIS SEGMENT OF MARKET IS CONSOLIDATING**

- Shift of budgets towards new ad standards and targeting
- Concentration of budgets on Facebook and Google
- Divestment from publishers

**In Europe AdUX legacy business drops by 25% in H1**

**In Latam AdUX traditional business grows by 33% in H1 thanks to Hispanic community attractiveness**

# Native, Drive to Store and Social Ad are promising

## BECAUSE THEY ANSWER ALL TYPE OF ADVERTISERS' NEEDS

- Native Advertising provides **engagement for brands and e-merchants**
- Drive to store answers **retailers** needs
- Social marketing is the key for **consumer brands**

**They have achieved critical size : circa 30M€ annually**

# Time to refocus the Group on Native, Drive to Store and Social Ad

## **TO GET A PURE PLAYER PROFILE**

- Focus on strong ad-tech or mar-tech assets
  - A clearer USP
  - Platform business easier to scale/ leveraging the scale of social networks
  - International roll out at reasonable costs
- A more appealing business profile
  - Back to a growth profile
  - A more appealing business model with more tech and less headcounts

# Global partnerships can help accelerate the refocus

## LOOKING FOR DEALS WITH 2 SIDES

- **Divestment from Traditional media sales**
  - Country by Country approach
  - Exit in cash or shares
  - No associated costs
- **Commercial agreement to boost new businesses**
  - Increase market share in a local market or region
  - No minimum guarantee
  - 1 or 2 years agreement



# AdUX Final picture



quantum

 admoove  
data for intelligent media

 adpulse  
social



## **2. UPDATE ON CORE BUSINESSES**

# AdUX solution #1: **Native advertising**

ADVERTISER



**Storytelling at scale**

AdUX SOLUTION



**quantum**

USER



**No disruption**

## What genuine Native is about



**Non Interruptive**



**100% Visible**



**integrated in the content stream**



**Editorialised and informative**



**Fully matching any sites  
look&feel**



**Dedicated to one unique  
advertiser**

# Product and Formats



## DESKTOP

User is exposed to an integrated teaser



## MOBILE

Integrated teaser with no downloading time lapse



## TEASER VIDEO

Video content integrated with 100% viewability

# Partners in France

+600  
Media Sites

6m  
UU daily

+1,5Mds  
Viewable Imps monthly



# Partners in Italy

+150

Media sites

3M

UUs daily

+400M

Viewable Imps per month



- 400 millionsimps / 3m UU / + 150 sites

# Partners in Belgium

+50

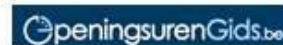
Media sites

1M

UUs daily

+200M

Viewable Imps per month





# Partners in Spain

+100

Media sites

1,5 M

UUs daily

400 M

Viewable Imps per month

europa press

LA RAZÓN

EL  ESPAÑOL

Bolsamanía  
Web Financial Group

PUBLI  
PRESS  
MEDIA  
group

 lainformacion.com

Público.es

 3DJuegos

# Business developments in H1

- **New territories**

- London office opened in June
- Evaluation of candidates for the MD positions in Germany

- **New tech features**

- Launch of proprietary SSP technology
- Demand yielding functionalities
- Analytics on hot/cold placement for native ads

