

# AudioValley

## Investor Presentation

Annual report 2018

JUNE 2019



# Welcome



## ALEXANDRE **SABOUNDJIAN**

*CEO & Founder*

### **1980**

Started a radio station, sold to RTL in 1992

### **1992**

In charge of special product operations, RTL

### **1995**

Creation of Magic Phone, sold to Tellme Networks/Microsoft in 2000.

### **2003**

Creation of Storever, Audiovalley.



## SÉBASTIEN **VELDEMAN**

*CFO*

**20 years** of experience in financial and risk management and mergers and acquisitions.

JDA – PwC Consulting – Carrefour  
Abbott Diagnostics – Ubiway Retail

**1. GROUP PROFILE**

**2. MILESTONES REACHED SINCE IPO**

**3. 2018 RESULTS**

**4. OUTLOOK**



# 1. GROUP PROFILE

## 2. MILESTONES REACHED SINCE IPO

## 3. 2018 RESULTS

## 4. OUTLOOK



# Digital audio: always on, all the time



## At home

Connected devices Tablet/Desktop TVsets Laptop  
Smart Speakers E-gaming



## Transports

Public transport Radio Connected cars



## Office

Workstations Smartphone Laptop



## Smart city

Music players Events Point of sale  
Parking Movietheatre

# A disruptive environment. New value propositions. New players.

## B to C

---



pandora



## B to B

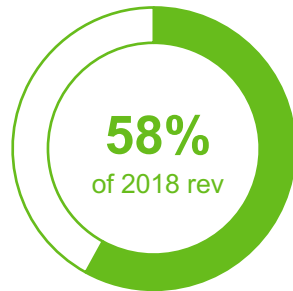
---

AudioValley

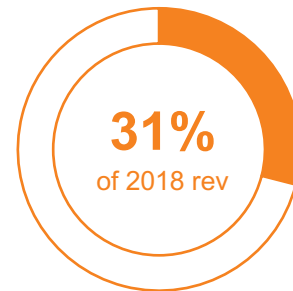
# Our mission:

Seize the opportunity by developing and delivering digital audio solutions

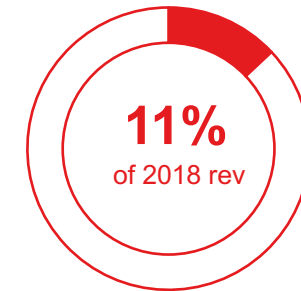
## AudioValley



Products and services to cast and monetize digital radio & audio.



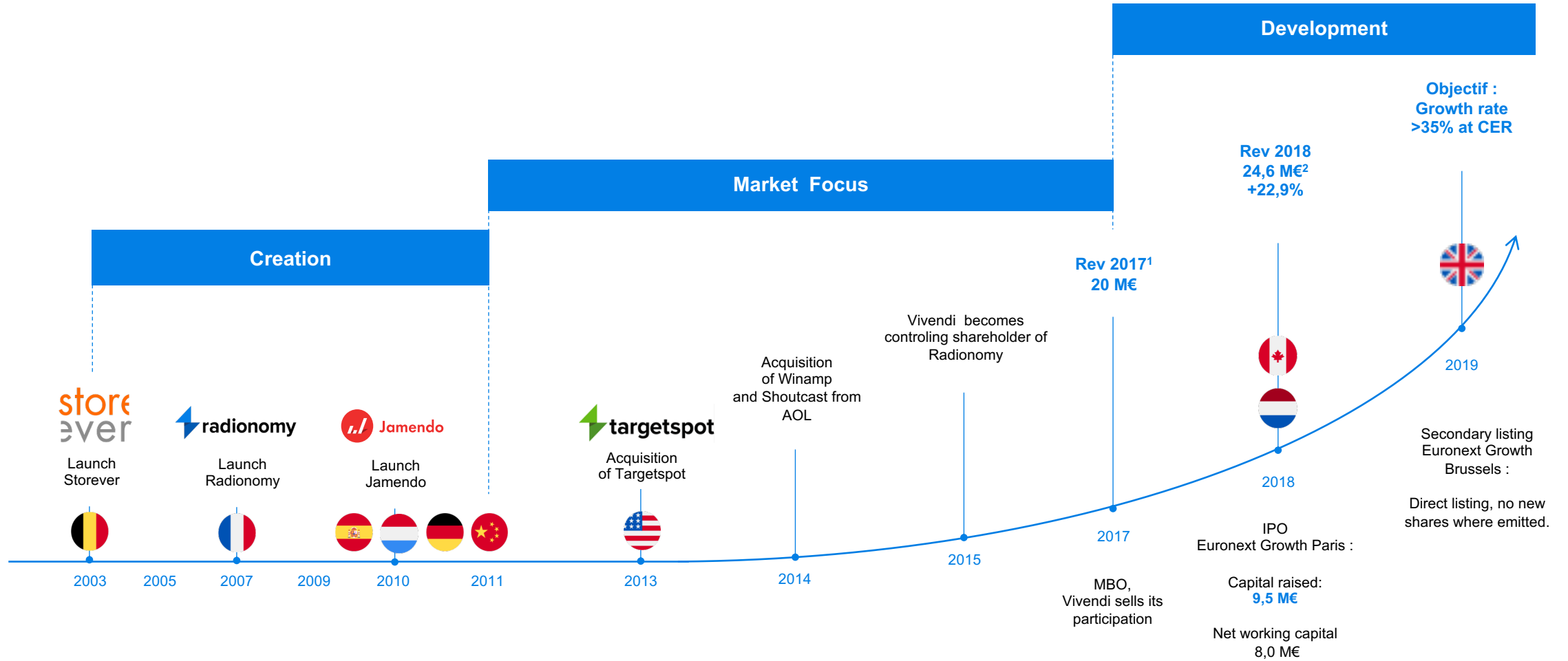
Sales and development of In-store digital audio solutions



