



Investor Day December 2019

DECEMBER 2019

[solocal](https://www.solocal.com)

Disclaimer

This document contains forward-looking statements. Any forward-looking statement does not constitute forecasts as defined in European regulation (EC) 809/2004. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements are based on the Company's current beliefs, assumptions and expectations of its future performance, taking into account all information currently available. Forward-looking information and statements are not guarantees of future performance and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company. These risks and uncertainties include those discussed or identified under section 4 "Risk Factors" of the SoLocal Group's reference document which was filed with the French financial markets authority (AMF) on 21st March 2019. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things: the effects of competition; usage levels; the success of investments by the Group in France and abroad; the effects of the economic situation. SoLocal Group, its affiliates, directors, advisors, employees and representatives expressly disclaim any liability whatsoever for such forward-looking statements.

The forward-looking statements contained in this document apply only at the date of this document. Solocal Group does not undertake to update any of these statements to take account of events or circumstances arising after the date of said document or to take account of the occurrence of unexpected events.

The quarterly financial statements are not audited.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the total provided.

Agenda

Introduction – Eric Boustouller

Products – Amaury Lelong

Tech platforms – Arnaud Defrenne

Financial highlights – Olivier Regnard

Conclusion and Q&A

Deep transformation towards the new Solocal

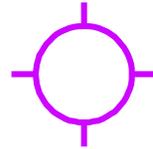
- 20 months after the launch of Solocal 2020 plan: **the bulk of the transformation is behind us**
- **Deep transformation across the board** with major key achievements
 - **Solocal repositioning on its market** as a major Digital player at the local level, in omnichannel mode
 - **Revamped product offer** into a simplified and subscription range of digital services for SMBs and Large Accounts
 - Ongoing **media platforms upgrade**
 - **Drastic reduction in the cost base** –€100 M in 2019E and –€125-130 M in 2020 objective
 - **Stronger tech infrastructure and agile processes**: move to Cloud, solid IT and tech platforms
 - **Renewed teams**: 60% of top management renewed with strong expertise in the digital, sales and management fields to build the new Solocal

The new Solocal: 100% Digital leader...



100% Digital company...

Agile tech company
End of Print business in 2020



... uniquely positioned...

One-stop shop for Digital Marketing and Digital Advertising services
For SMBs and Large Accounts



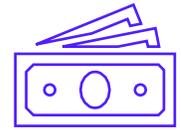
... on a growing market...

~ 10% / year
Strong **local market coverage**



... with increasing profitability...

>5% growth of recurring EBITDA in H1 2019
Strong growth of Digital EBITDA
Strong Digital EBITDA margin



... and strong cash generation

Visibility on operating cash-flows
Subscription mode

... firmly set on the path to growth

- **Return to growth: turning point achieved in 2019**
 - **Digital order intake:** +5% in Q3 2019
 - **Recurring EBITDA:** +5% in H1 2019
- **Keeping up path to growth** in Q4 2019 and beyond
 - **Positive demand for new digital services** generating leads for customers inc. newly launched Priority Ranking as well as Booster range of advertising products (cross-sell)
 - Q4 2019 Digital order intake traction and productivity in line with strong end of quarter plan (strikes may impact momentum)
 - Digital order intake Q4 2019 **growth objectives are unchanged:** deliver stable order intake in 2019 vs. 2018, based on a stable environment



Solocal Value Proposition

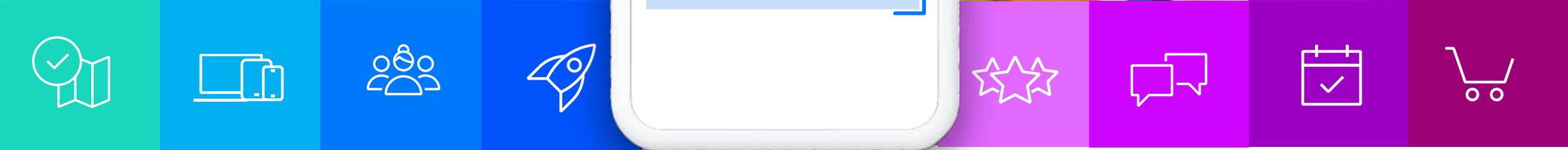
**Amaury Lelong,
Chief Product and
Media Officer**

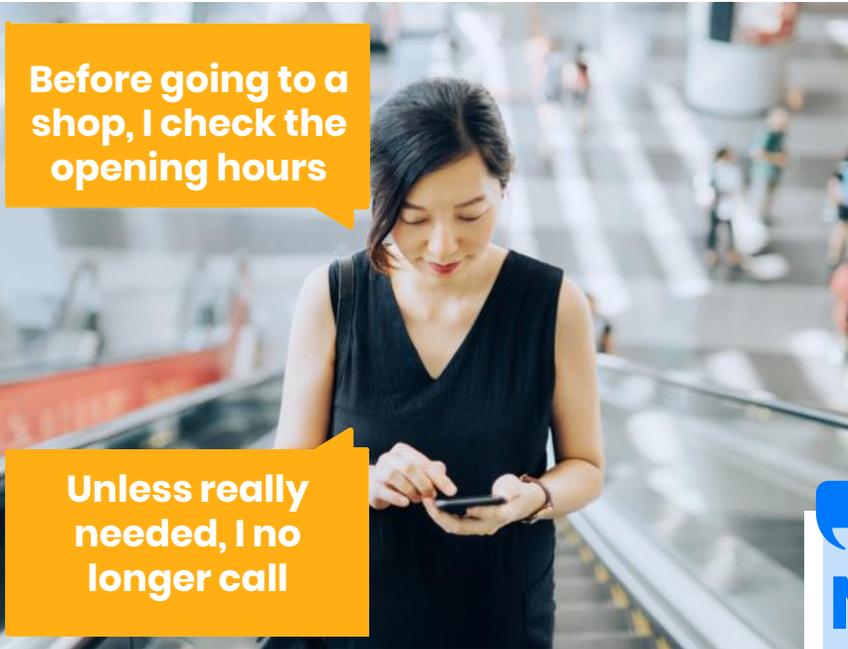
solocal



solocal

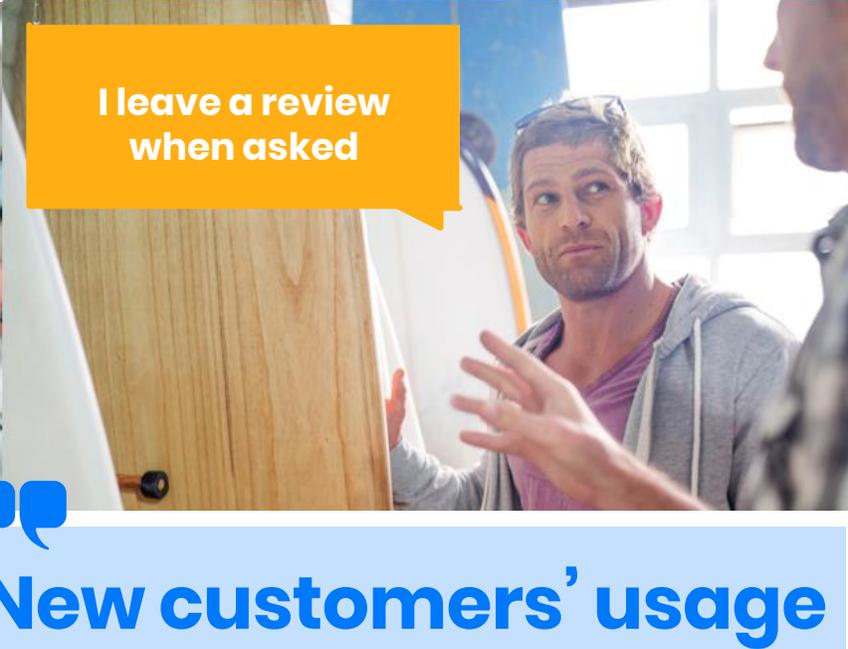
Boost local life





Before going to a shop, I check the opening hours

Unless really needed, I no longer call



I leave a review when asked

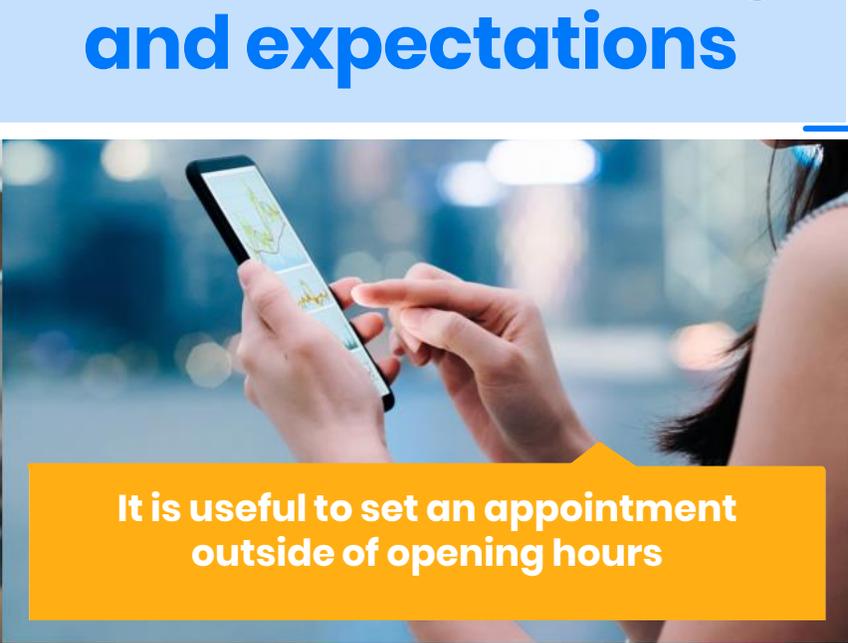


I do not rely on the number of stars only, I read all comments

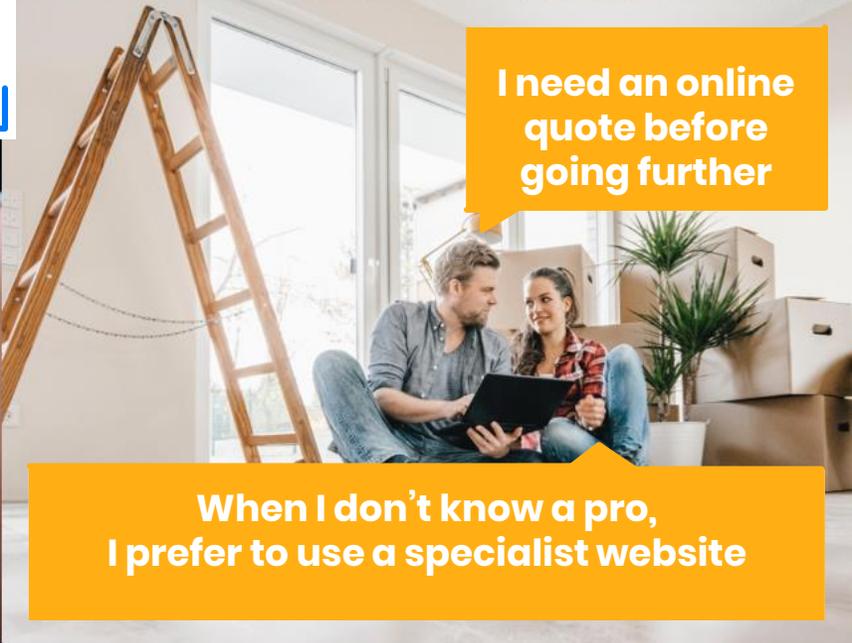
New customers' usage and expectations



Quality of information on a pro is key to me



It is useful to set an appointment outside of opening hours

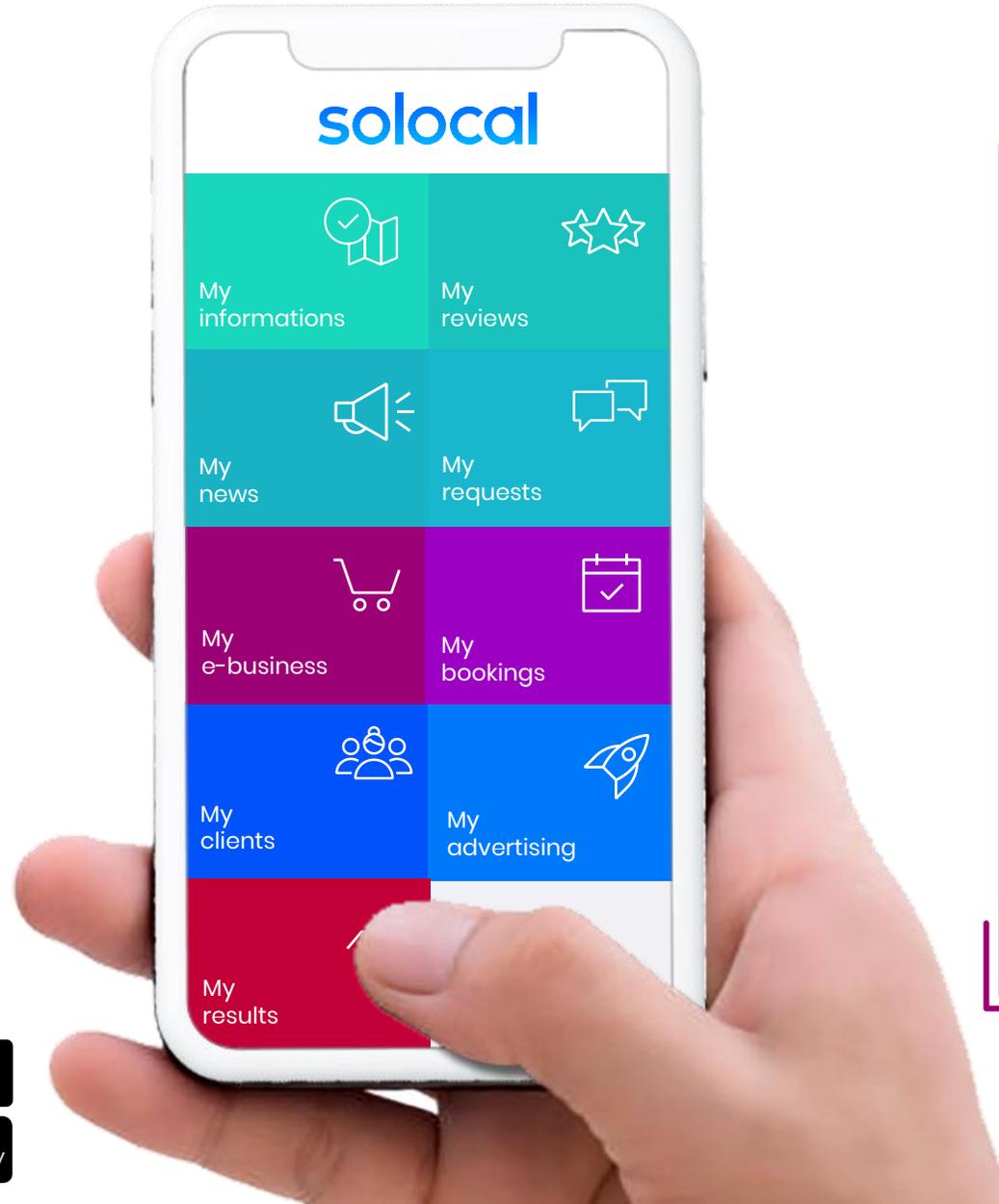


I need an online quote before going further

When I don't know a pro, I prefer to use a specialist website



Digital services, powered through a unique interface



to boost local businesses

For SMBs and retail networks



2 examples...



A photograph of Stéphane, a man in a blue and white checkered shirt, standing in a motorcycle shop. He is smiling and looking towards the camera. In the background, there are shelves filled with motorcycle tires. Another man in a blue shirt is visible in the background. The shop is well-lit and organized.



The logo for 'BIKE UP' is circular with an orange background. It features a stylized black and white graphic of a hand holding a wrench. Below the graphic, the text 'BIKE UP' is written in bold black letters, and 'Vente - Rénovation - Accessoires' is written in smaller black letters below it.



An orange square containing a white outline map of France with a location pin in the southeast.

Stéphane
32 years old

Owner of « **Bike Up** »
Motorcycle dealer's parts and repair shop
Villeurbanne (69) – near Lyon

CHALLENGES

#1

Expand his business

#2

Sell dealer's parts online



A photograph of Taline, a woman with long brown hair, smiling and looking to her right. She is wearing a light blue button-down shirt and a necklace. She is holding a smartphone in her hands. The background shows a beauty shop counter with various products.



The logo for 'Azur Beauté' is a purple circle with the text 'Azur Beauté' in white.



A purple square containing a white outline map of France with a location pin in the southeast.