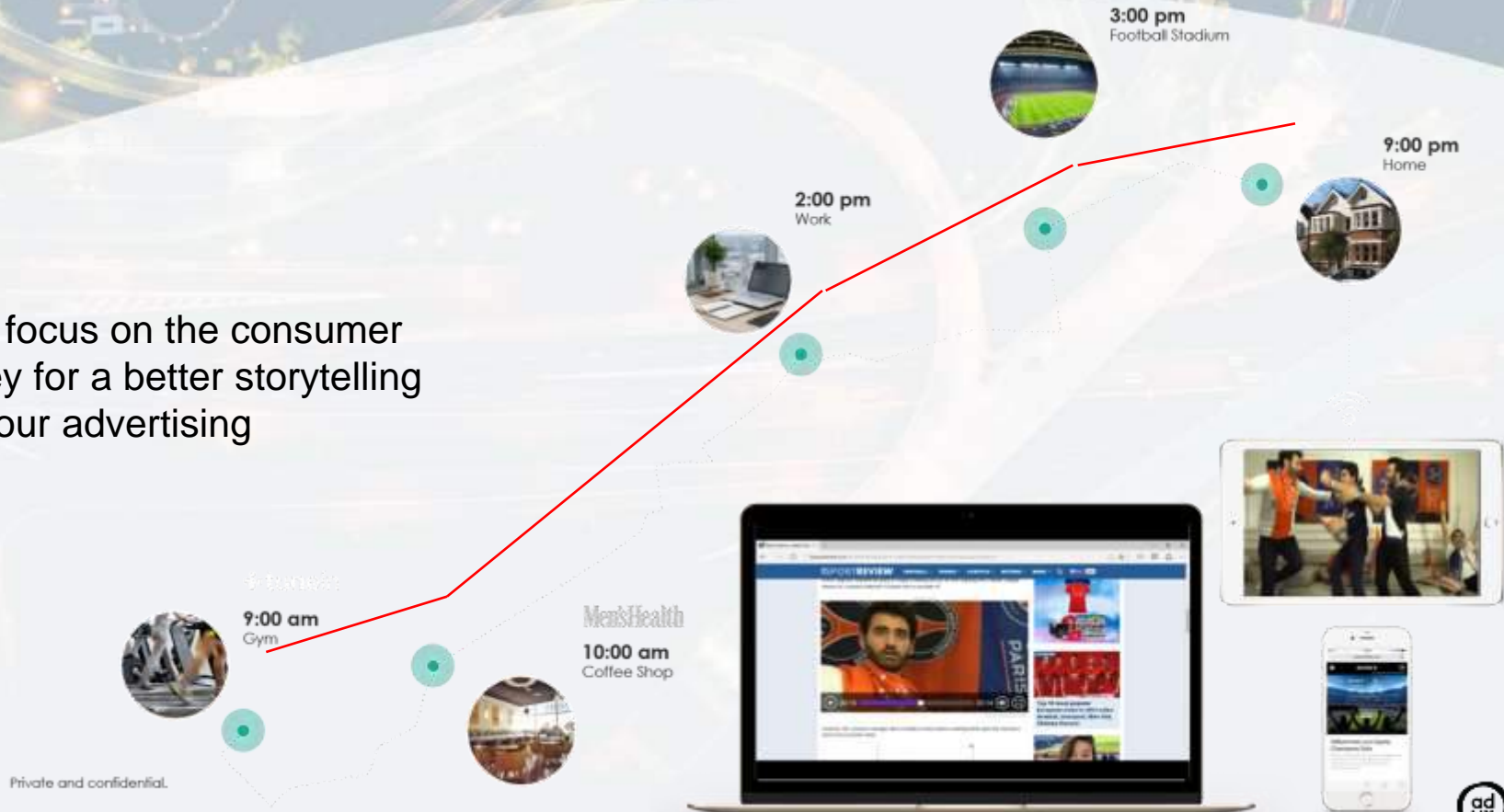
# AdUX solution #2 : **Drive to store**



# Drive to store

A better knowledge of customers thanks to geodata

A real focus on the consumer journey for a better storytelling with your advertising



