

HIMEDIA GROUP: GROSS PROFIT REBOUND IN THE THIRD QUARTER

- Increase of the gross profit:
 - › +10% vs. Q3 2014 constant perimeter.
 - › +127% vs. Q2 2015 and +48% vs. Q1 2015.

- Return to a gross profit rate above 35%.

Paris, November 5th 2015, 5.40 PM – The digital ad group HiMedia Group (ISIN CODE FR0012821890 - HIM, HIM.FR), has published its turnover figures for the third quarter of the 2015 financial year, ended on 30 September.

Main consolidated data (in millions of euros)

	Q3 2015	Q3 2014 constant perimeter ⁽¹⁾	<i>var.</i>
Turnover	12.6	16.0	-21%
Gross profit	5.3	4.8	+10%

	Q3 2015	Q3 2014 pro forma ⁽²⁾	<i>var.</i>
Turnover	12.6	15.3	-18%
Gross profit	5.3	5.0	+6%

⁽¹⁾ The constant perimeter figures have been calculated by taking into account the exit of the perimeter of HiMedia Deutschland and of HiPay Group in July 2015 and Publishing activities and they also took into account the inclusion within the perimeter of the companies Admoove, Quantum and of the Orange networks in Spain, the USA and Mexico during H1 2015.

⁽²⁾ The pro forma figures have been prepared with the historical financial statements of HiMedia Group decreased to the figures of HiPay Group.



Commenting on the third quarter figures, Cyril Zimmermann, Chief Executive Officer of HiMedia Group, stated: *“After announcing a new strategic orientation with a focus on activities generating higher margins as well as business reorganisation measures, HiMedia is showing the first encouraging signs of a recovery of its gross profit that should be confirmed by the end of the year”.*

INITIAL EFFECTS OF THE BUSINESS RATIONALISATION AND RETURN TO A NORMATIVE MARGIN RATE ABOVE 35%

The pro forma data of the Q3 turnover showed a decline of 21%, primarily as a result of the deliberate discontinuation of certain unprofitable contracts and of the rationalisation efforts undertaken by the Group. With the activities that have been retained and the ones that are part of the new strategic orientations (native advertising and mobile advertising of the « Drive to Store » type), the turnover is progressing in accordance with the Group’s business plan.

With this new configuration, the company has returned to a level of a gross profit rate above 35%, which takes into account the recognition in Sweden of the only net margin in turnover for the main part of the business (this 85% margin activity serves to weight the overall above the margin rates close to 30% used in the advertising market). The quarter’s gross profit is therefore equal to €5.3 million, a level that is significantly higher than the level seen one year before, but also in the two first quarters.

PROSPECTS FOR THE END OF FY 2015

Regarding the guideline of revenue for the second half announced during the last financial communications, namely a figure comparable to the first half of the year, the activity trend led the Group to clarify its target between 28 and 30 million euros.

At the same time, this rebound trend for the gross profit should be confirmed in Q4, subject to the correct performance of the commercial operations in November which traditionally constitutes a high business point for the year.

With this proviso, the observed business trend and the recovering margin rate should permit the Group to limited in H2, and limiting its losses in terms of EBITDA (current operating income before amortisation and depreciation) to an amount under 2 million euros. The return to a positive EBITDA is still expected in 2016.



digital advertising experts

Press release

About HiMedia:

A pioneer in the sector, HiMedia is a European leader in digital marketing. It provides its customers with all of the levers for an efficient online and affinity strategy, through complete systems.

Present in 7 European countries, the United States and Latin America, the HiMedia company now has more than 280 employees and it generated a turnover of 76 million euros in 2014.

Independent since its creation, the company is listed in the Euronext Paris compartment C, and is included in the CAC Small, CAC All-Tradable and CAC SME indices. ISIN code: FR 0012821890 / Trading symbol: HIM

For more information: www.himedigroup.com/himedia

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Next financial communication: 2015 turnover, on 4th February 2016 after the market closing.

This press release does not constitute an offer to sell, or a solicitation of an offer to buy Hi-Media shares. If you wish to obtain more complete information about HiMedia Group, please refer to our Internet site <http://www.himedigroup.com>, under the Investors heading.

This press release may contain some forward-looking statements. Although HiMedia Group considers that these statements are based on reasonable hypotheses on the publication date of this release, they are by their very nature subject to risks and uncertainties that could cause the actual results to differ from those indicated or projected in these statements. HiMedia Group operates in a continually changing environment and new risks could potentially emerge. HiMedia Group assumes no obligation to update these forward-looking statements, whether to reflect new information, future events or other circumstances.