Taline
45 years old

Founder of « **Azur Beauté** »,
Network of 25 beauty shops
Southeast of France

CHALLENGES

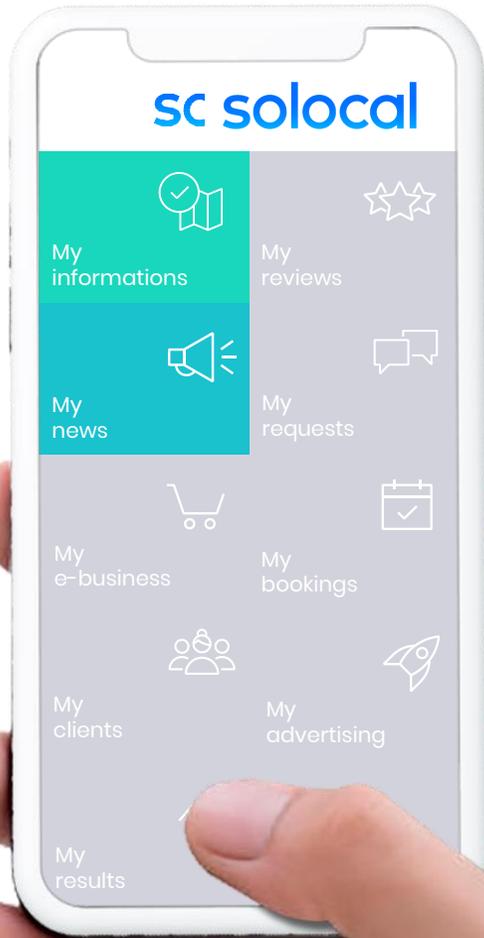
#1

Better manage online
communication for all her shops

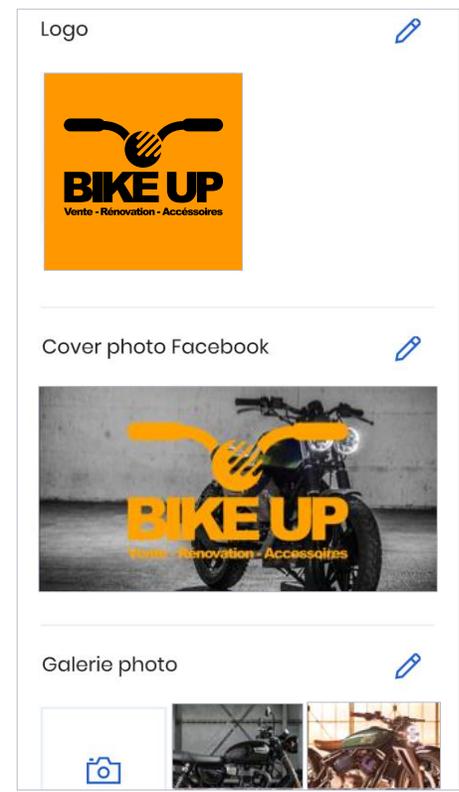
#2

Develop customer loyalty

Update key information about your repair shop...



Add pictures



Change opening hours



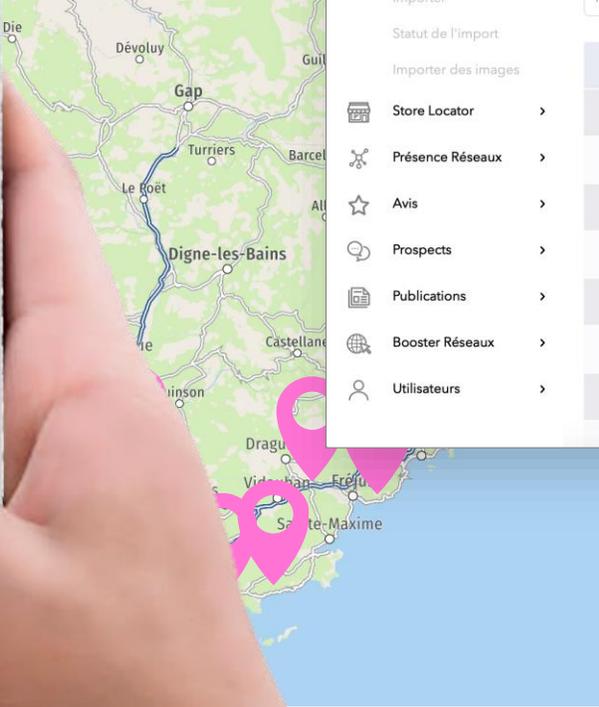
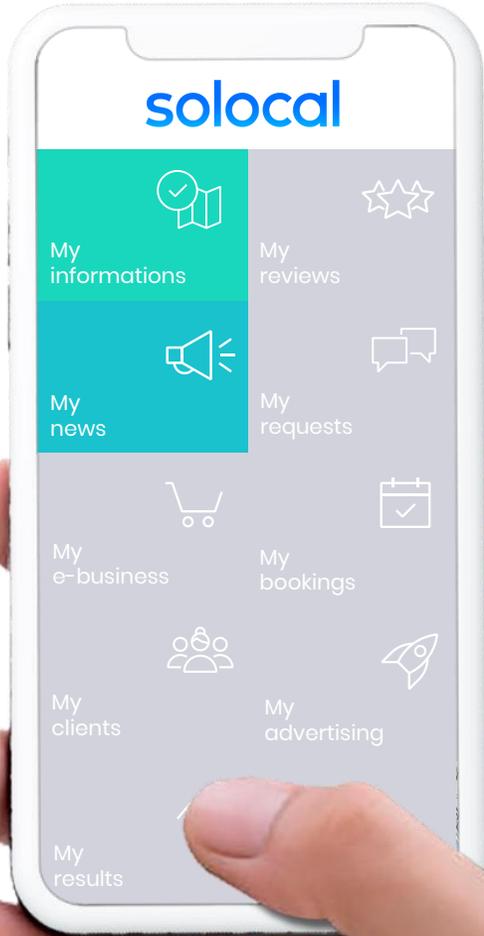
Publish news



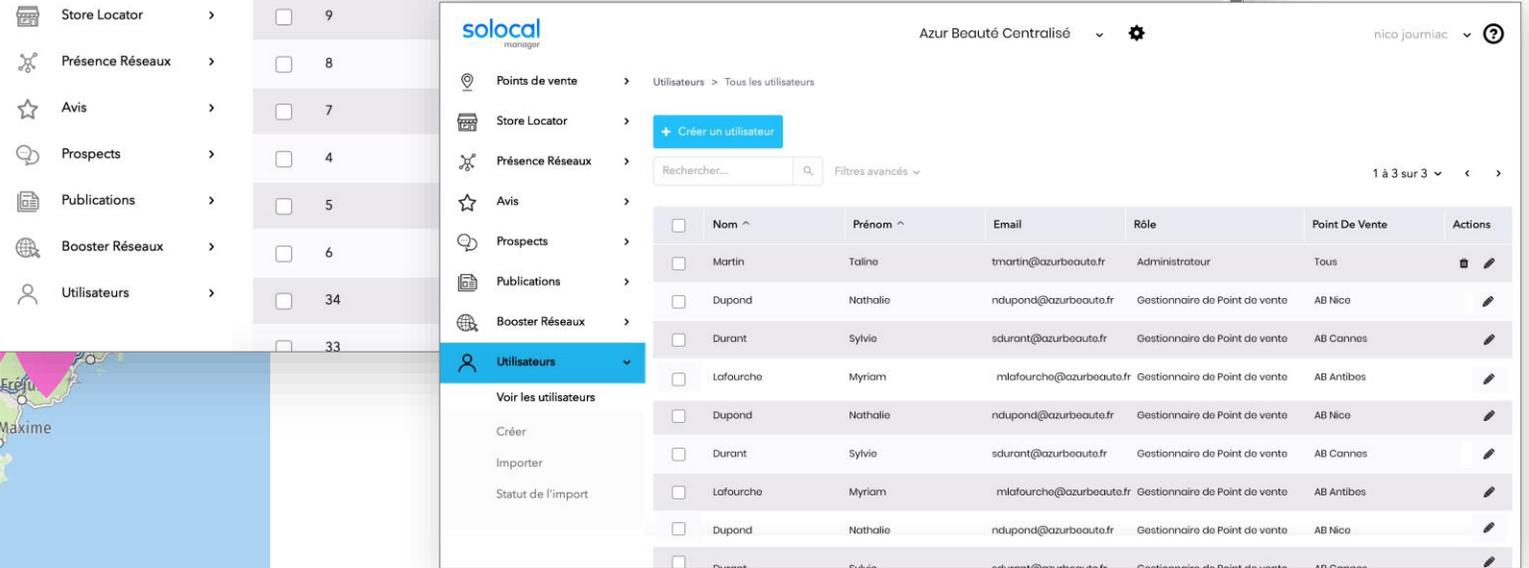
... or simultaneously for each and every one of the beauty shops



Azur
Beauté

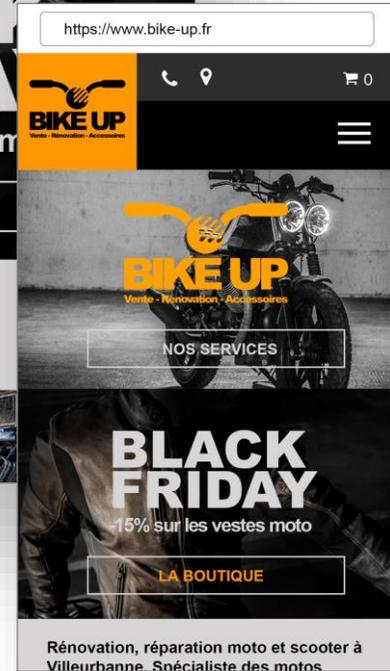
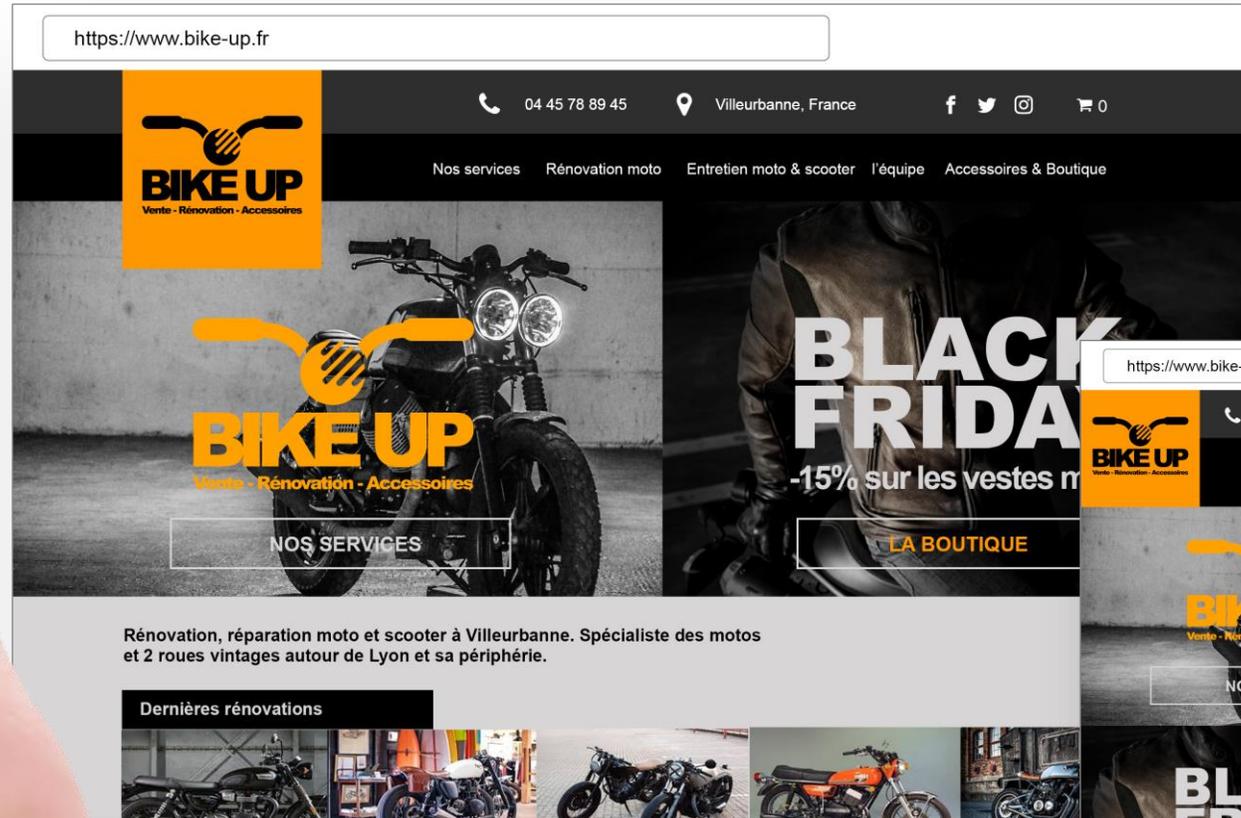
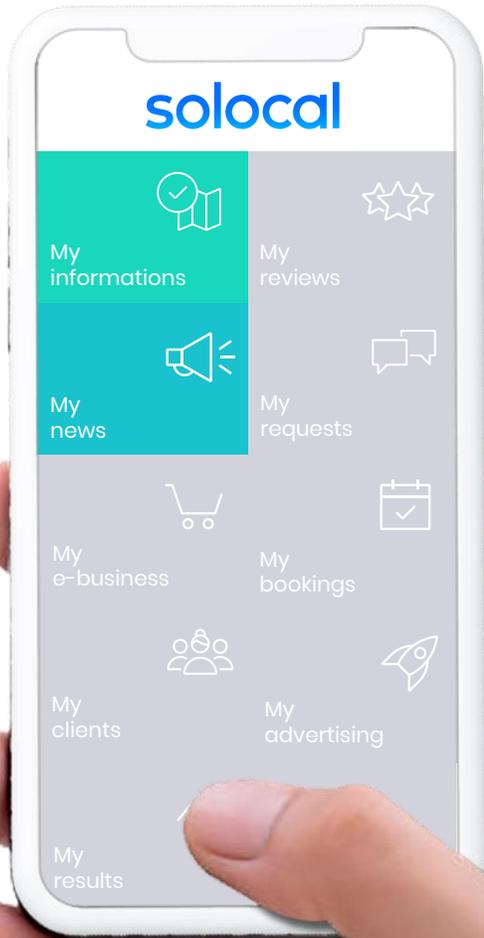


Interface to push information for all beauty shops



Managing and delegating rights

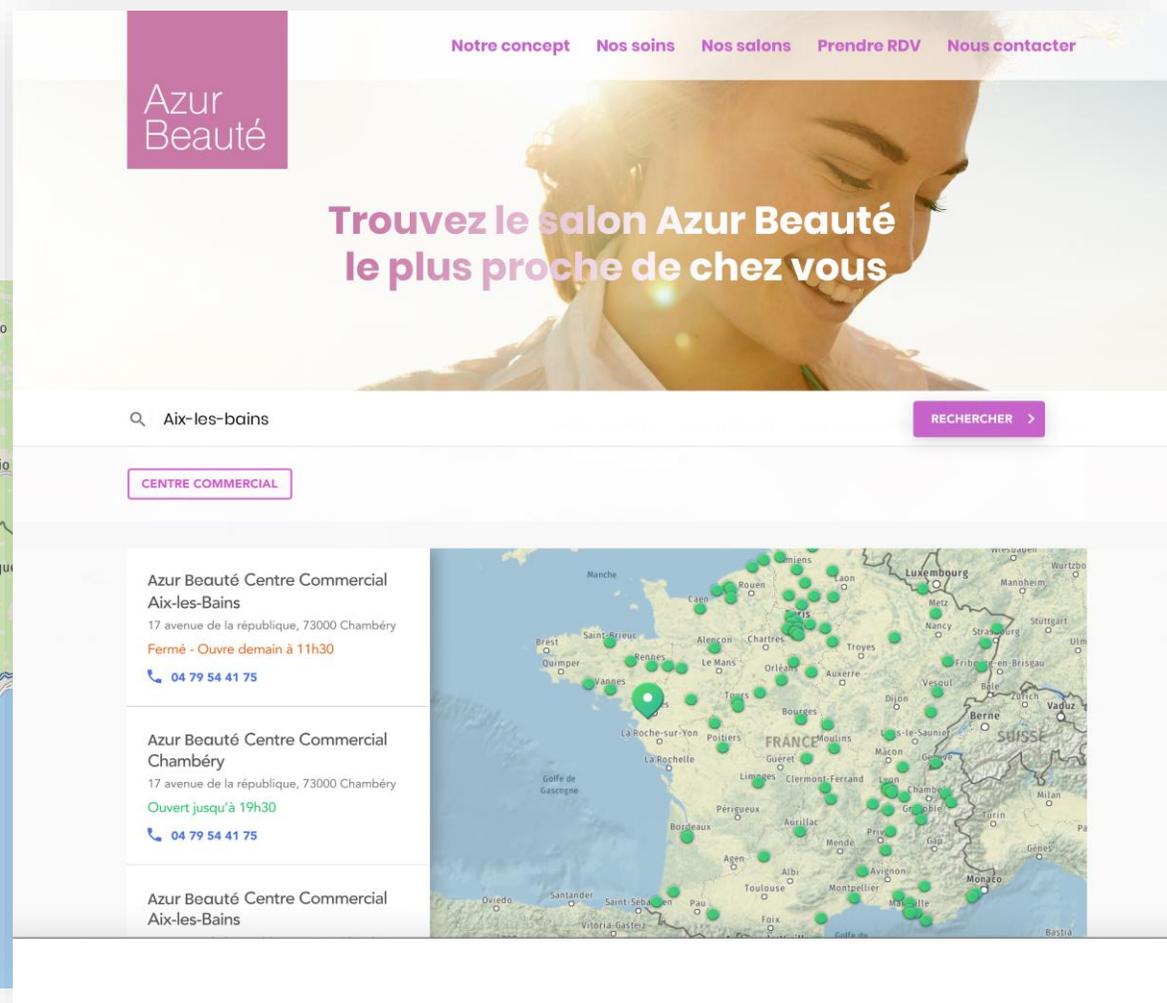
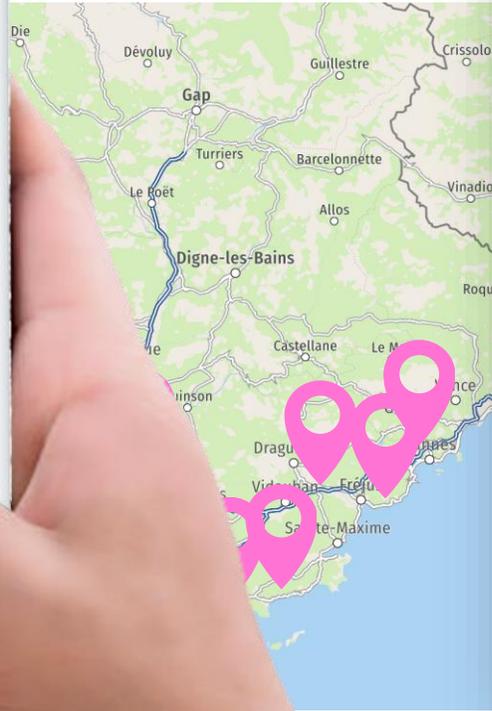
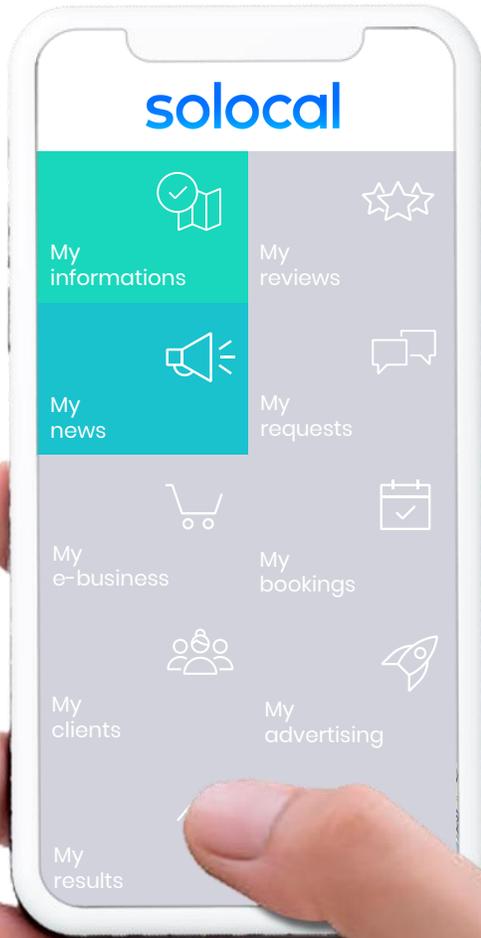
Real time update on your Solocal website...