# Product : clusters for retailers

## CUSTOMER LOYALTY

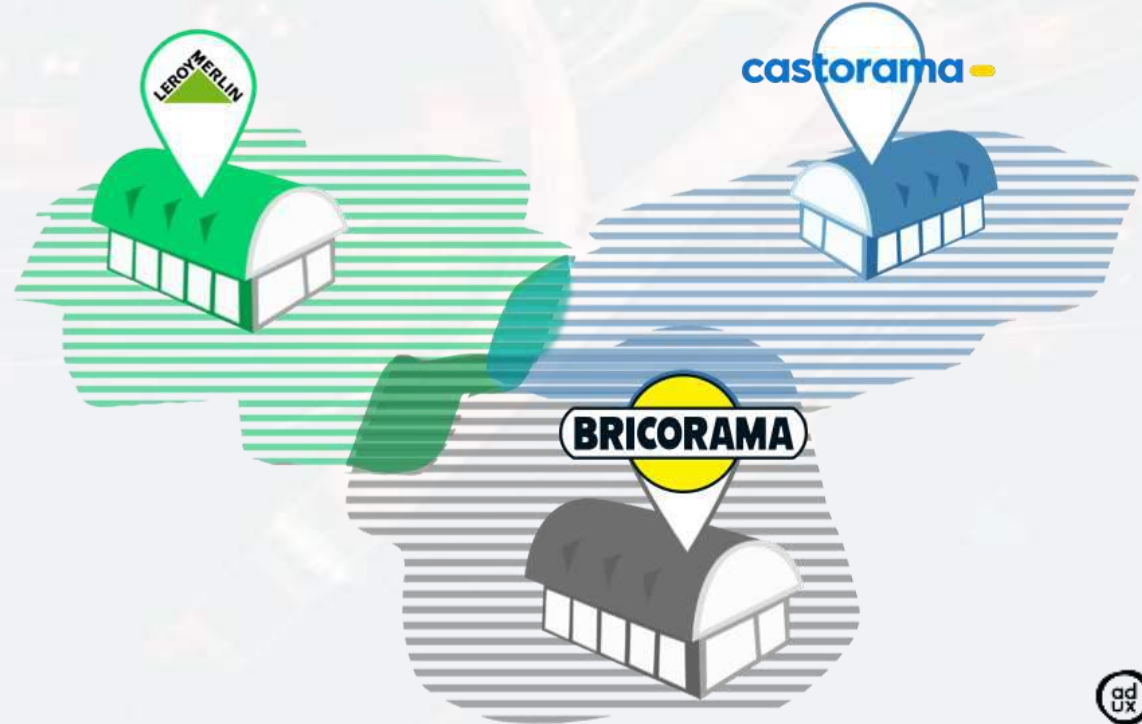
Customers only visiting one store

## DUAL STORE

Customers visiting one store  
& its competitors

## CONQUEST

Customers catchment  
area and visiting the competitors



# Partners in France



20  
Minutes



Le Parisien



L'Equipe



RMC  
Sport



Télé Loisirs



La Chaine  
Météo



Apy Geek



Marmition



Au Féminin



RMC Info



Ouest France



Match en  
Direct



France Football



Allociné



Se Loger



01.net



RATP



BFM TV



BFM  
Business



News  
Republic



Les  
Horaires



YouBook



AVendre  
ALouer



Apy Gamer



Gameloft

**1 Billion**  
Monthly ad requests

**28 Million**  
Monthly Unique Users

**Precise GPS diffusion**  
The unique French Network  
certified

**Unique geodata**  
Clusters On demand

# Business developments in H1

- **New tech features**

- New SDK
- New reporting interface with details on footfall
- Hire of a BI analyst + Geo Marketer to increase expertise

- **New Advertisers Budget and publishers**

- Advertisers : Decathlon, Picard, H&M, Nexity, Decathlon, BNP, Crédit Agricole, Mastercard
- Publishers : RATP, Bliss