Manage and market music rights

*The Radionomy division was rebranded Targetspot*

# A pioneer, picking up speed



(1) Pro forma : Radionomy division was fully integrated in 2017

(2) At Constant Exchange rate, consolidated revenue in 2018 would be at 25,0 M€, representing a growth of +25,0%





# A comprehensive suite of digital audio solutions



## TECHNOLOGY

- Streaming
- Podcast
- Ad-injection
- Audience analytics



## AD-TECH PASSPORT

- Ad-server
- Meta-ssp
- Real time analytics
- API



## DATA MANAGEMENT

- Listener DMP
- Audience DMP
- Analytics
- Data exchange



## MONETISATION

- Audio everywhere
- Audio on demand
- National
- International



## SELF-SERVICE

- Reseller app
- Self-service SME's
- Creative studio
- R.O.A.S

PUBLISHER

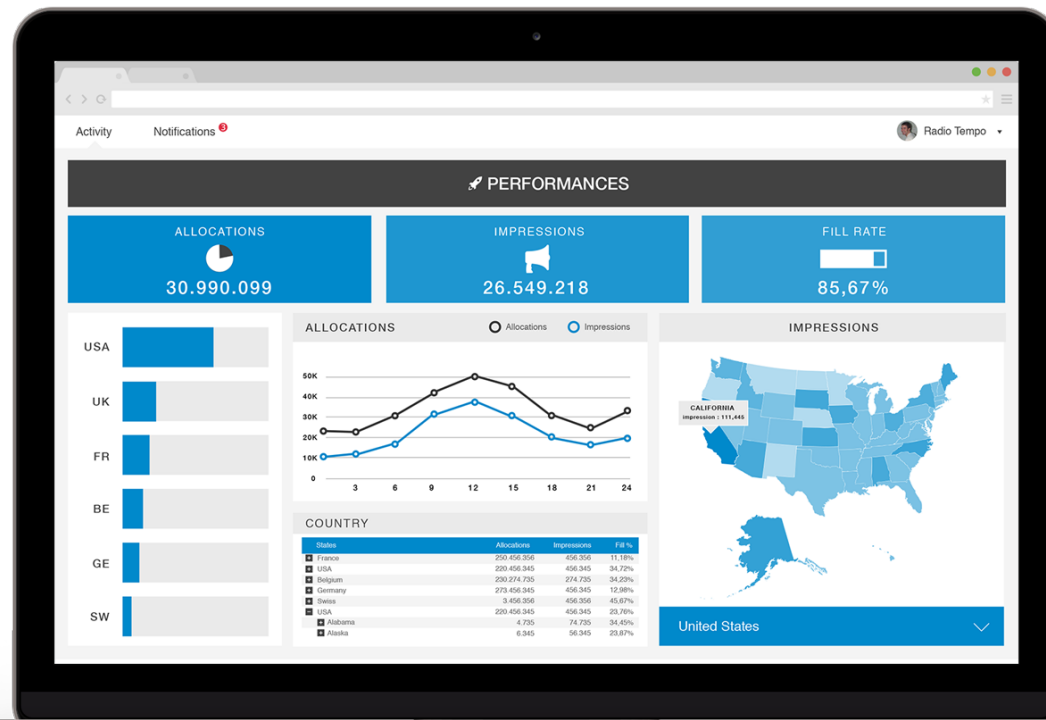
AudioValley

AGENCY

# Strong and innovative targeting tools for digital audio.



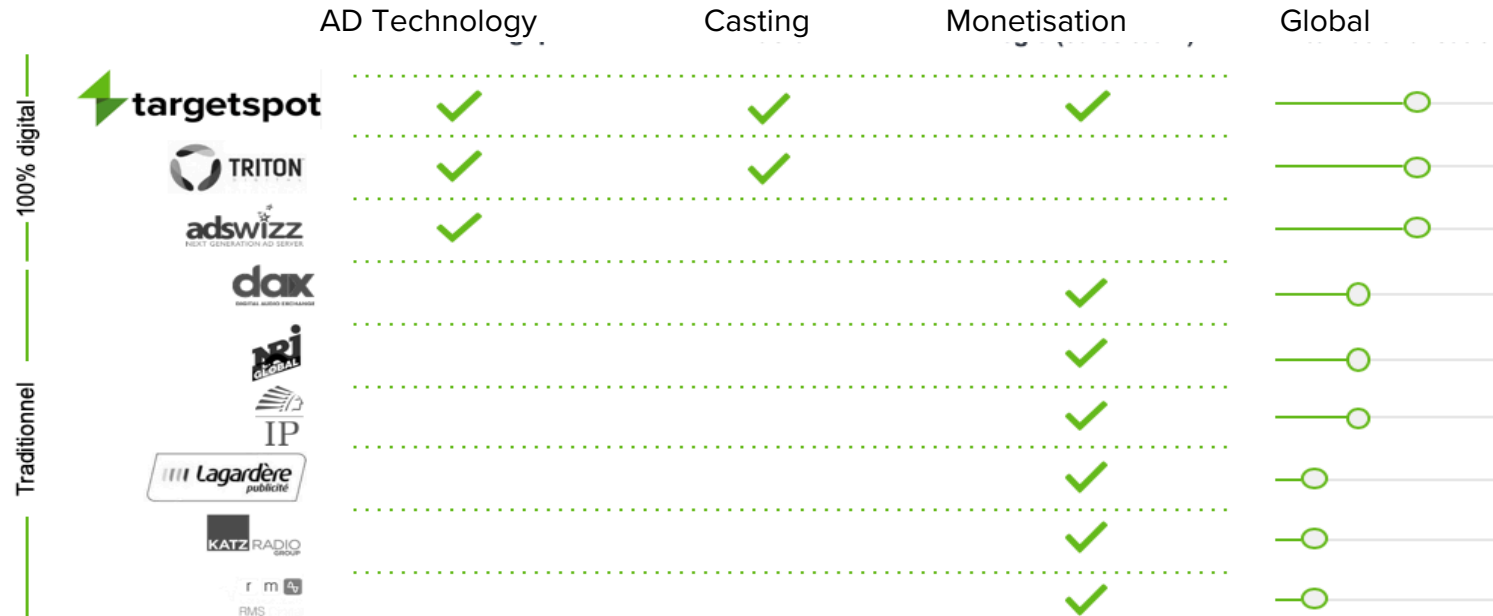
Proprietary technology for planning and optimizing digital audio advertising campaigns.



Multi level targeting  
Multi country reporting

Programatic buying  
Real time analysis and optimisation.

# Unrivaled integration of the global value chain



- **AdsWizz** was sold to Pandora for 145 million USD in May 2018.
- **Triton** was sold to Scripps for 150 millions USD in December 2018.



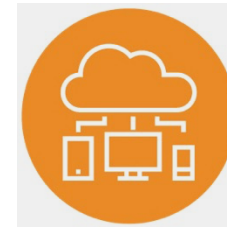
store  
ever

# One-stop-shop: blending market know-how and technology

## Creation of tailor made content



- Bespoke sound design
- Indepth analysis of the brand, the values, identifiers and DNA
- Exclusive music format. fitting the brand and outlets.
- Personal music shedule to fit brand and format



## Leading technology

- Model: SaaS
- Shedule and manage all digital assets.
- Hosting and integration.
- Continuous updates
- State of art infrastructure and devices.