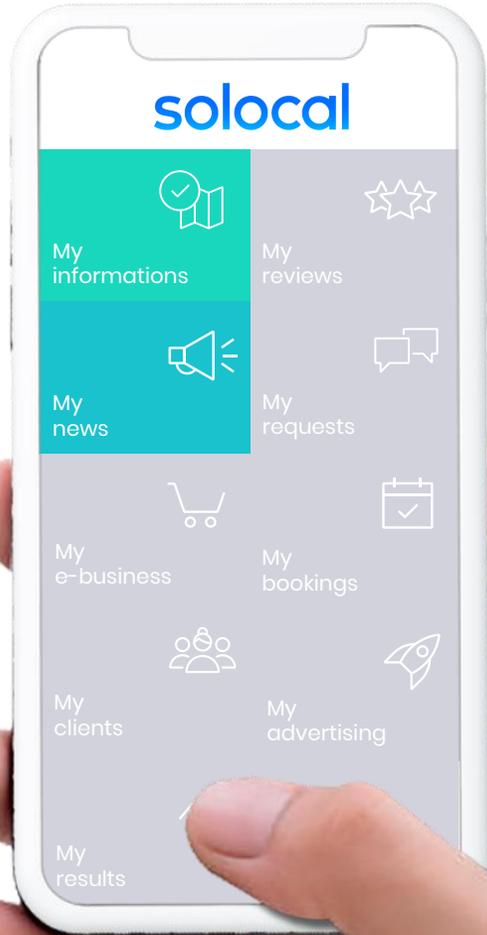
... as well as on the local pages of the 25 beauty shops

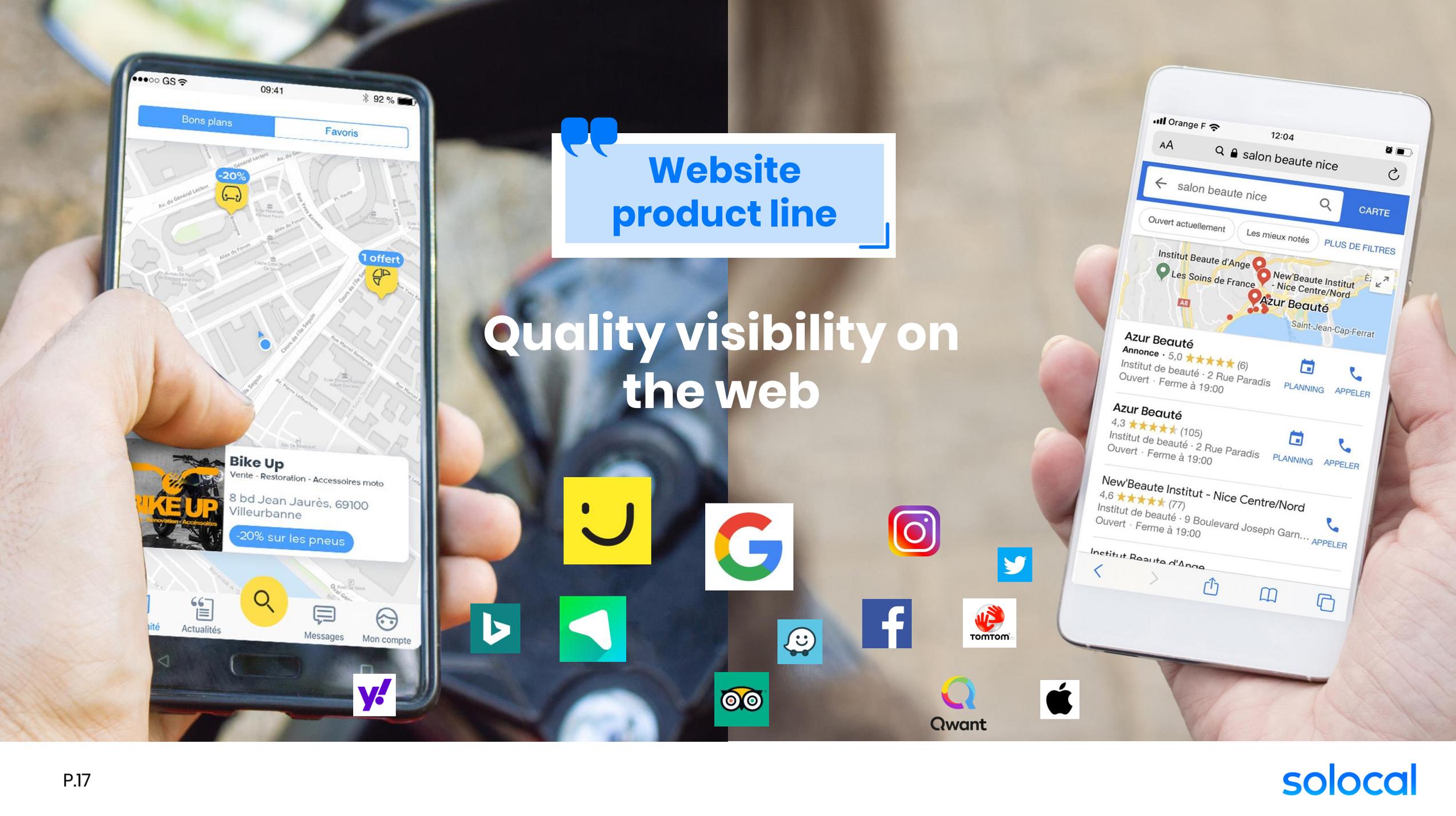


Azur
Beauté



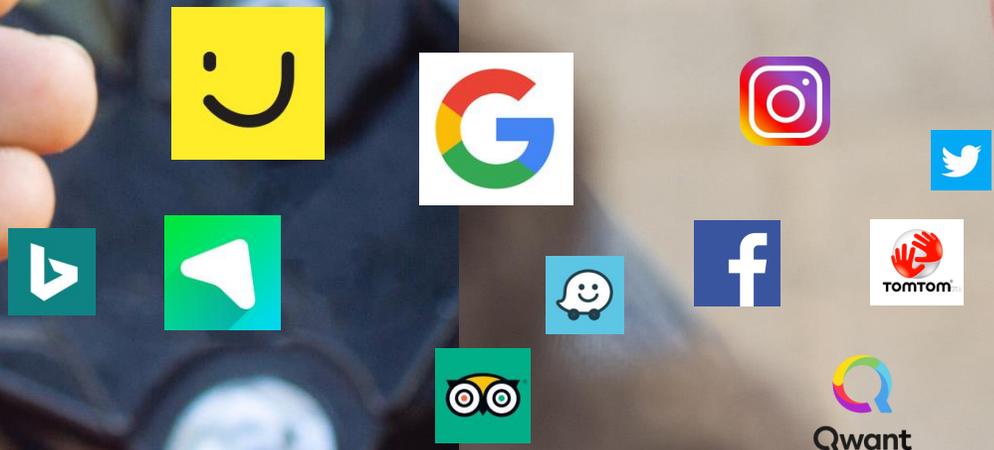
**Both will be happy
to realise that
managing fresh
content is a SEO
booster**



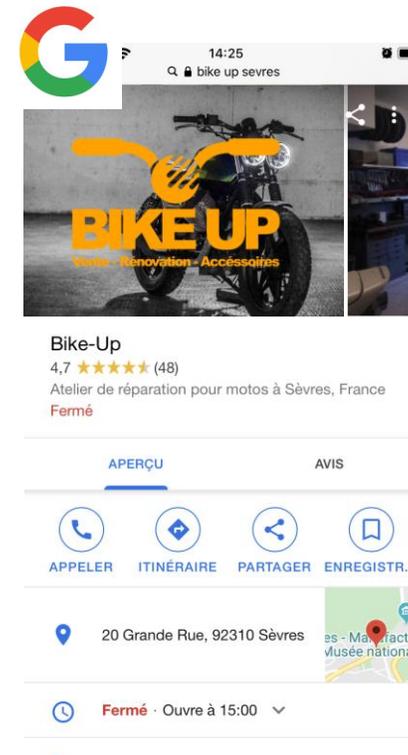
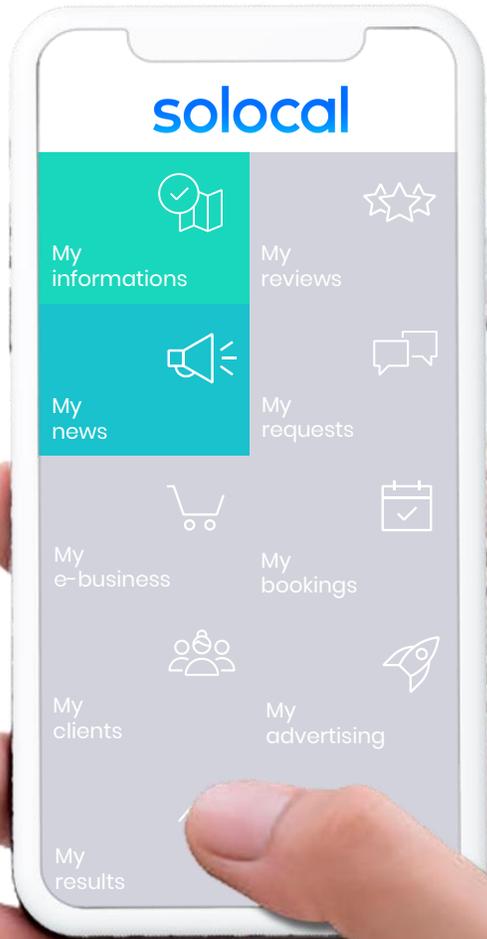


Website product line

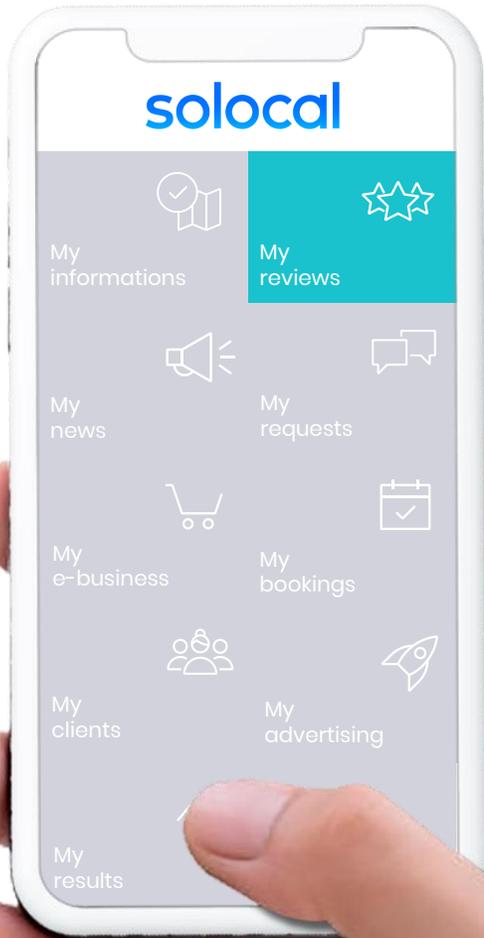
Quality visibility on the web



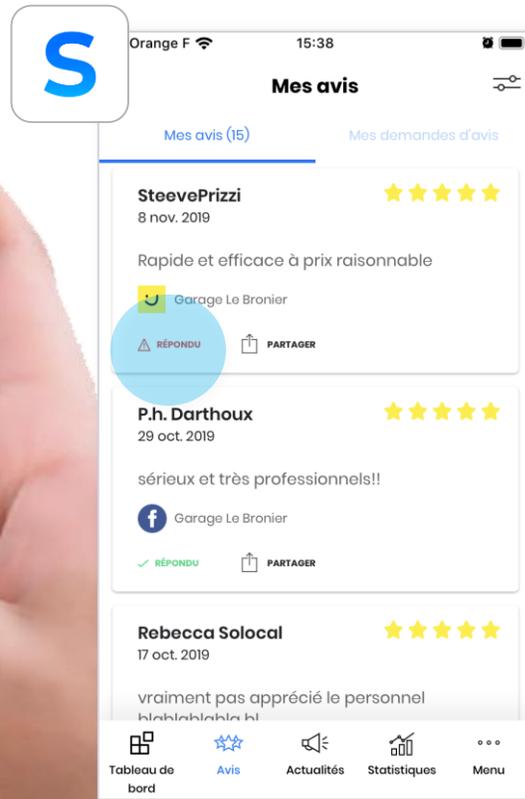
Real time updates on all major audience portals



