



advertising &
user experience

H1 2018 RESULTS



VISION AND STRATEGIC ROAD MAP

A USER CENTRIC VISION

AdUX promotes a vision of Ads with a better UX



A MARKET ANALYSIS

AdUX answers and anticipates advertiser's needs

- ▶ **NATIVE ADS** will **replace display**

- ▶ **MOBILE GEOMARKETING** will complete/take the lead on **radio and outdoor**

- ▶ **SOCIAL PUBLISHING** will **become the new TV for consumer brands**

A LEAN PRODUCT ORGANIZATION

AdUX has 3 product lines



quantum



BACKED BY STRONG TEAMS AND ASSETS

AdUX has a unique expertise in the market

- ▶ **STRONG IT TEAMS** organized in 3 fields **front end, back end, data&infra**

- ▶ **SYNERGIES** will increase between 3 areas of excellence
 - Programmatic optimization algorithm (Quantum)**
 - Data analysis and targeting (Admoove)**
 - Social and conversational marketing (AdPulse)**

AdUX solution #1: Native advertising



AdUX solution #2 : Drive to store



AdUX solution #3 : Social marketing





FINANCIALS HI 2018

Financial Highlights – H1 2018

<i>In Million of euro</i>	30 June 2018	30 June 2017 (restated)	30 June 2017 (published)
Revenue	16,0	16,6	26,1
Gross profit	8,5	9,0	12,3
EBITDA	0,1	0,5	0,4
Depreciation and amortization	-1,0	-1,0	-1,0
Other non-current income and charges	-9,3	0,4	0,3
Operating profit	-10,6	-0,2	-0,4
Net income from discontinued operations	0,3	-0,1	0,0
Net income	-10,5	-0,5	-0,5

□ €11.3M revenue with core businesses :

- Native
- Social Marketing
- Drive To Store

→ Core businesses represent more than 70% of the revenue in H1 2018

→ This part should increase in H2 2018

□ €4.7M revenue with other businesses

□ €0.1M EBITDA

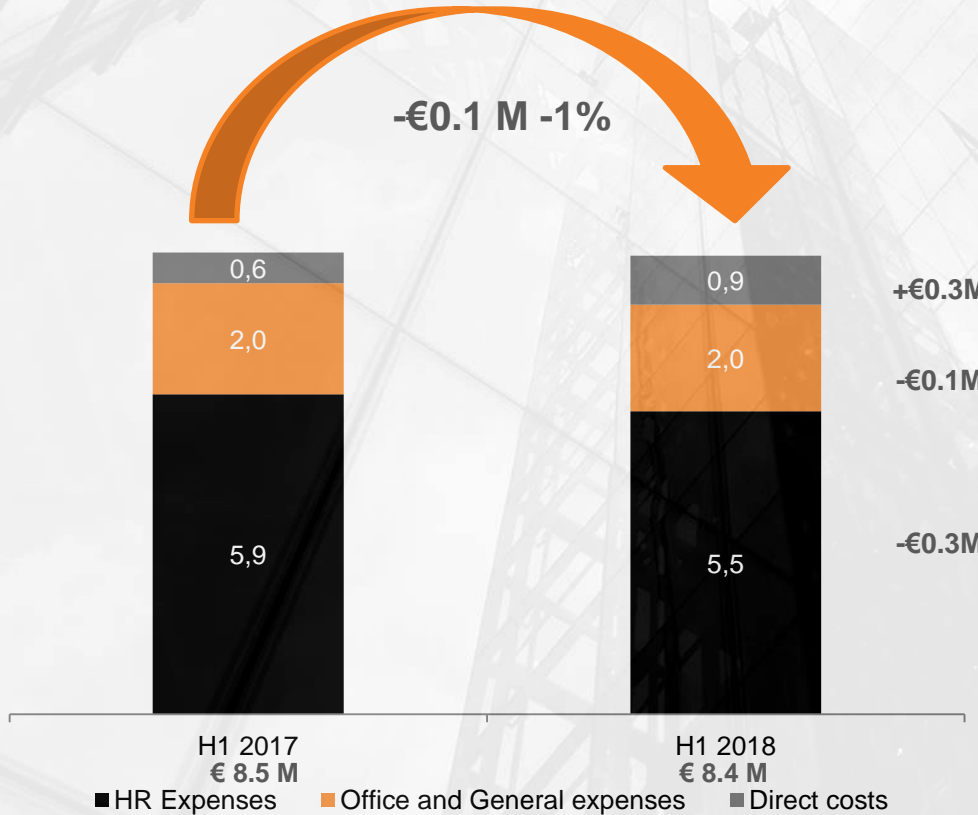
□ “Other non-current income and charges“ (-€9.3M)