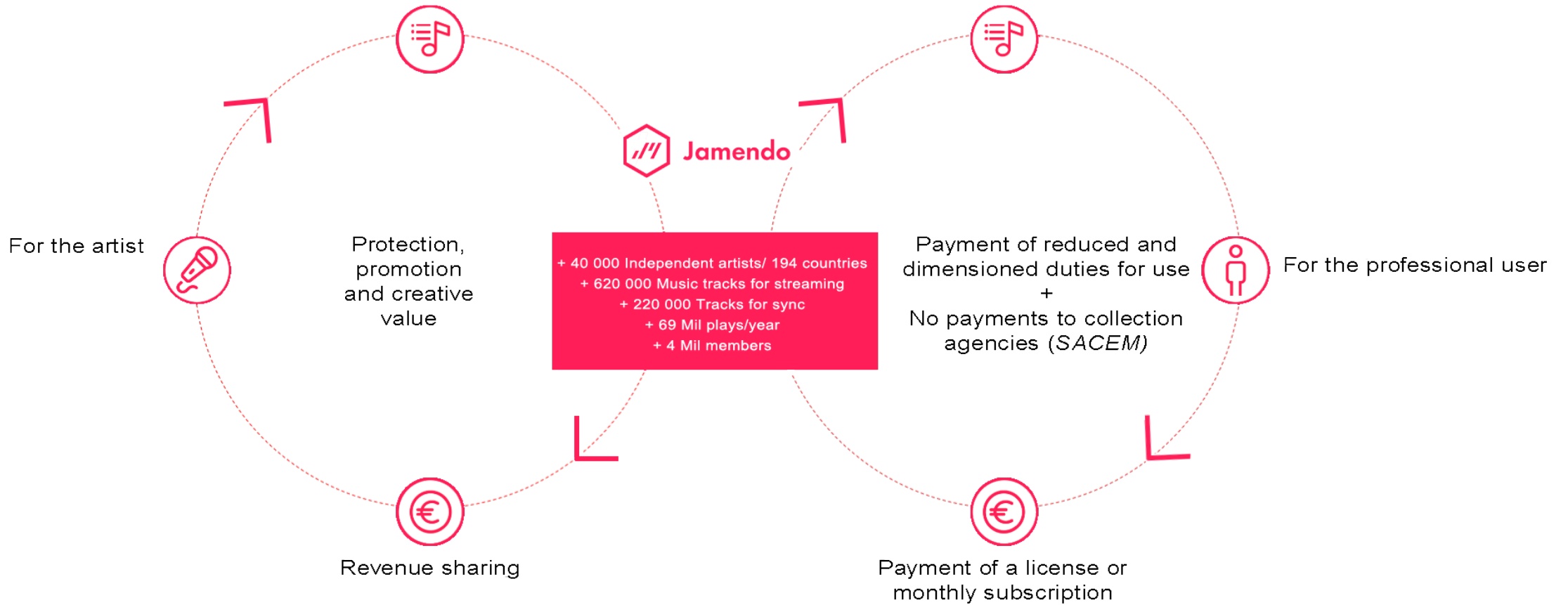




**Jamendo**




# A music catalogue for professional media usage.



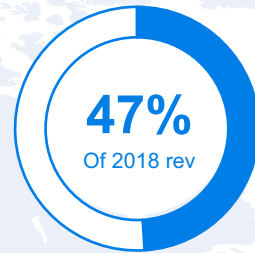
# More than 7 000 client references\*



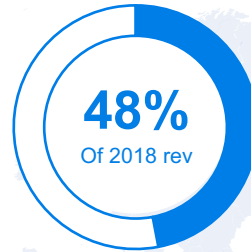
-  Feature films
- Advertising
- Events
- Apps
- ...



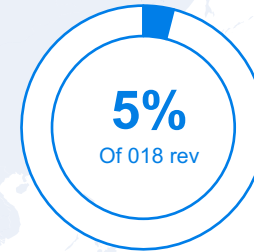
# A global footprint



North America



Europe



Other

10 regional offices

-  [ zÉ ÅÖ
-  \_äÜz
-  ` zäÖuÜë
-  mäuÄ
-  f çéz Öwçä
-  om
-  \ ~Äu
-  n~z hzâ-zäüÿä
-  \ uÜÿu
-  oe