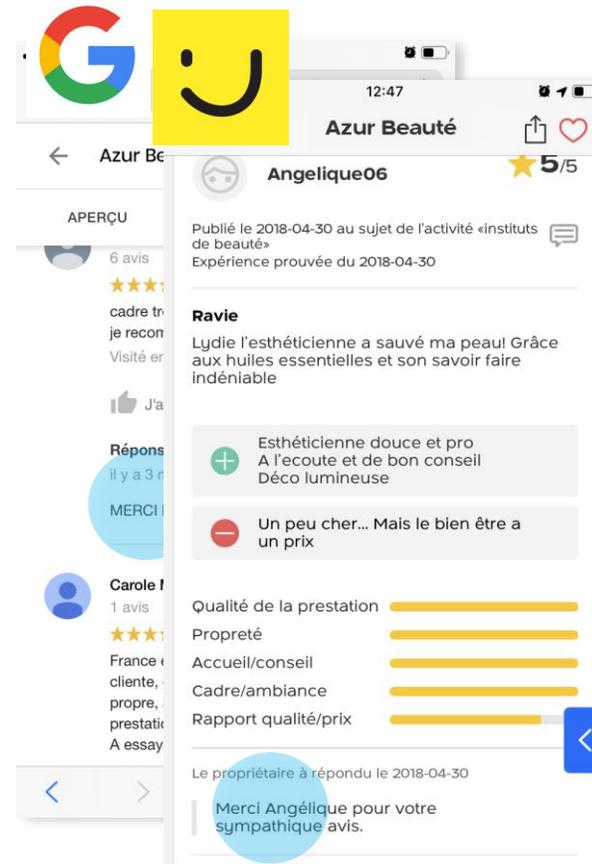
Manage reviews in seconds



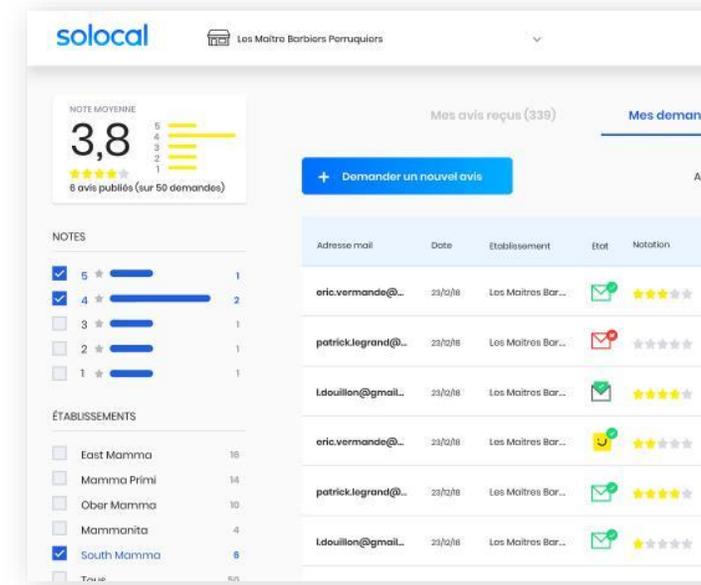
On a single app



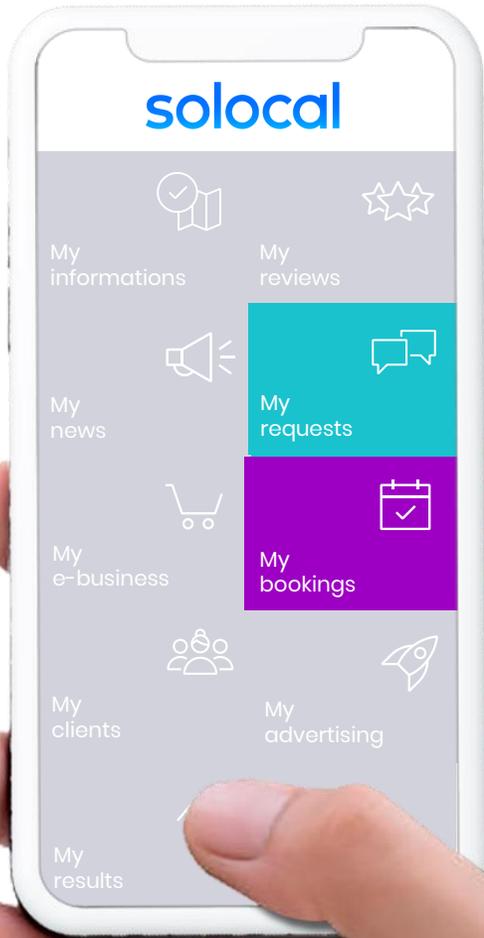
Answer all reviews



Request more reviews



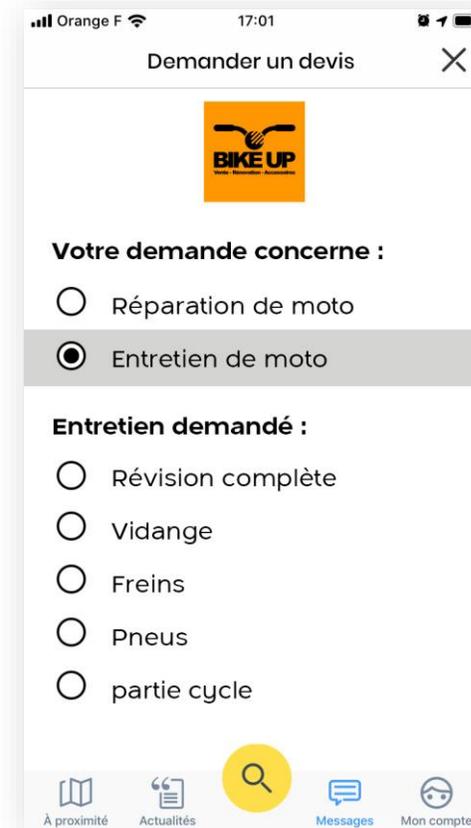
Centralise all customers' requests



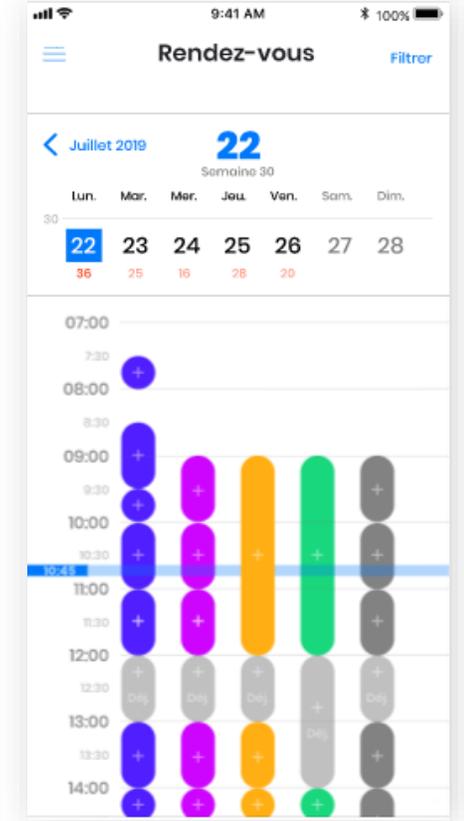
Instant messaging

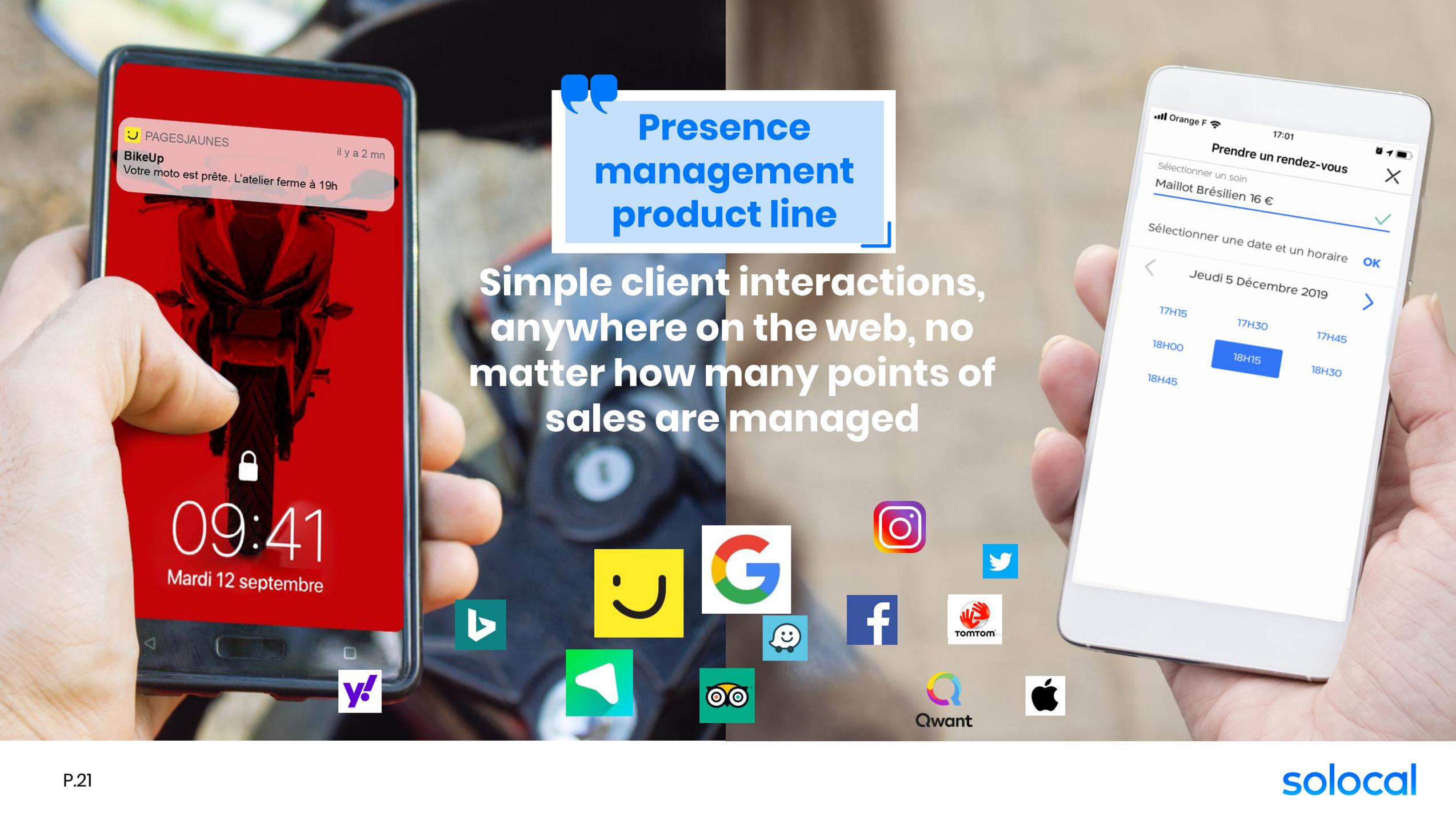


Quotation



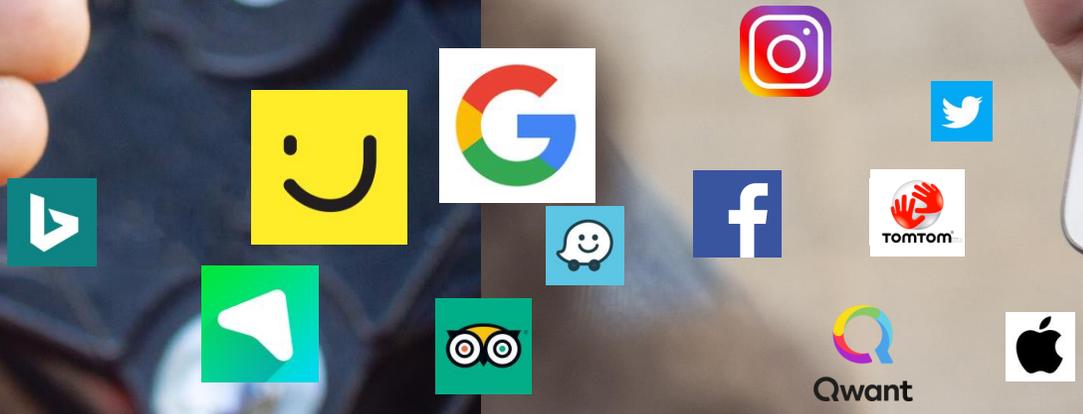
Appointments



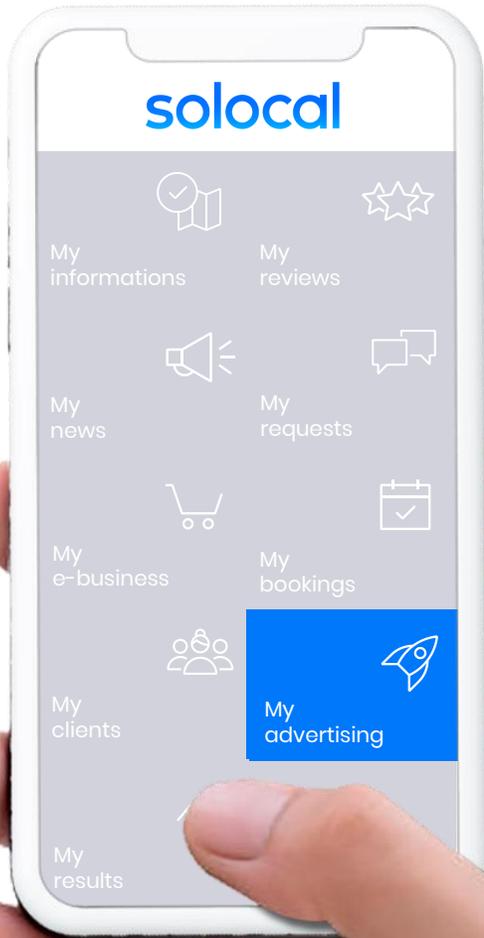


Presence management product line

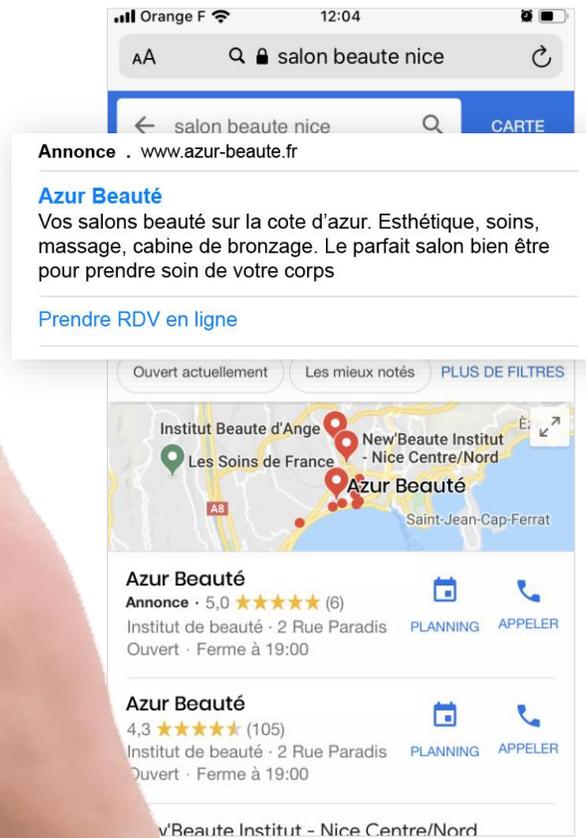
Simple client interactions, anywhere on the web, no matter how many points of sales are managed



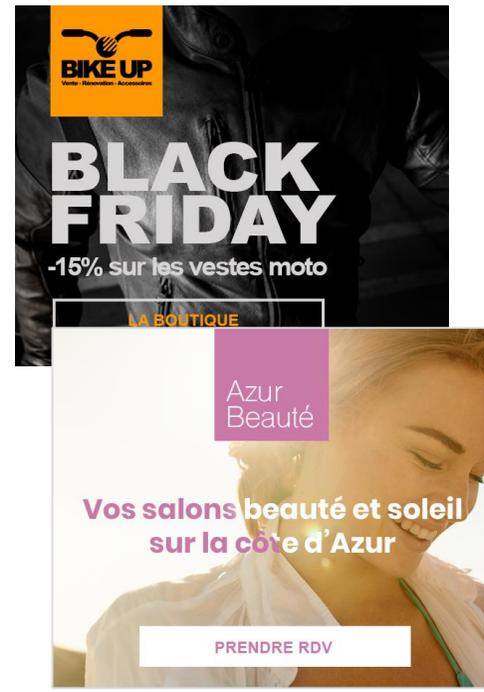
Win new customers



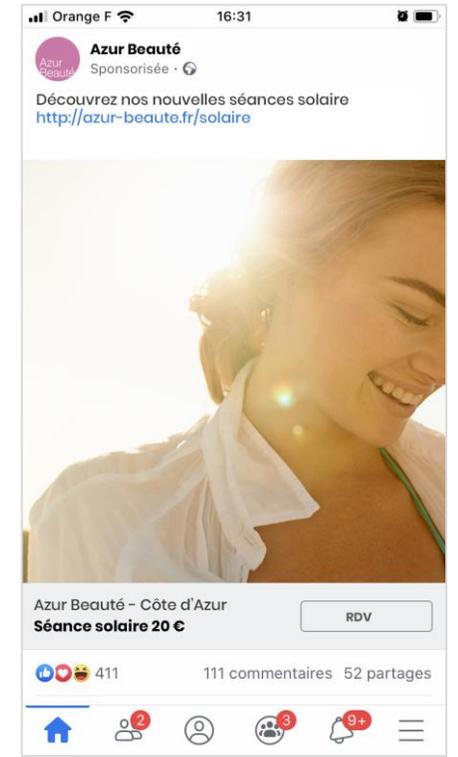
SEA campaigns



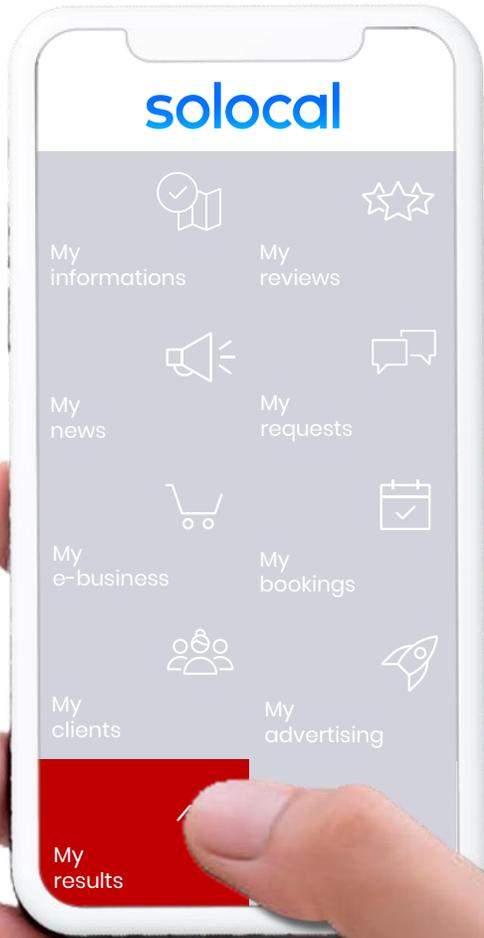
Targeted display campaigns



Social media campaigns



Manage all marketing channels



Advertising product line

They target additional customers and develop their business



Overall, an ecosystem of digital services meeting customers' needs

Engage



Booking

Interact



E-reputation

Get found



Information updates



Website creation

Get new clients



Search advertising



Social advertising



Display advertising

Be remembered

Optimise



Dashboards

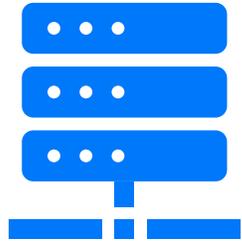




**4 key
differentiating assets**

1 – A unique industrial capacity supported by state-of-the-art digital platform

CONTENT



5m French businesses referenced
>150k content daily updates

WEBSITES



>60 K websites monitored daily
>200 websites delivered / week

ADVERTISING



>20,000 advertising campaigns / month
> Unique local **DMP bidding for local advertising**

NETWORKS



>260 K local pages managed for **330** network brands

3 – Content quality + exclusive partnerships = unequivalent visibility on search engines

G

CUIR LE PERRREUX

Environ 291 000 résultats (0,54 secondes)

Résultats pour CUIR LE PERRREUX

Votre fabricant français de cuir et de peaux à Perreux-sur-Marne
<https://www.lagrangeauxcuirs.com>
 La Grange aux Cuir est un artisan français spécialisé dans la fabrication, la vente, le nettoyage et la réparation de vêtements en cuir.

website

VIDÉOS

La Grange aux Cuir vous accueille au Perreux-sur-Marne
 0:54 La Grange aux Cuir vous accueille au Perreux-sur-Marne
 0:54 La Grange aux Cuir vous accueille au Perreux-sur-Marne

SEO Solocal

La Grange Aux Cuir - Fourrures ...
<https://www.pagesjaunes.fr> ...
 Découvrez La Grange Aux Cuir (20 av Ledru Rollin, 94170 Le Perreux-sur-marne) avec toutes les photos du quartier, le plan d'accès, les avis et les infos ...