# AdUX solution #3 : **Social marketing**





# Social Marketing : bringing engagement and brand love



**42%** of web users  
**x2** Audience Instagram in 2 years



**28%** of web users  
**1,2M** ideas posted per day



**89%** of web users  
**46min** spent daily per each user

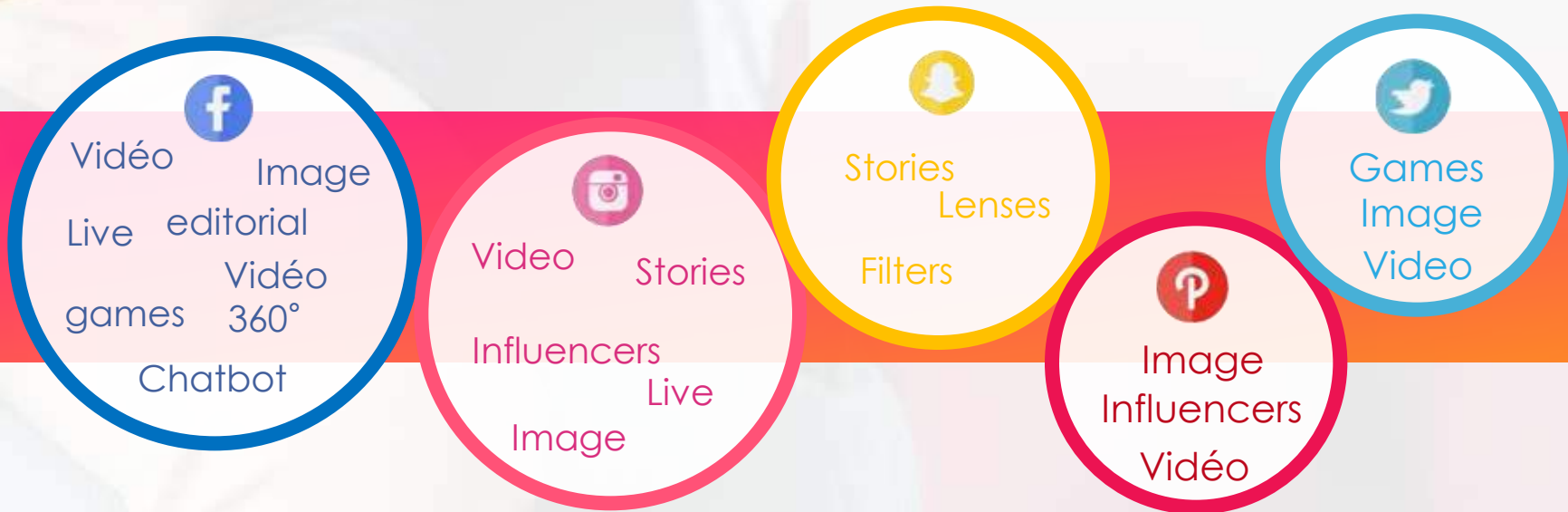


**48%** of web users  
**500M** daily tweets



**75%** of web users between 15-24 years old  
**+30mn** spent daily per each user

# Our Product : social expertise



Social Listening

Content Marketing

Social Publishing

# Our Product : technological stack



## PRE TEST & BENCHMARKING

## POST TEST

Semanti **Web**

nuke**suite**

SPOTLY  
su Benchmarking

TESTLY  
su Benchmarking

happydemics

facebook

Analysis of  
conversations

Brand  
benchmarking

Social  
listening

A/B  
Testing

ROI  
measurement

Memorization

# Our Partners

Demotivateur  
*Food*

*Jetlag*  
Du Demotivateur

Demotivateur  
*Atelier*

CONFIDENTIELLES  
*à vos côtés*

**fubiz**  
*daily dose of inspiration*

**Slate**

*Les* ÉCLAIREUSES

*le Bonbon*

# Business developments in H1

- **New tech and content integration**

- Happydemics
- Slate, les Eclaireuses

- **New Advertisers Budget**

- **+45%** campaigns
- **+27%** average spent
- Walt Disney, Warner Bros, Europacorp, 20<sup>th</sup> century Fox
- Kenwood, Maisons du Monde
- Bonduelle, Badoit, Tabasco, Kiri, Savencia





## **3. FINANCIALS H1 2017 \***

\*Figures Closed by ADUX SA board of directors on 25<sup>th</sup> July 2017. The half year and consolidated financial statements have been audited and the corresponding certification report is being prepared. The semester report on the interim financial statements closed on 30<sup>th</sup> June 2017 will be available on the Company's Internet site in the legal deadline.

# Financial Highlights – EBITDA TARGET REACHED

(€m)	H1 2017	H1 2016	Var.	Var %
Sales	26,1	28,4	(2,3)	-8%
Gross profit	12,3	13,2	(0,9)	-7%
<b>EBITDA</b>	<b>0,4</b>	<b>0,3</b>	<b>0,0</b>	<b>14%</b>
Operating profit (loss)	(0,4)	0,8	(1,2)	-
Profit (loss) for the period	(0,5)	0,2	(0,7)	-

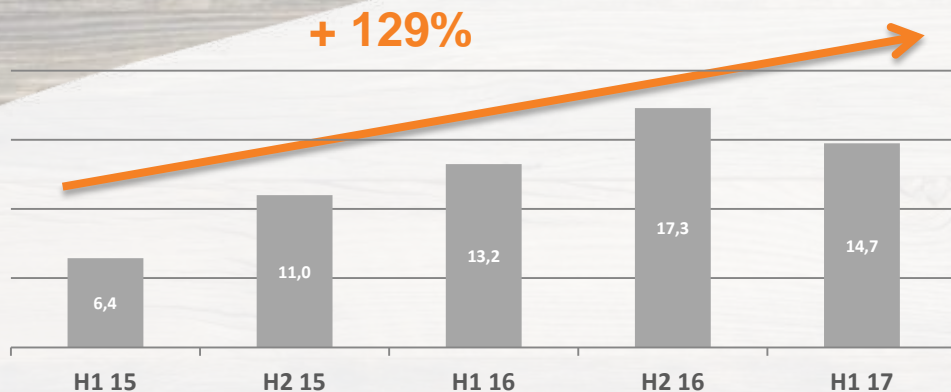
**Constant increase  
of growth businesses has  
been confirmed**