1. GROUP PROFILE

**2. MILESTONES REACHED SINCE IPO**

3. 2018 RESULTS

4. OUTLOOK



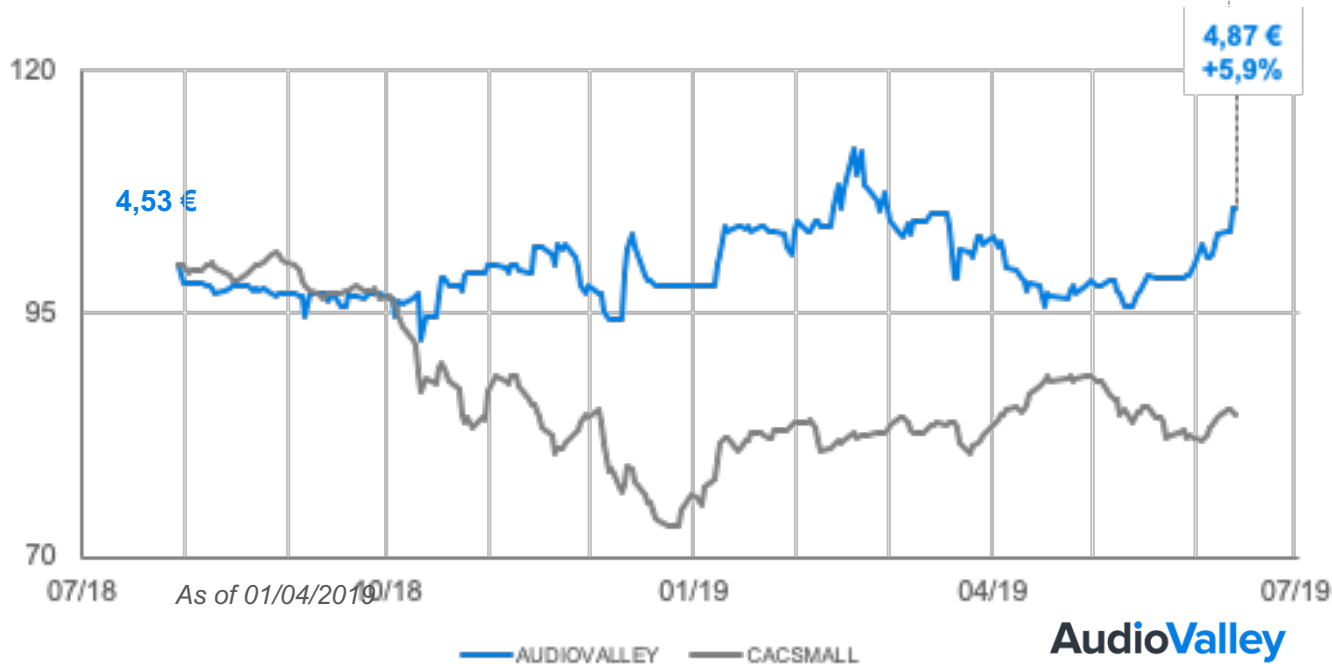
# Rebooting as a Public Company



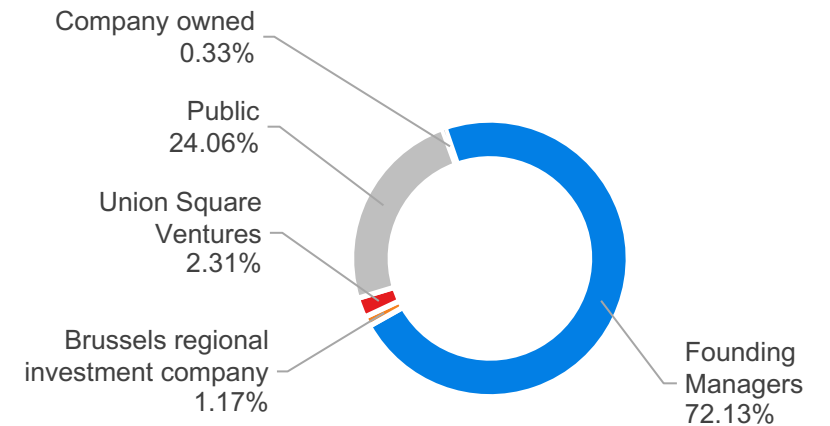
**July 2018 :**  
 Successful IPO on Euronext  
 Growth Paris: raised **9,5 M€**  
 Atributing a net working capital of  
 8,0 M€



**February 2019 :**  
 Secondary listing on Euronext  
 Growth Brussels  
 Direct listing, no new shares were  
 emitted



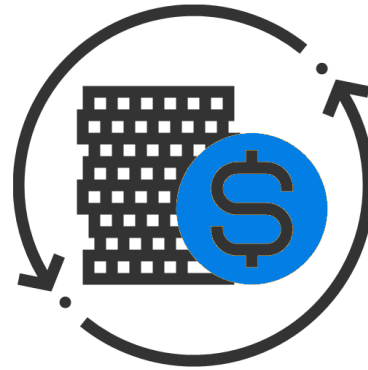
## Shareholder structure



# Ambitious investments in growth on all strategic levels.



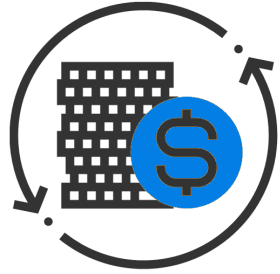
Level up staffing and structure to sustain further development.



Enrich product and service offers.



International expansion and commercial development.



# Enrich product and service offers



- Launch of 2 new premium services « *Shoutcast for Business* » and « *Shoutcast for Enterprise* »
- Launch of « *Targetspot Podcast Marketplace* », the 1<sup>st</sup> global all in one podcast sales service.
- Dedicated publisher strategy, offering an revolutionary, integrated service



- Dynamic video offer, integrating production and content management.
- Interactive solutions: retail tablets and mobile solutions.