La Grange Aux Cuir Le Perreux sur Marne - Fourrures ...
<https://www.pagesjaunes.fr> ...
 Note : 4 - Critique de aldoiseine
 La Grange Aux Cuir Le Perreux sur Marne Vêtements cuir, peau Fourrures : horaires, avis, retrouvez les coordonnées et informations sur le professionnel.
 Vous avez consulté cette page le 28/10/19.

La Grange Aux Cuir au Perreux sur Marne - PagesPro
<https://www.pagespro.com> fourrures ...
 Note : 4 - 1 avis
 Spécialiste fourrures au Perreux sur Marne. Consultez ... Vous rêvez d'un vêtement en cuir, agneau double face ou en fourrure, de qualité à votre image et aussi ...
 Vous avez consulté cette page le 28/10/19.

Nos services – La Grange aux Cuir

GMB

La Grange Aux Cuir

4,5 ★★★★★ 8 avis Google

Magasin de vêtements western au Perreux-sur-Marne

Adresse : 20 Avenue Ledru Rollin 94170, Le Perreux-sur-Marne
 Horaires : Ouvert - Ferme à 12:30 - Ouvert de nouveau à 15:00 -
 Téléphone : 01 48 71 10 38

Questions et réponses

Avis des internautes

4/5 (page) 1 avis

Envoyer sur votre téléphone

Avis

8 avis Google

Source : La Grange Aux Cuir

Informations fournies par La Grange Aux Cuir

Recherches associées

B

cuir le perreux

Tout Images Vidéos Cartes Actualités Shopping Mes enregistrements

Proposez des résultats de recherche

website

Votre fabricant français de vêtements en cuir, peaux et fourrures, est situé à Perreux-sur-Marne, dans le département du Val-de-Marne. Depuis 1969, le magasin fabrique, retouche, transforme, nettoie et vend tous les types de vêtements en cuir et peaux, fourrures et accessoires.

20, AV Ledru-Rollin, 94170 Le Perreux sur Marne - 01 48 71 10 38

Itinéraire - Détails ★★★★★ 1 avis PagesJaunes

SEO Solocal

Où acheter du cuir, peaux et fourrures, trouvez les numéros de téléphone et adresses des professionnels de votre département ou de votre ville dans l'annuaire PagesJaunes

La Grange Aux Cuir Le Perreux sur Marne - Fourrures ...
<https://www.pagesjaunes.fr/pros/00097912>
 J'aime bien ce magasin où vous pouvez trouver des vestes et des blousons en cuir de très bonne qualité. Il y a aussi des jupes et pantalons en cuir.

4/5 ★★★★★ Lieu : 20 av Ledru Rollin, LE PERREUX SUR MA...

La Grange Aux Cuir - Vêtements cuir et peau, 20 av Ledru ...
<https://fr.mappy.com/poi/5beadb4a0351d130e655df60>
 Découvrez La Grange Aux Cuir (20 av Ledru Rollin, 94170 Le Perreux-sur-marne) avec toutes les photos du quartier, le plan d'accès, les avis et les infos pratiques : horaires, ...

Où acheter un vêtement cuir au Perreux sur Marne trouver ...
<https://www.pagesjaunes.fr/annuaire/le-perreux-sur-marne-94/vetement-cuir>
 Vêtements cuir au Perreux sur Marne (94) : trouver les numéros de téléphone et adresses des professionnels de votre département ou de votre ville dans l'annuaire PagesJaunes

website

Fabrication et vente de vêtements en cuir à Perreux-sur-Marne
<https://www.lagrangeauxcuirs.com>
 La Grange aux Cuir, magasin situé dans le département du Val-de-Marne (94), à 100 m du RER, vous accueille dans son magasin pour vous proposer la fabrication de vêtements et d'accessoires en cuir, peaux et fourrures.

Bing local result

La Grange Aux Cuir

Itinéraire Site Web

Adresse : 20, AV Ledru-Rollin, 94170 Le Perreux sur Marne
 Téléphone : 01 48 71 10 38
 Suggérer une modification

Ouvert ven. 09:30 à 12:30, 15:00...

Avis des utilisateurs ★★★★★

8 oct. 2011
 J'aime bien ce magasin où vous pouvez trouver des vestes et des blousons en cuir de très bonne qualité. Il y a aussi des jupes et pantalons en cuir. Avis complet

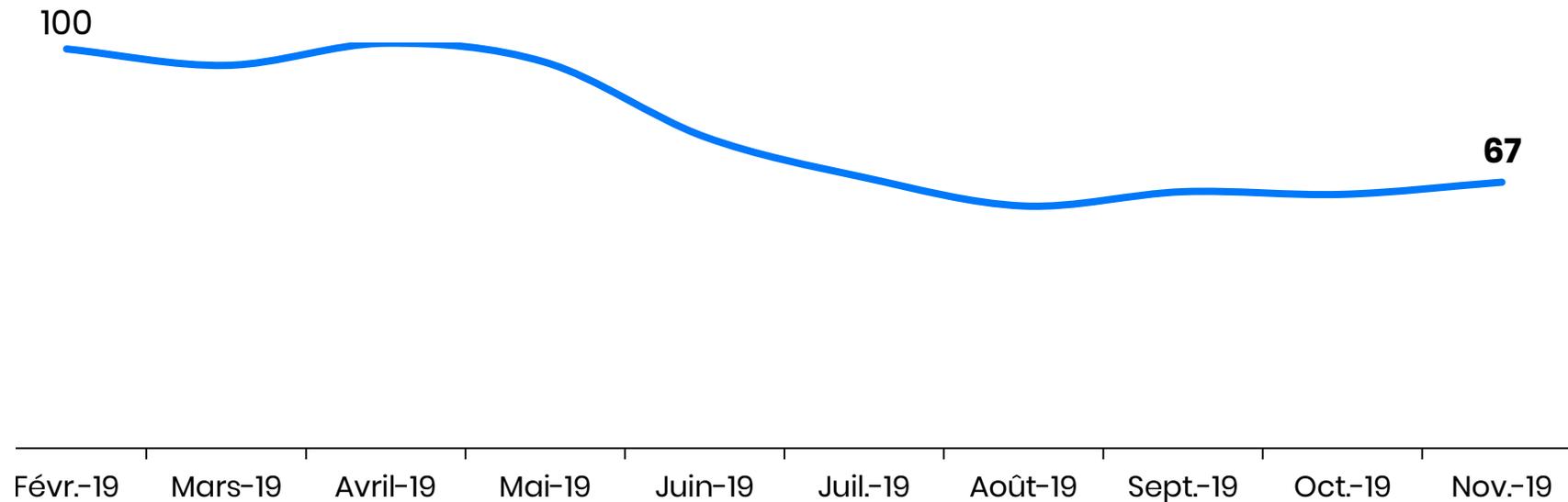
Photos 2 photos

Profils sociaux

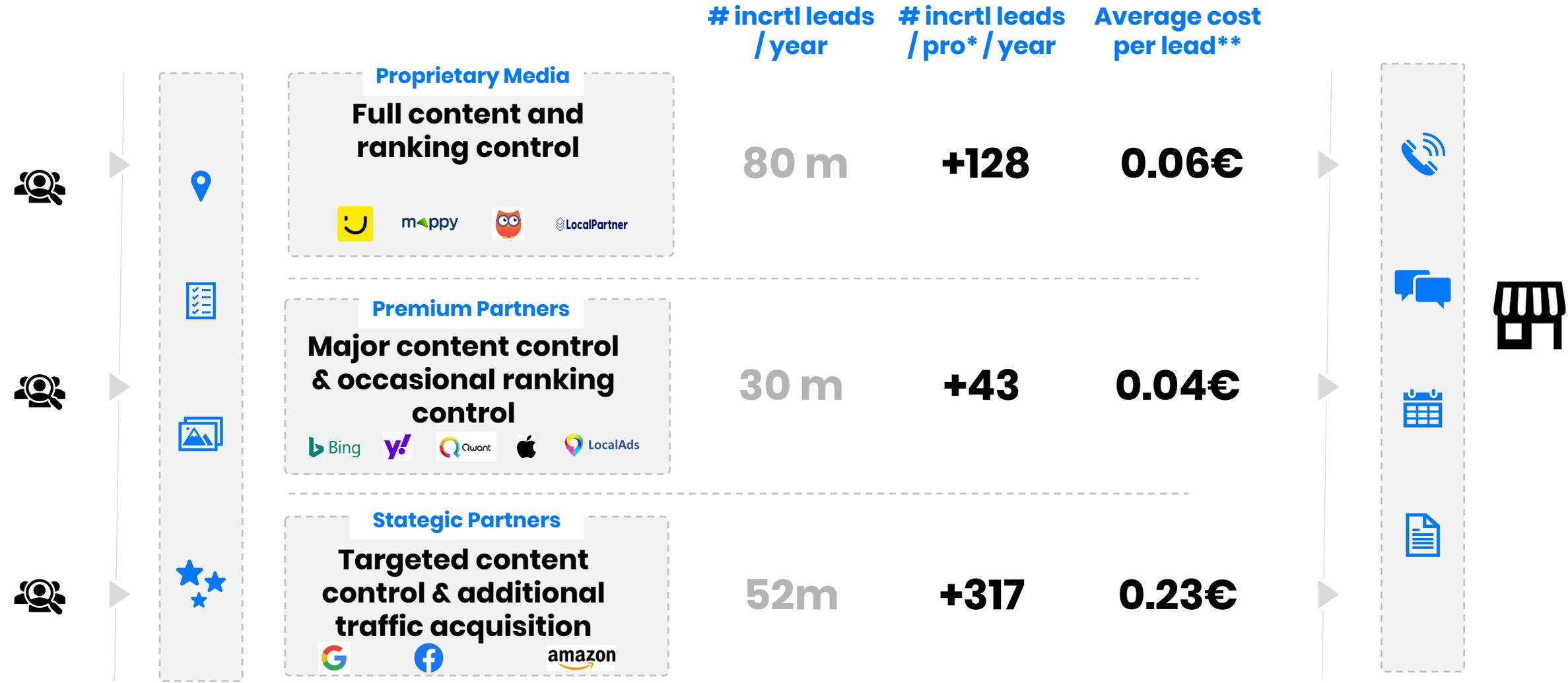
Facebook

4 – Our algorithm-managed advertising campaigns generate additional, cost-optimised traffic for our clients

**Diversification and algorithm effect on CPA (Cost Per Acquisition)
Evolution in 2019 (Base 100)**



We therefore generate massive, incremental leads for our clients at highly efficient costs



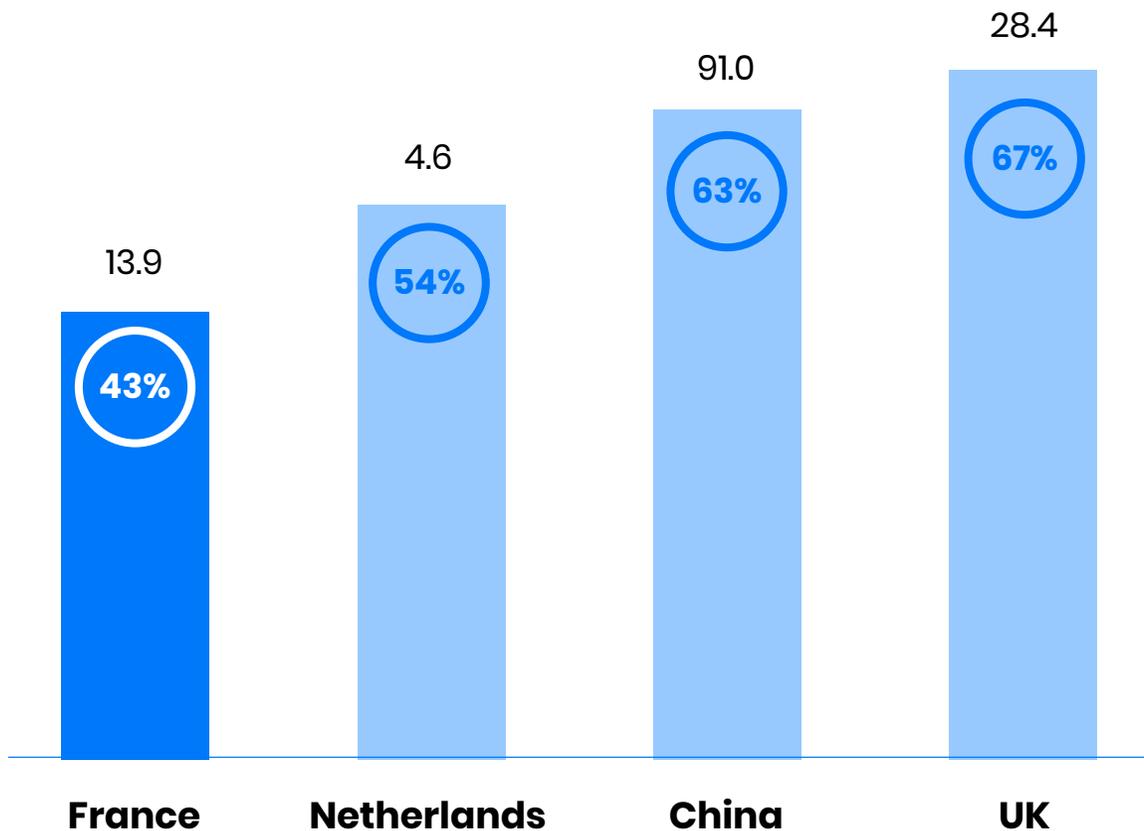
* Customers vs. prospects
 ** Customers + prospects

Overall, unique competitive advantages in the digital services market for local businesses

	solocal	GAFAM	VERTICALS	WEB AGENCIES	WEBSITE PROVIDERS	MARKETPLACES
Online PRESENCE						
Fullweb content updating	✓	✗	✗	✗	✗	✗
DIY websites	✗	✓	✗	✗	✓	✗
Turnkey websites	✓	✗	✓	✓	✓	✗
LEADS Ads						
Competitive cost per lead	✓	✗	✓	✗	✗	✓
Full web acquisition	✓	✗	✗	✗	✗	✗
Transactional modules						
Booking, quotations, chat	✗	✓	✓	✗	✗	✓
Industrial scale						
Local roll-out at scale	✓	✗	✗	✓	✗	✗
360 customer platform	✓	✗	✗	✗	✗	✗

... in a market offering substantial opportunities

Share of Internet expenses
in total advertising spend in 2019 (in €bn)



+10%

DISPLAY

+20%

SOCIAL

+13%

DISPLAY

+21%

PROGRAMMATIC

+13%

E-COMMERCE

H1 2018/2019 growth



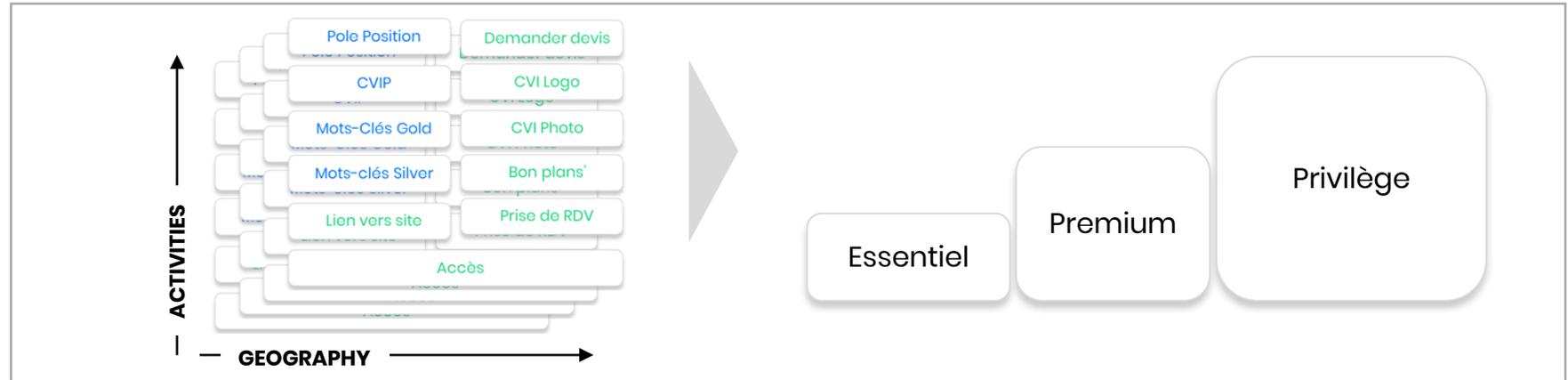
Achievements

2019

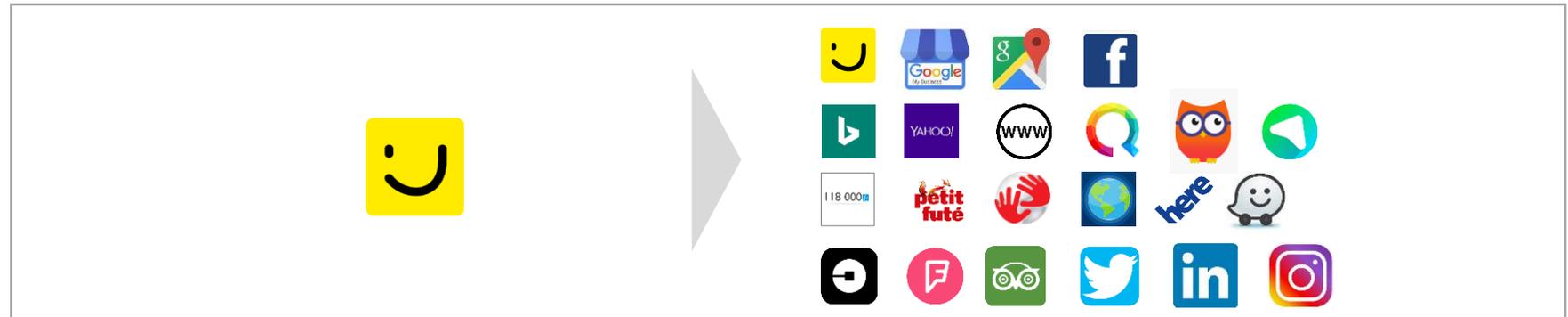
A simplified offer of digital services delivered through a single application

We have reviewed both entry & intermediate levels in our product range ...