	(€m)	H1 2017	H1 2016	Var %
Growth businesses	Sales	14,7	13,2	11%
	Gross profit	7,4	6,7	11%
	EBITDA	0,2	0,1	116%

**57% of revenues generated by  
new growth activities  
during the end of H1 2017**

	(€m)	H1 2017	H1 2016	Var %
Legacy business	Sales	11,3	15,2	-25%
	Gross profit	4,9	6,5	-25%
	EBITDA	0,1	0,2	-46%

# Growth businesses keep a strong dynamism and generate 57% of revenues

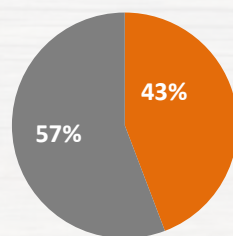
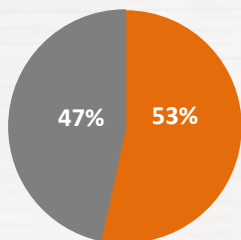


€15M in H1 2017 vs. €13M in H1 2016

- + 11% growth in H1 2017 vs H1 2016
- From 47% to 57% between H1 2016 and H1 2017

H1 2016

H1 2017

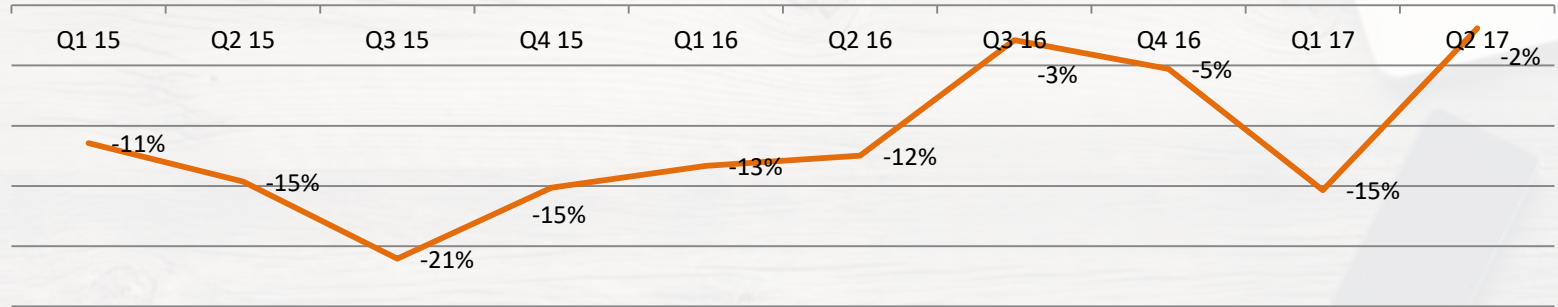


- Legacy business
- Growth businesses



# Consolidated revenue

- Trends in Q1 2017 :
  - Robust momentum in growth activities
  - Decline in revenue from legacy activities, mainly reflecting prior year first quarter comparatives
- Q2 2017 revenue down a slight 2% due to a decrease steeper than expected on Legacy business

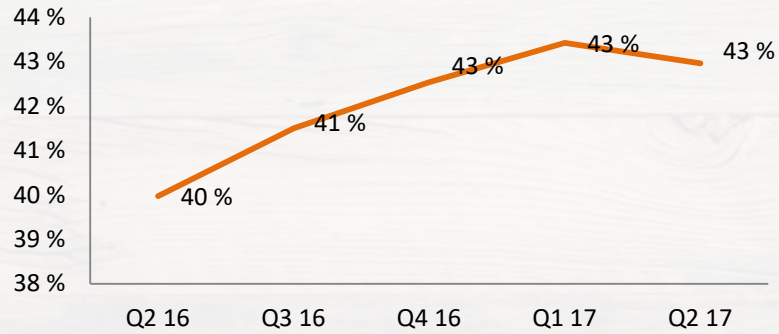


(€m)		Q1 2017	Q1 2016	Var %	Q2 2017	Q2 2016	Var %
Growth businesses	Sales	6,2	5,6	+11%	8,5	7,6	+12%
Legacy business	Sales	5,0	7,7	-34%	6,3	7,5	-16%