**Jamendo**

- Introduction of the « *Trading Desk* » for music rights

1. GROUP PROFILE

2. MILESTONES REACHED SINCE IPO

**3. 2018 RESULTS**

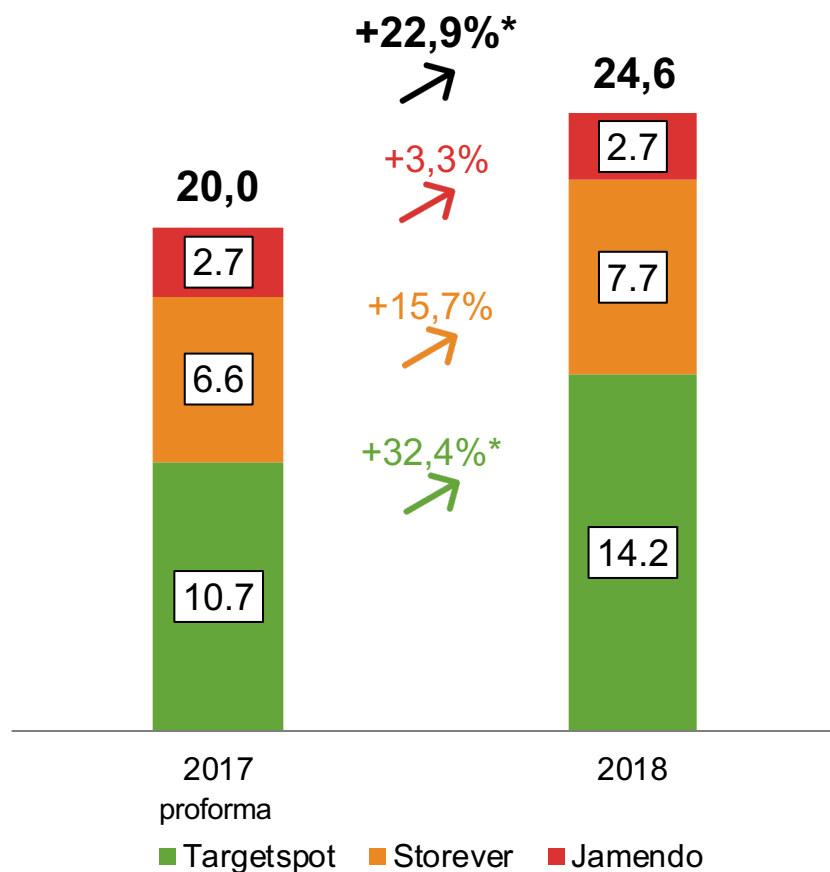
4. OUTLOOK





# Revenue overview

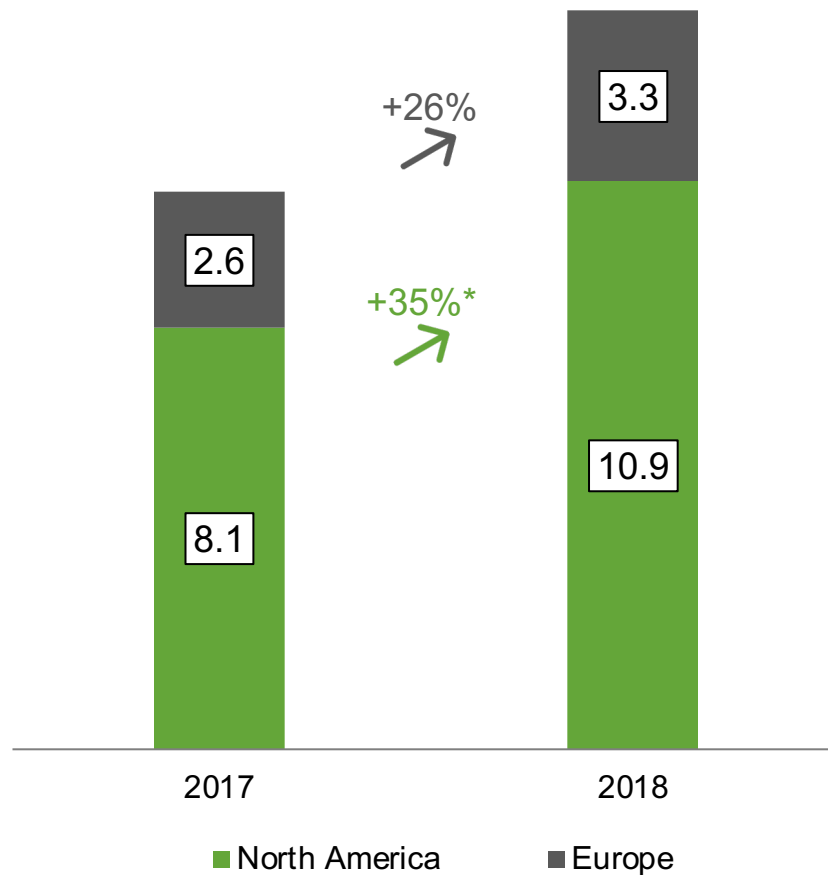
Revenue growth per division (en M€)