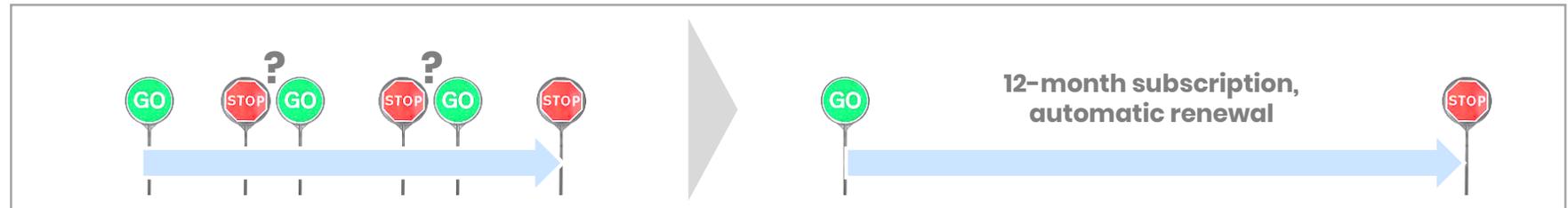
SIMPLIFIED



« FULL WEB »



SUBSCRIPTION MODE



... laying the basis for a fully simplified offer

	Essentiel	Premium	Privilège
Website	From €70 exc. vat/month	From €169 exc. vat /month	From €355 exc. vat/month
Presence management	From €29 exc. vat/month	From €49 exc. vat/month	Change in 2020
Advertising	From €67 exc. vat/month	From €90 exc. vat/month	

With positive first results on SMB segment

Migration rate¹

> 80%

Telesales Development rate²

+ 25%

Field sales Development rate²

+ 5%

PagesJaunes accounts for 30% of requests for quotes and 18% of signed quotes.

BSPI Rénovation
(Restoration)

Being top ranked means more leads calling, hence more work.

Guillon Père et Fils
(Levelling and sanitation)

It brings me customers, prospects and more visibility.

Sudelec
(Electrical equipment)

I subscribed to the Priority Ranking offer to have an online presence on high-traffic websites and social networks, and for the centralised dashboard via the app.

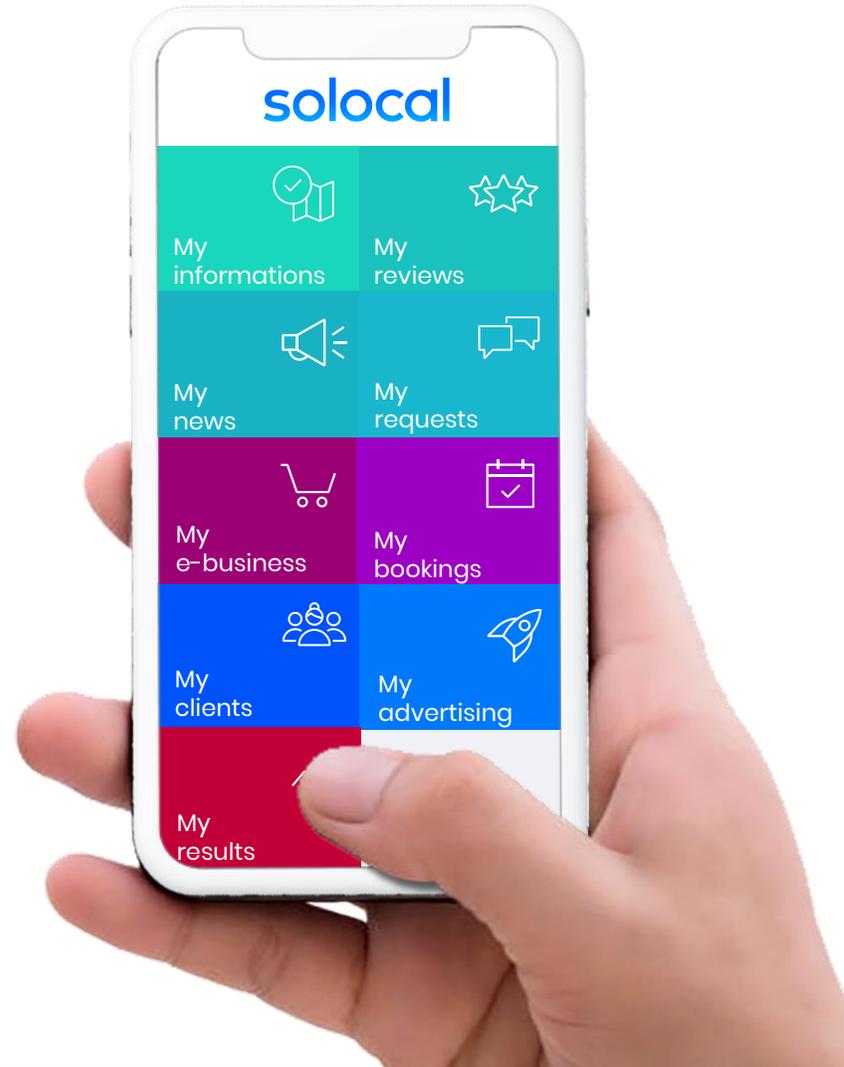
CTA
(Vehicle inspection)

We wanted to be top ranked, as we have a lot of competitors. With Solocal we have a relationship based on trust.

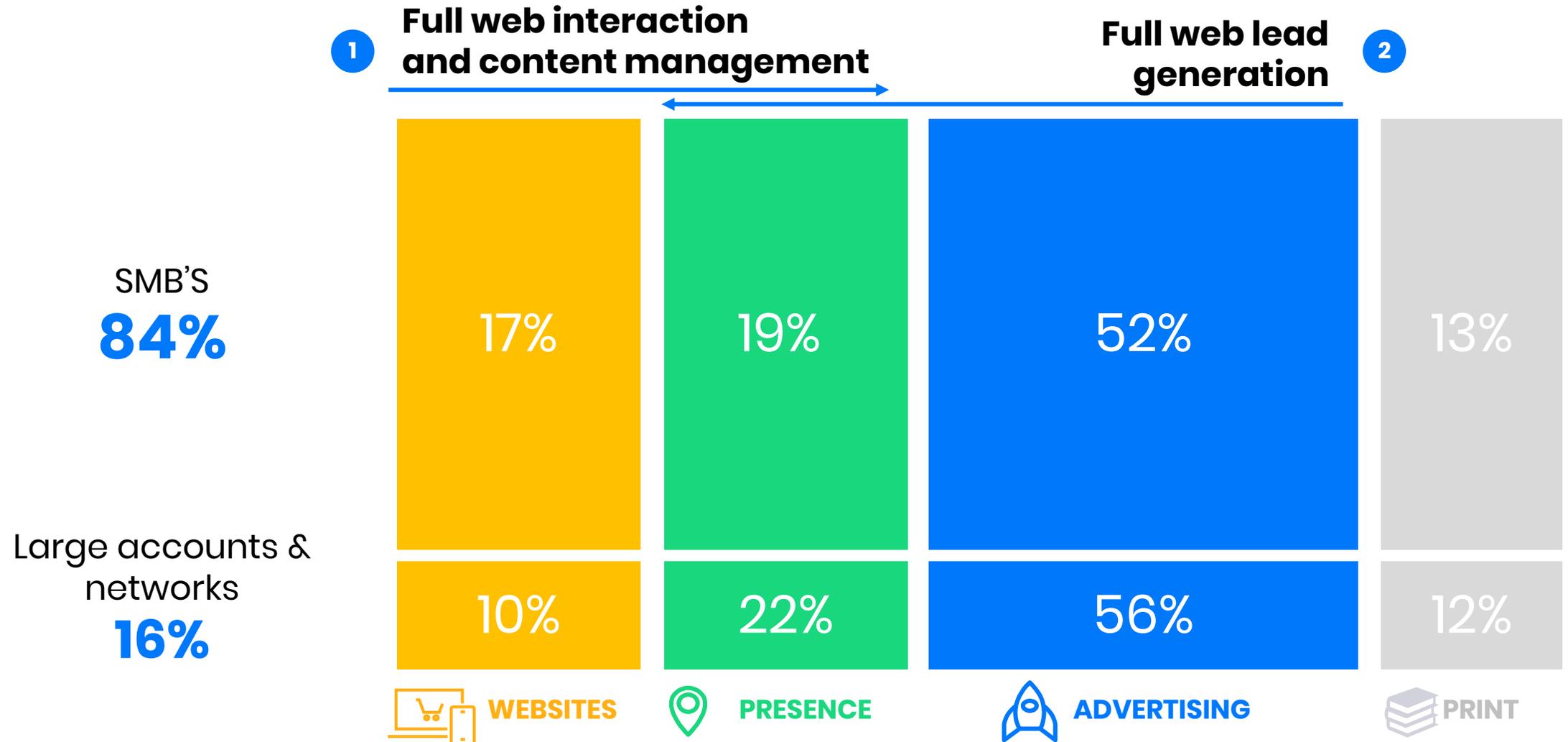
Luminex Provence
(Electricity, heating)

¹ % of new Presence and Priority Ranking order intake by sales reps, vs. total new and equivalent historic range sold by sales reps
² Increase in Telesales or Filed customers spend when buying the new Presence and Priority Ranking offer, vs. previous budget on equivalent historic range

Overall an ecosystem of digital services accessible through a unique app



... selling 3 major product lines, covering 2 key promises for SMBs and retail networks





2020

roadmap

The **Solocal platform**, allows local businesses and service providers to **build a long-lasting customer relationship with their clients**, giving them the opportunity to take **an important local share of voice**

Our vision: To become the one-stop-shop for local businesses and consumers

Introducing the Solocal Platform



Integrate new added value features to enhance more interactions

Engage



Booking



Click & Collect



Online payment

Interact



E-reputation



Quotation



Chat

Be found



Information broadcast



Website creation

Get new clients



Search advertising



Social advertising



Display advertising

Be remembered



Client database



SMS/Emails campaigns



Loyalty program

Optimise



Dashboards



Billing management



Document storage & sharing



2019

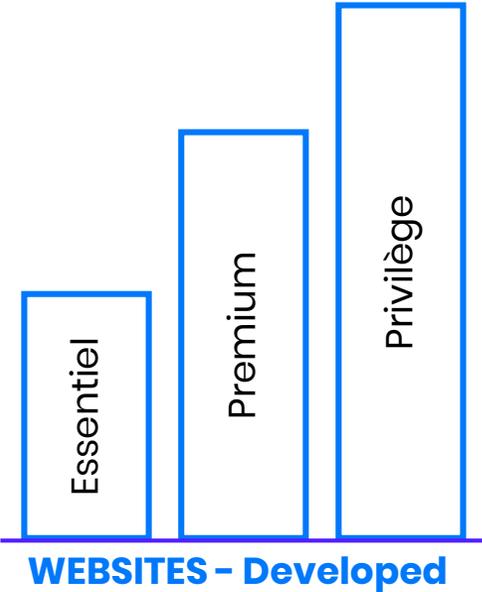
2020

2021

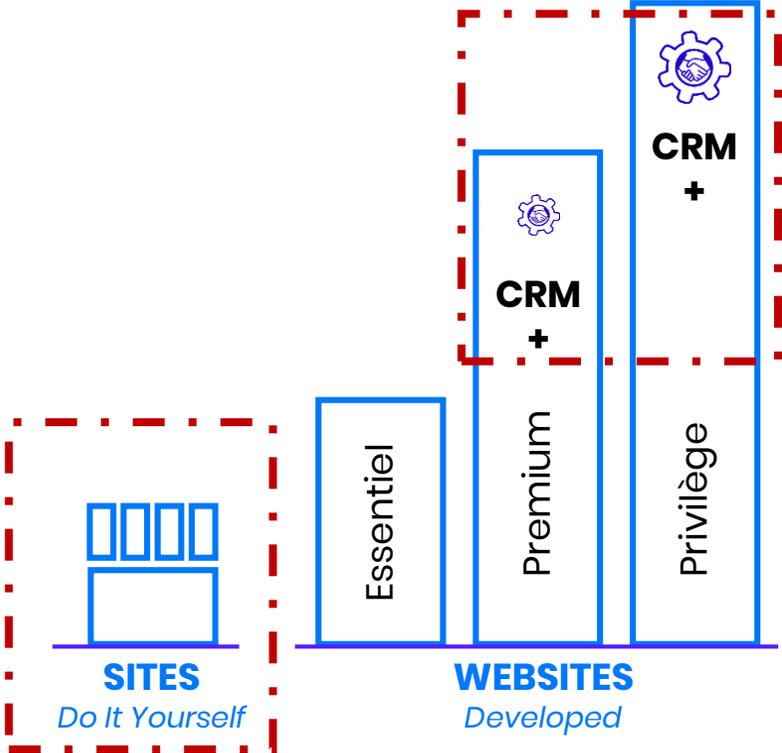
2

Website products will be first to benefit from those new client solutions, on top of a new DIY offer