# Gross margin are stabilizing

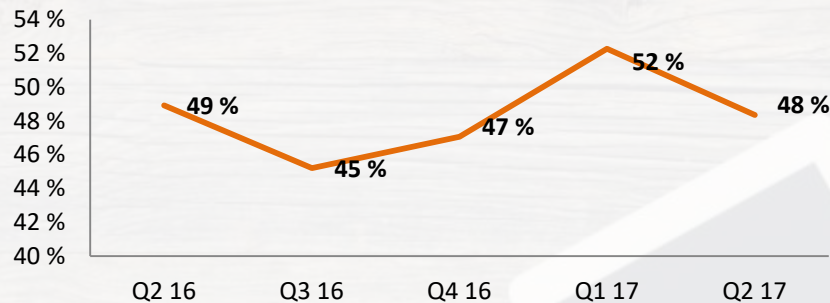
€12M H1 2017 vs. €13M H1 2016

**Legacy  
Business**



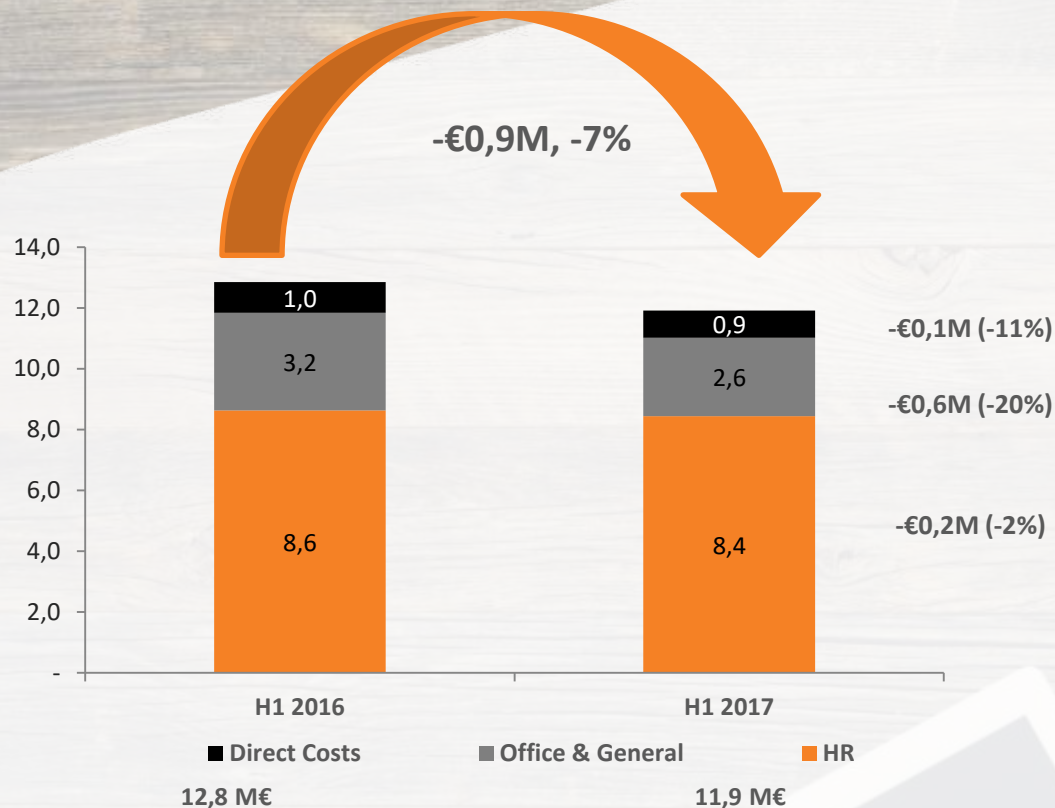
Legacy business around 40% / 43%

**Growth  
Businesses**



Growth businesses around 45% / 48%

# The reduction costs policy are maintained

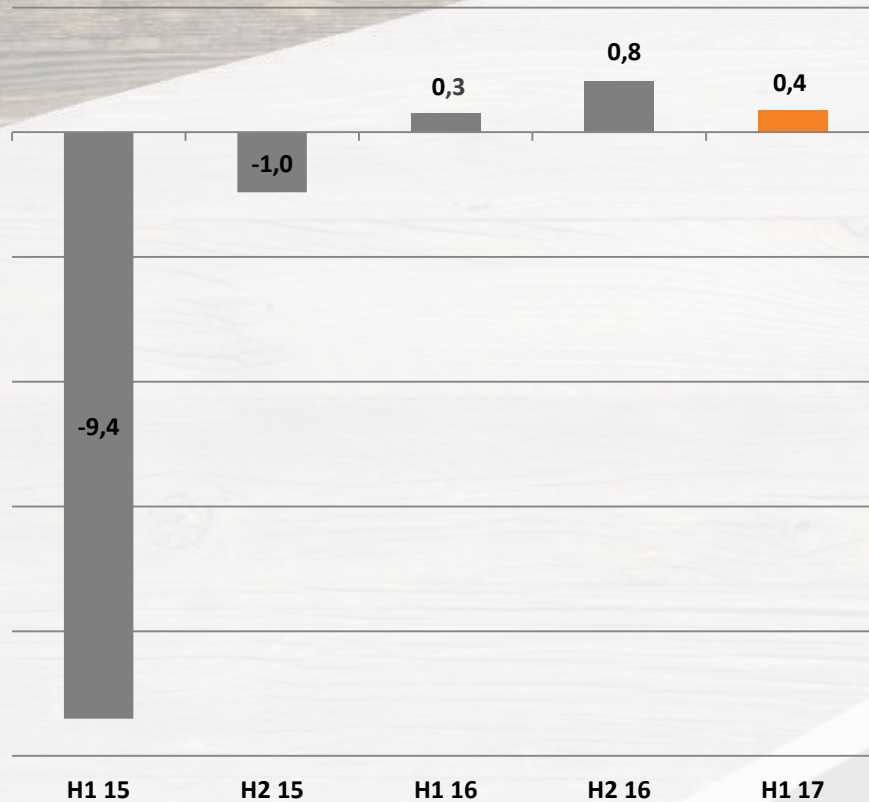


**€12M H1 2017 vs. €13M H1 2016**

Reduction of the cost structure :

- Direct costs (adserving/hosting) have been decreased by -€0,1M (-11%)
- Office & General (rental charges, marketing, audit and legal fees, travel and representation...) costs have been reduced by -€0,6M (-20%)
- HR costs have been decreased by -€0,2M (-2%)

# Positive EBITDA positive for the half year 2017



**H1 2017 EBITDA target reached :  
Positive EBITDA and increase vs.  
H1 2016**

# Cash Flow synthesis

<u>M€</u>	<u>H1 2016</u>	<u>H2 2016</u>	<u>H1 2017</u>
<b>Cash - period start</b>	<b>7,4</b>	<b>5,2</b>	<b>5,7</b>
Cash from operations	-4,9	-1,3	-1,5
Cash from investment activities	+2,7	+1,8	+0,5
<i>Current</i>	-0,6	-0,8	-0,7
<i>Non current</i>	+3,3	+2,6	+1,2
<b>Cash - end of the period</b>	<b>5,2</b>	<b>5,7</b>	<b>4,7</b>
<b>HiPay valuation</b>	<b>5,7</b>	<b>3,2</b>	<b>2,2</b>

- Working capital: substantial decreasing over the last semesters
- Capex: recurring amount limited to €1.6M per year
- HiPay valuation at €2,2M as of June, 30<sup>th</sup> 2017



## **4. MOVING FORWARD**

# Clear roadmap for growth

**NATIVE** favors engagement **for brands and e-merchants**

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**DRIVE TO STORE** focuses on **retailers's needs**

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**SOCIAL PUBLISING** works on engagement and brand love **for consumer goods**

# Clear roadmap for growth

**QUANTUM** shall open Germany

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**ADMOOVE** will start its international development in H2 2017

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**ADPULSE** will grow its scope towards new thematics and geographies



# Towards a pure player profile

Evolution of perimeter and refocus to get a **stronger growth profile**

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Long term EBITDA **margin shall reach 10% and more**



advertising &  
user experience

quantum

adpulse

admoove