- At constant exchange rate, Total revenue growth is in progression of **+25,0%**. Revenue of division Targetspot is at **+36,2%**

# Targetspot : US growth path leads the global way

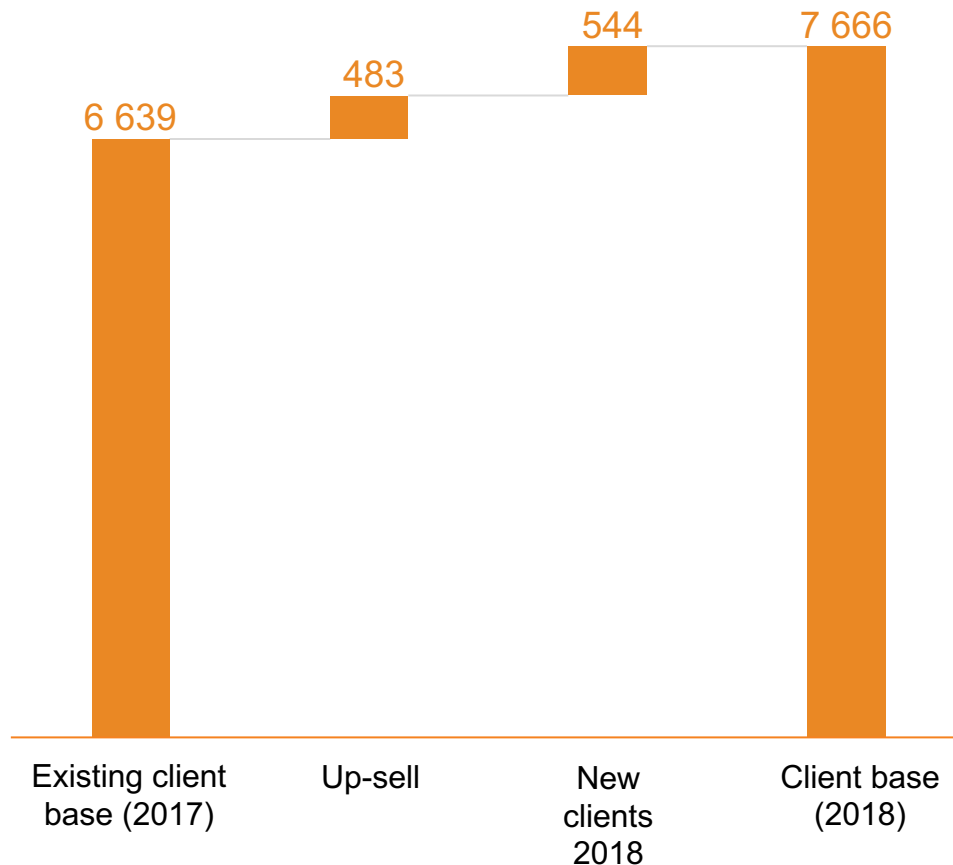
Revenue breakdown of Targetspot per region (in M€)



\* At constant exchange rate, the revenue in North America is at **+39%**

# Storever : New client acquisitions and organic growth boost sales.

Revenue breakdown of Storever per type of client (in K€)

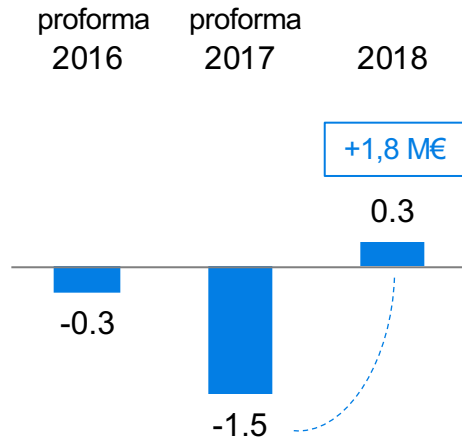


*Very high level of recurrent revenue, representing 75% of 2018 revenue*

# Operational profitability improved with + 1,8 M€, delivering operational profit in 2018

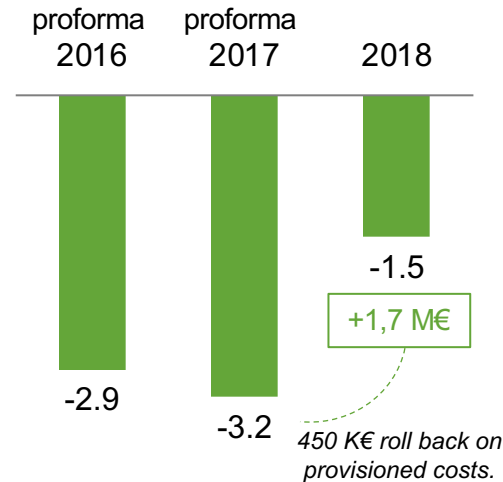
Evolution of EBITDA (in M€)