2019



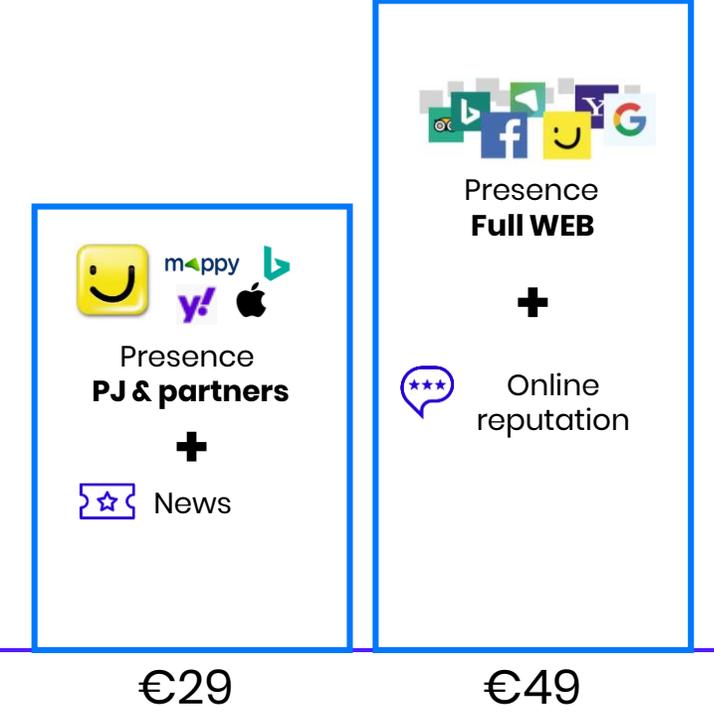
2020



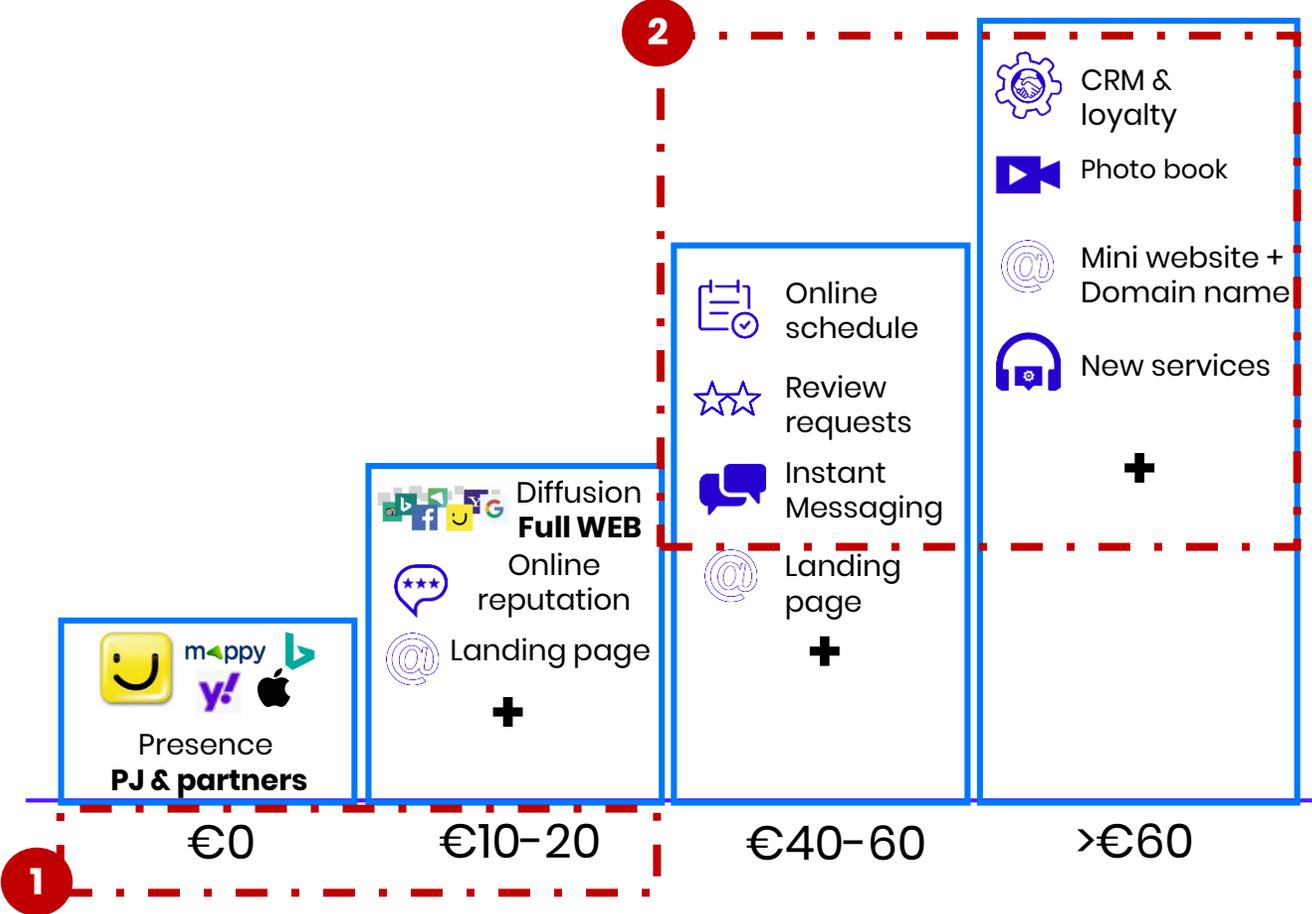
3

New client solutions will also feed our entry level and enable a freemium strategy to boost acquisition of new clients

PRESENCE 2019



PRESENCE 2020

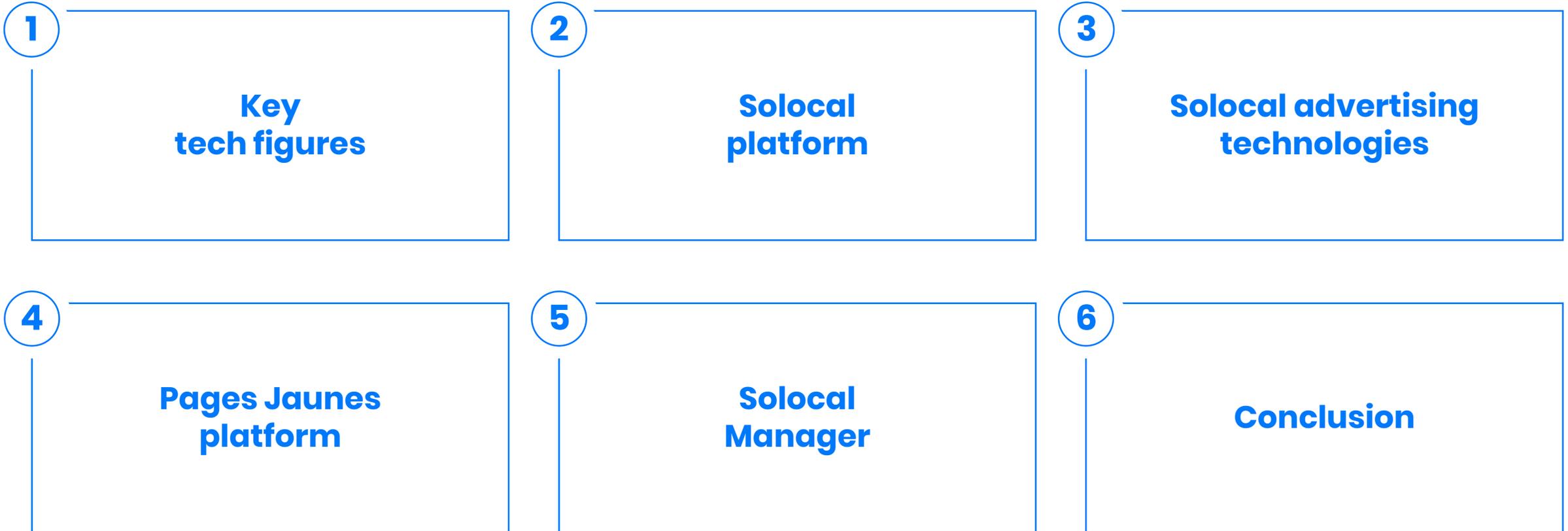




Tech Platforms

Arnaud Defrenne, CTO

Key technology highlights



Solocal technology key figures

An agile team

250
R&D developers

100%
Agile - Startup mode

New
management

Investment focused on technology

€21m
H1 2019 Capex

Key partner
Microsoft Azure  Google Cloud

Cloud at the core

1 big Big Data data lake with IA

50k campaigns, 100k leads/month

2.4 bn visits/year, 14.4 bn impressions/year, 320m messages/day

Standardised
devops tools

100%
GDPR compliant

Auto scale
with Kubernetes

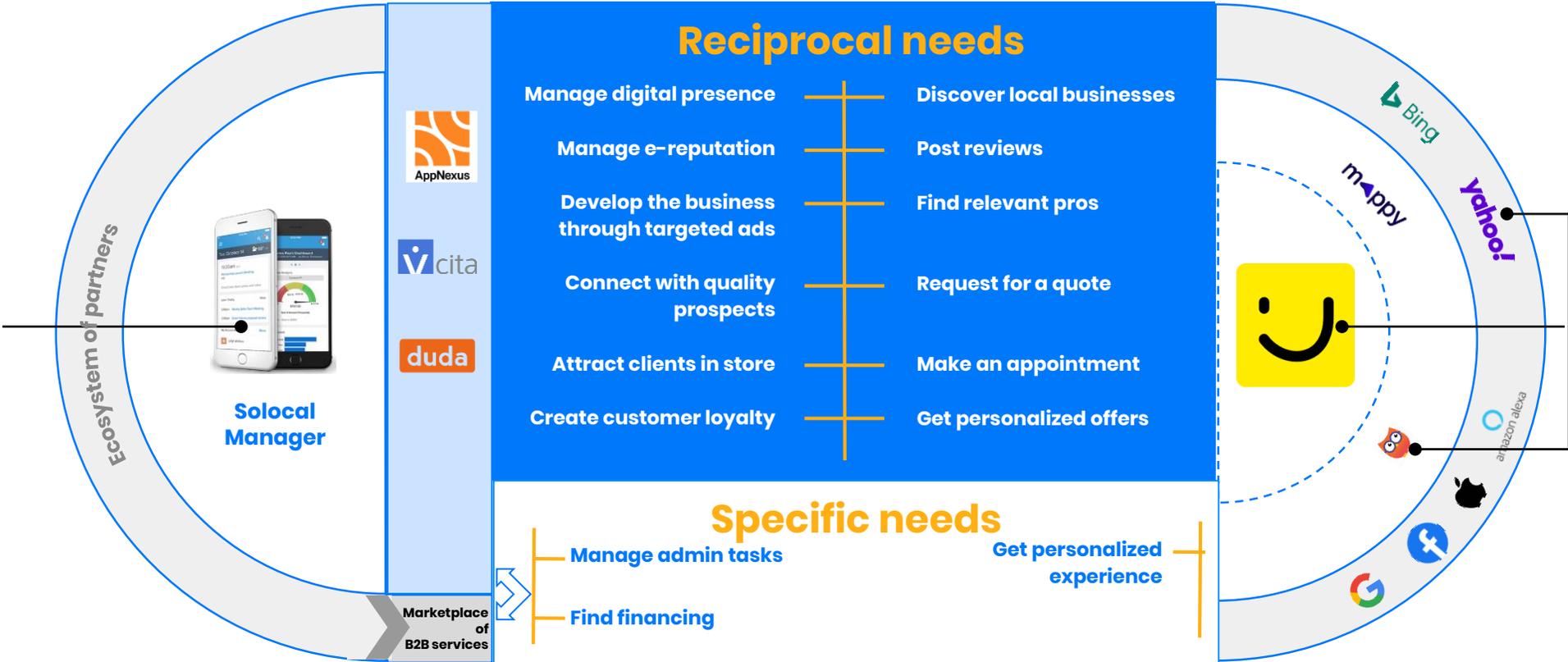
Real time
bidding (120 ms)



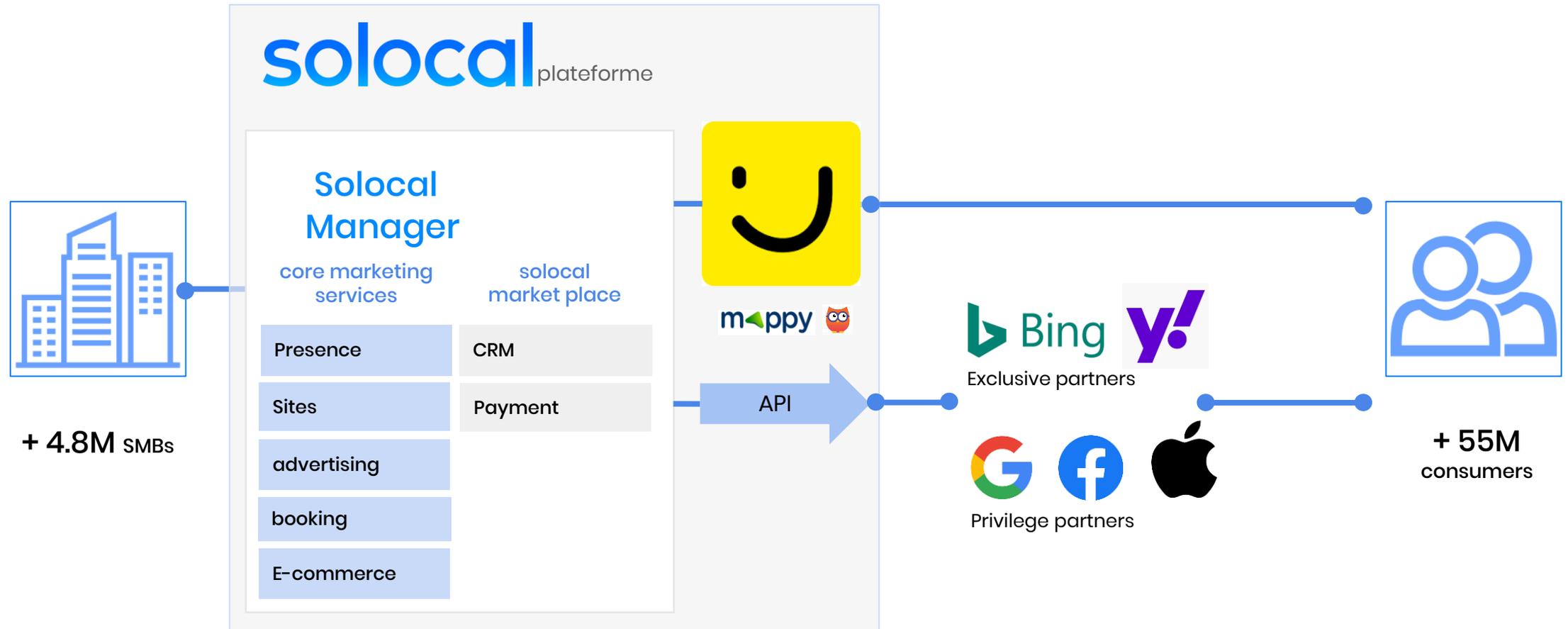
Our vision: one-stop shop for pros and consumers

Solocal Platform


4.8m+
businesses



Solocal as a Platform



A platform focused on advertising and presence, our future is e-commerce

Solocal unrivaled advertising technologies enable micro-campaigns at scale to generate cost effective leads

Solocal Programmatic AdServer brings “clients on demand”

Targets users locally on any media, audience reach estimations at scale

4.5m mobile profile, ultra-local data via Pages Jaunes and Mappy

Solocal Keyword System lowers lead cost

Unique IA Realtime bidding algorithms for sponsored links

Continuously optimize campaigns to maximize ROI

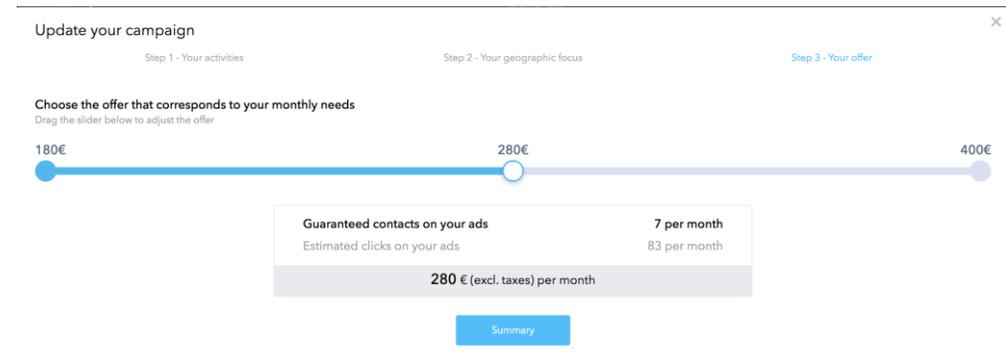
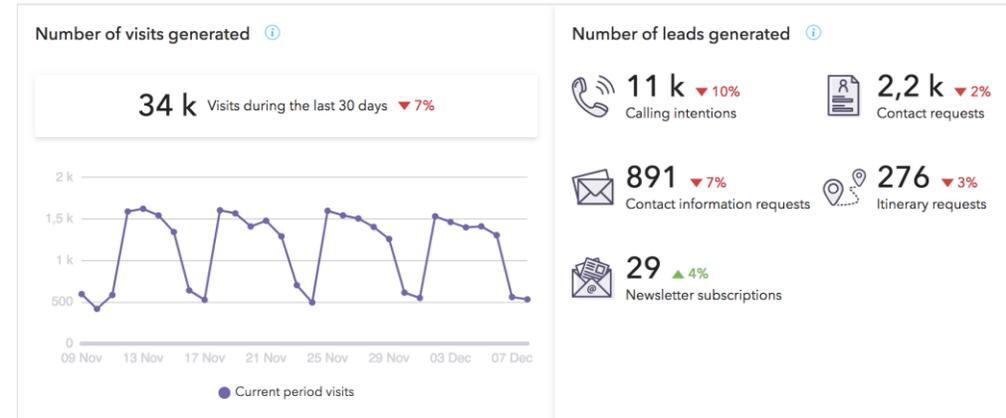
Solocal Marketing Tech:

Unique local database filter for email and SMS campaigns

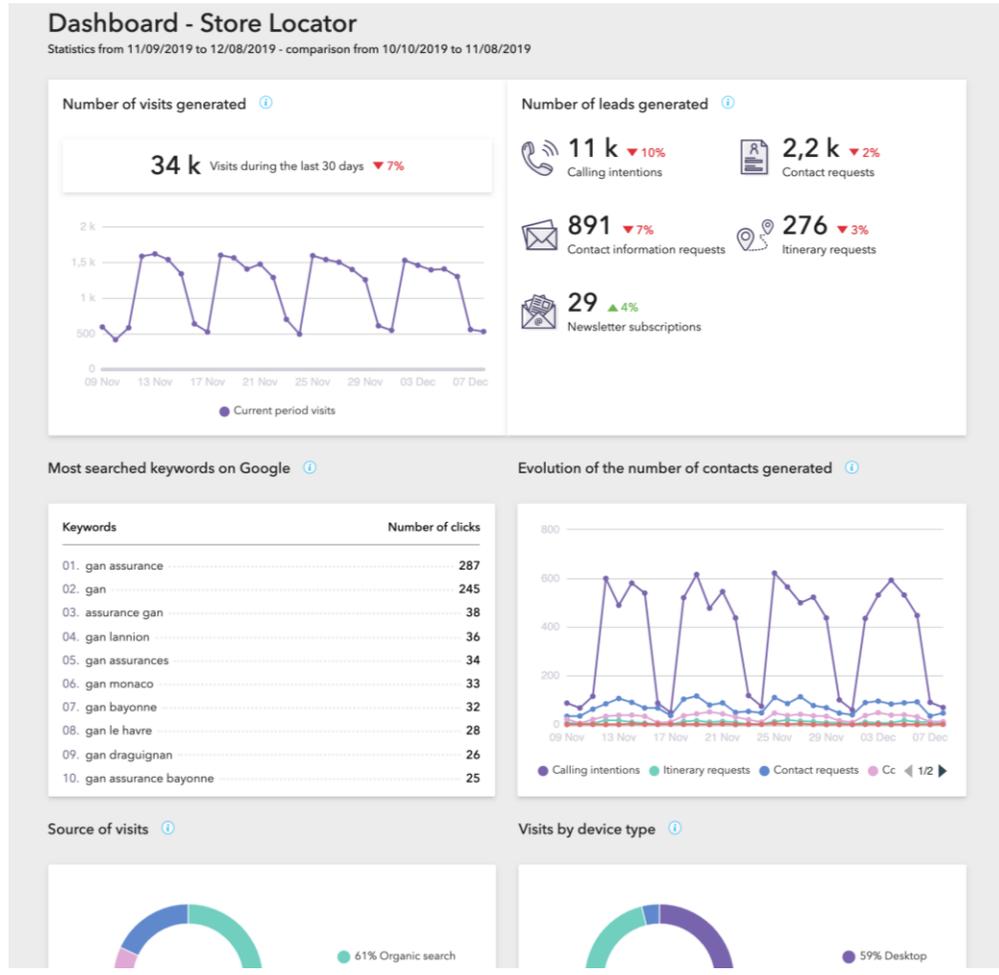
Our Client can adjust leads / budgets on demand

OnePerf platform for Solocal Media:

a Decision engine optimizing adspace ROI



“Bridge platform” make the bridge between mother company and points of sale



Bridge enable to manage mass update of thousand POSs across large networks

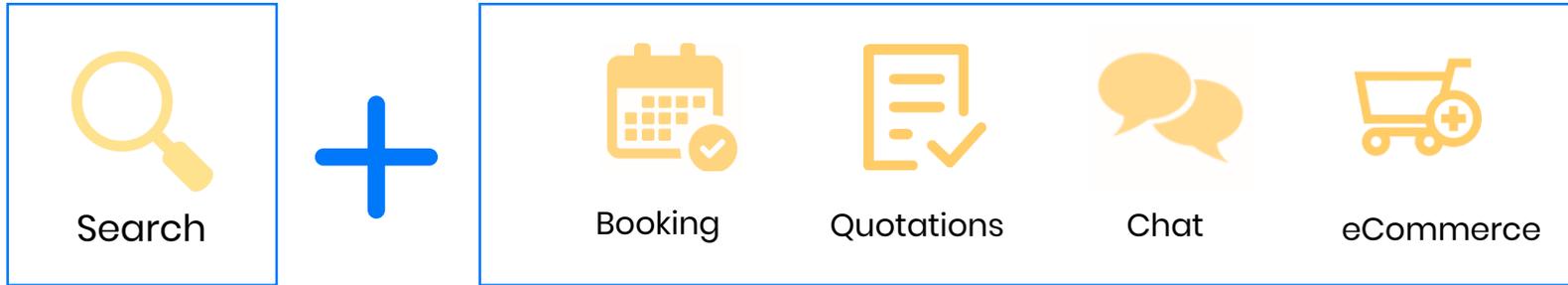
With Bridge SEO Optimized mini-sites are generated for each POS

Each POS can access to all Solocal products and run its own digital campaigns

Dashboards and analytics are available at the network, the region and the local level

PagesJaunes platform connects internet users to professionals

Today focused on search, tomorrow on interactions



ROADMAP

2020

2021



Multi-channel communication
Chat/Email/Sms



IA content moderation



E-Commerce market place



Content Crawler



New search engine



Loyalty Program
Payment

Solocal Manager: Our journey to one platform

2019



From fragmented applications to one unified platform

2020



Agile tech platforms to support growth

- Solocal invests in R&D with **agile teams** in startup mode to build a powerful digital services platform dedicated to SMBs and networks
- Solocal owns **unique technologies** to provide digital marketing and advertising services at scale, all available through Solocal Manager, a powerful and unique front end app
- Solocal **Artificial Intelligence algorithms** enable micro decisions for micro campaigns building on massive local data
- Pages Jaunes media connects internet users to SMBs with a **new search experience** coming in 2020, faster, more relevant, map oriented with marketplace and e-commerce opportunities down the road
- **Leveraging our current technologies** and adding single sign on and micro services architecture we build one platform with all B2B features in a one stop shop



Financial Outlook

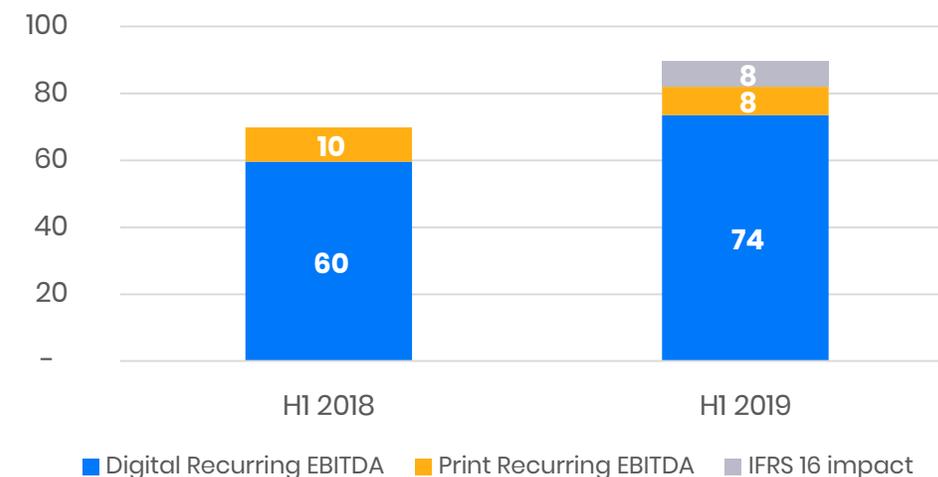
Olivier Regnard, CFO

Solocal 2020: a two-fold transformation

Print discontinuation and subscription mode will impact 2020 KPIs

- Solocal business is a fixed cost business
 - **Direct costs** represent 20%-25% of the revenue
 - **Indirect costs** (personnel costs, SG&A) have always been shared between the two core activities
Print & Digital
- As long as the print business represented a significant portion of the business, indirect costs were allocated to both business according to allocation key as illustrated in our former communications
- As announced early 2019, the last edition of printed directories will occur in 2020

In million euros	H1 2019
• Digital revenues	268
• Print revenues	36
Total revenues	304
• Net recurring external expenses	(83)
• Recurring personnel expenses	(140)
Recurring EBITDA	81

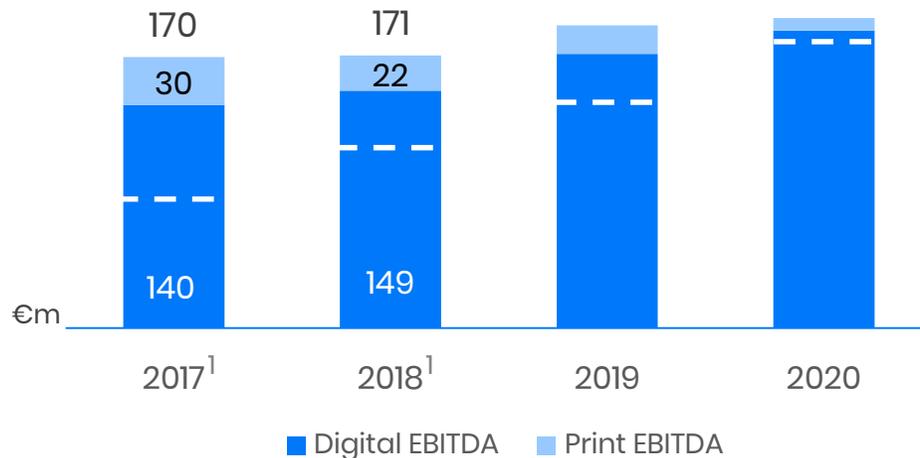


A deep transformation has enabled a strong growth in Digital Ebitda

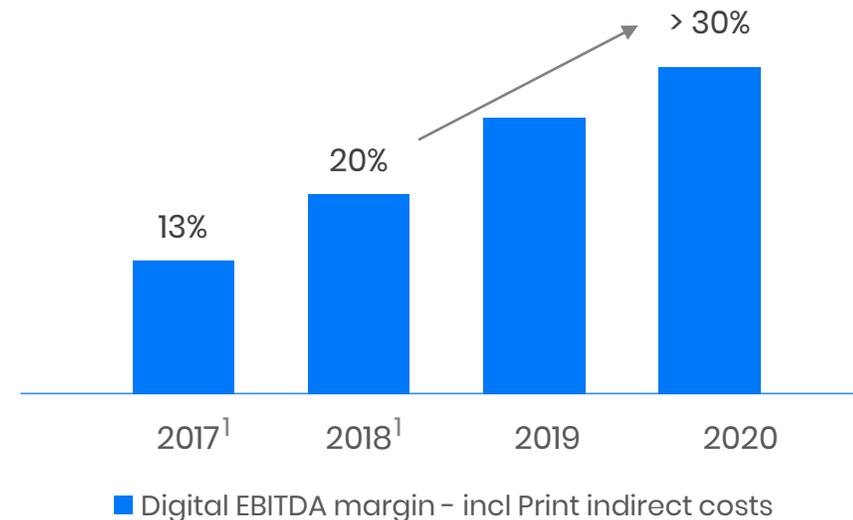
A contributive vision of the Print business

- The print business will be formally discontinued from an accounting perspective in 2020.
 - The marginal profit of the Print business will disappear; while
 - All indirect costs will remain and will be mechanically allocated to the Digital business.
- All transformation implemented over the last two years aimed to develop the digital business and to avoid a «cliff effect» enabling to drive a strong growth in the Digital Ebitda business of up to 30% of revenue

Recurring Ebitda breakdown



Recurring Digital Ebitda margin

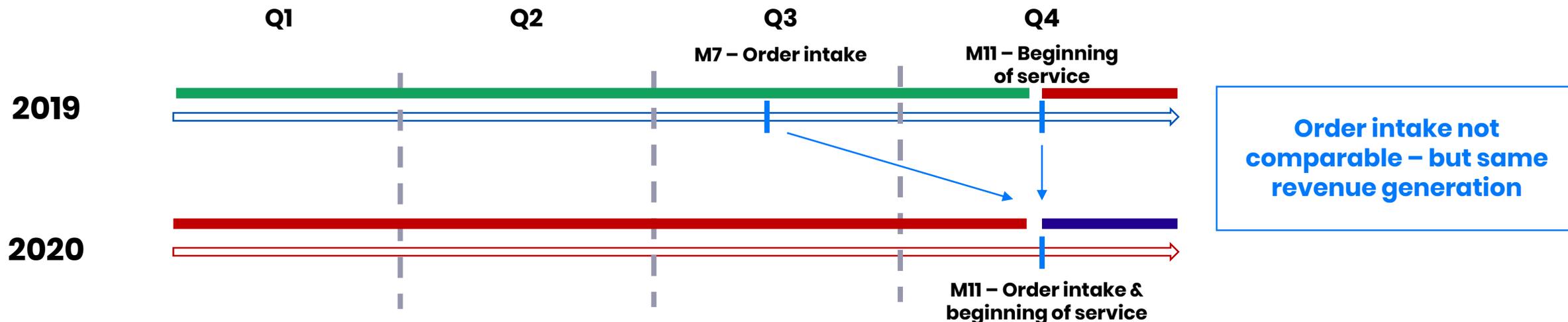


Transition to a subscription model: a virtuous circle

From order intake to revenues

- The Subscription model is absolutely key for the new Solocal as it should enable
 - To reduce churn
 - To increase sales bandwidth, to do upsell, cross-sell and acquire new customers
- Historically order intake was used as an alternative KPI since it was a proxy for revenues illustrating the sales dynamics. It was converted into revenues for 2/3, during the first 12 months
- The subscription model will make order intake meaningless as 2020 moves forward

⇒ **Revenues will become the key indicator**



A secured and stronger liquidity

- Due to significant restructuring cash-outs, liquidity headroom was limited
 - Whilst 2019 has been secured, a delayed asset disposal and a larger working capital requirement reduced these margins from November onwards
- ⇒ **Implementation of a combination of tools as announced on November 28th to secure 2020 liquidity and ease a refinancing process being considered in 2020**

Working capital gap	Customers payment terms rationalisation among others
RCF increase by €10m	Additional €10m to reach €50m RCF now
Asset financing to be increased up to €10m +	€44m of capex per year - €7m of unused committed line so far - Complementary lines being investigated
Equity line	58m shares potentially issued and underwritten by Kepler Amount drawn depending on the stock price €16m already drawn (32m shares) on 5 th December 2019 Solocal in a position to put on hold / cancel this equity line at any time

The new Solocal: a strong sustainable cash flow from 2021

In million euros	FY 2018 ¹	H1 2019 ²	2021	
Recurring EBITDA	171	81		
• Non monetary EBITDA	10	6		
• Change in WCR	(14)	(19)	↗	Consistent with commercial dynamics
• Capex	(44)	(21)	→	Continued investments in tech
Recurring operating cash flow	124	47		
• Non recurring (incl. Δ WCR)	(68)	(46)	↘	No more restructuring costs
• Financial expenses	(32)	(20)	↘	Refinancing considered in 2020
• Corporate income tax paid	(16)	4	↗	Consistent with SL new profile
FCF from continued activities	8	(15)		
• Others (of which leases)	(13)	(8)	→	IFRS16 impact in 2019
Net cash variation	(4)	(23)		



Conclusion

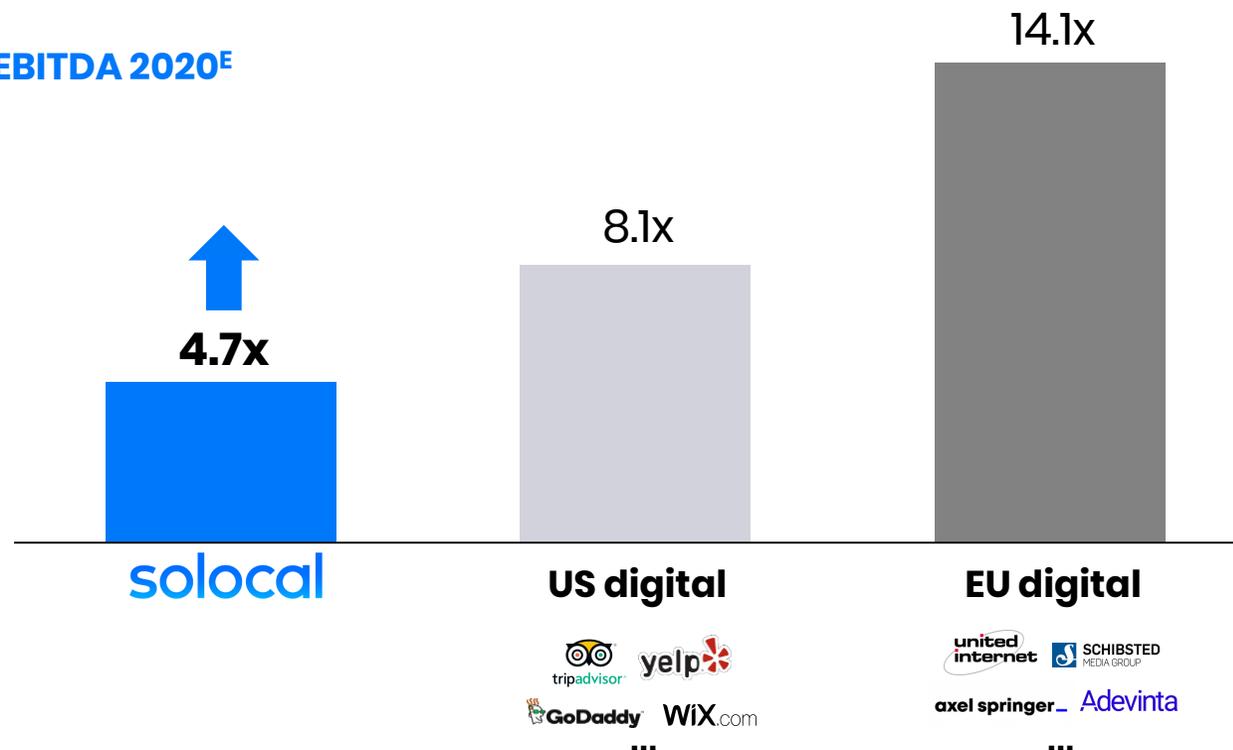
Eric Boustouller, CEO

Solocal: the top French Digital player on the global market



The new Solocal: a 100% Digital player with solid margins

EV / EBITDA 2020^E



Revenues CAGR¹	Growth	+ 11 %	+ 7 %
EBITDA margin²	~ 30 %	22 %	24 %

... and key competitive advantages for profitable growth

An innovative and competitive range of digital services



A solid and agile technology



Proprietary media generating cost-efficient qualitative leads



A unique and optimised local sales coverage



Q & A