End of August 2018, the main contract in Sweden will be terminated (it represents more than 75% of its 2017 revenue). As consequence, the impairment of goodwill in Sweden amounts to -€8.5M) million euros :

□ “Net income from discontinued operations “ (€0.3M)

includes the impact of Italian historical business sale for €0.6M

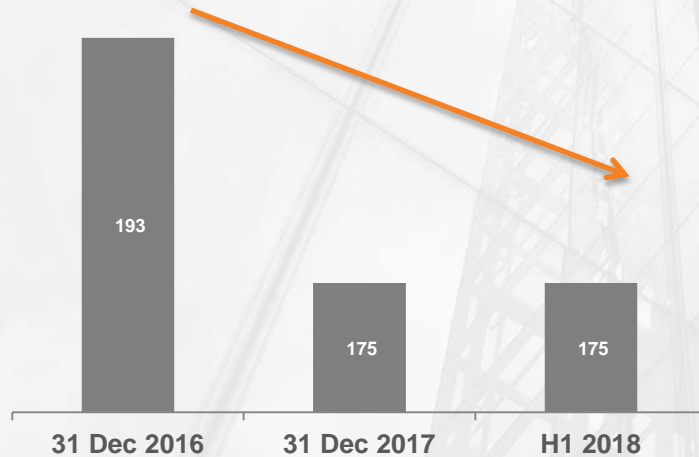
Consolidated costs are controlled



€8.4M H1 2018 vs. €8.5M H1 2017

- -€0.1M (-1%) between H1 2018 & H1 2017
- Direct costs (advertising/hosting) are increasing +€0.3M
- Office & General (rental charges, marketing, audit and legal fees, travel and representation...) costs have been stabilized and decreased slightly (-4%).
- HR costs have been decreased by -€0,3M (-5%). The headcount has been reduced on the other businesses whereas Quantum team have been reinforced in UK and Germany.

Stabilization in the global headcount



175 people in H1 2018

- Stabilization in the global headcount
- IT and backoffice teams are organized in lower labour cost countries
- Deployment of Quantum and in new geographical area (UK and Germany)

Cash Flow synthesis

M€	H1 2017	H2 2017	H1 2018
Cash - period start	5,7	4,7	4,6
Cash from operations	-1,5	-2,6	-1,1
Cash from investment activities	0,7	2,9	0,0
Current	-0,8	-0,9	-0,5
Non Current	0,2	0,0	0,0
Acquisition and sale of subsidiary	1,3	3,8	0,6
Bank loans	-0,2	-0,4	-0,2
Cash - end of the period	4,7	4,6	3,3

- Working capital: decreasing of the
- Capex : an average of €1,2M per year
- €0,6 M related to the sale of the Italian historical Business
- HiPay valuation at €0,4M as of June, 30th 2018
- Tax loss carryforward for €64M mainly in France

Business trends for 2018

- ▶ The second half of 2018 should resume with growth
- ▶ Steady gross margin rate on an average of more than 40%
- ▶ Direct costs & HR costs evolution following the opening countries for Quantum and the development of the core businesses
- ▶ Investment will continue on the same trend to sustain our technological assets



MOVING FORWARD

A clear roadmap for growth

- ▶ **NATIVE** experiences **a strong growth**

- ▶ **DRIVE TO STORE** will **recover growth alongside the new GDPR paradigm**

- ▶ **SOCIAL PUBLISING** grows fast and will get scale **with new broadcasting channels**

With a stronger financial profile

- ▶ New perimeter allows a **stronger growth profile**

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

And already anticipating next moves

- ▶ **DSP and SSP** technologies will be more complimentary and integrated
- ▶ **Instore ROI measurement** will drive retailer's investment
- ▶ **Conversational marketing** will bring a new frontier for advertisers



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quantum

adpulse

admoove