## AudioValley



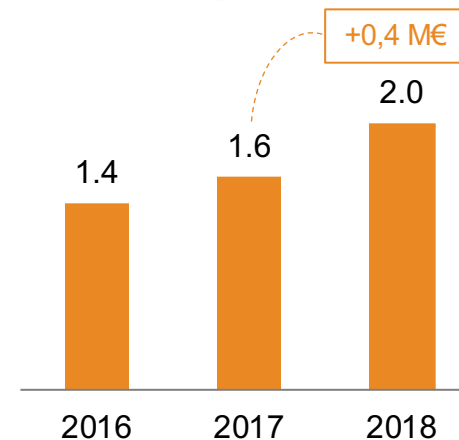
- Group overhead costs : -0,4 M€ (-0,2 M€ in 2017 proforma)

## targetspot



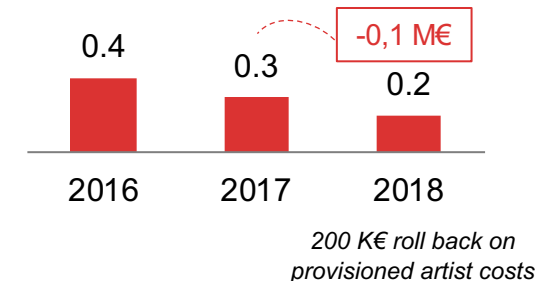
- Very promising evolution showing the first results of our strategic growth plan.

## store ever



- Higher operational margins drive growth : (26,2% gross margin/revenue, growing +1,6 pt.)

## Jamendo



- Year of leadership transition, slight decline of profitability.

# Profit and loss statement

For comparison and readability purposes only, all financial data and comments in this presentation are in a pro-forma version. They should be read on an as-if basis, meaning As If the acquisition by AudioValley of the major stake, held since 2015 by Vivendi in Radionomy had already been realized on the January 1th 2017.

in K€ - non audited	2018 published	2017 proforma	Variation	
<b>Revenue</b>	<b>24 606</b>	<b>20 018</b>	<b>+22,9%</b>	
Cost of sales	(10 314)	(9 188)	+12,3%	} Positive evolution of gross margin : from 54,1% to 58,1% (+3 462k€)
Payroll and related charges	(8 751)	(7 757)	+12,8%	
Other commercial and organisational costs	(5 206)	(4 481)	+13,6%	
<b>EBITDA</b>	<b>336</b>	<b>(1 508)</b>	<b>+ 1 844 k€</b>	} Major expansion, with very limited increase in operational cost
Depreciations and amortizations	(4 368)	(4 095)	+6,7%	
<b>EBIT</b>	<b>(4 032)</b>	<b>(5 603)</b>	<b>+1 571 k€</b>	} Non cash depreciation and write off on immaterial assets.
Other non recurring operational costs.	(48)	(317)	+269	
Financial result	(1 466)	(1 614)	+148	} Includes 1,1 M€ accretion expense of the Vivendi debt ( <b>Non cash</b> )
Other	0	22	-22	
<b>Profit before tax</b>	<b>(5 546)</b>	<b>(7 535)</b>	<b>+1 989 k€</b>	
Tax	228	378	-150	
<b>Net profit</b>	<b>(5 318)</b>	<b>(7 157)</b>	<b>+1 839 k€</b>	

> Positive EBITDA

# Balance sheet

K€ - Normes IFRS – non audité			
<b>Non current assets</b>	<b>42 928</b>	<b>Equity</b>	<b>11 148</b>
Goodwill	13 806	Capital	24 232
Other intangible assets	26 137	Owned shares	127
Fixed assets	1 832	Retained earnings	(13 505)
Share holdings	0	Non controlling shareholdings	548
Deffered tax assets	881		
Non current financial assets	272	<b>Non Current Liabilities</b>	<b>19 490</b>
		Non-current financial liabilities	18 518
<b>Current assets</b>	<b>8 244</b>	Non current provisions	948
Stocks	245	Deffered tax liabilities	24
Commercial and other debts	6 169	<b>Current Liabilities</b>	<b>20 534</b>
Taxes recievable	640	Commercial and other current liabilities	14 418
Other current assets	170	Short term financial liabilities	4 931
Cash and cash equivalent	1 018	Current provisions	98
		Taxes, levies and simular charges	950
		Other current liabilities	136
<b>ASSETS</b>	<b>51 171</b>	<b>EQUITY AND LIABILITIES</b>	<b>51 171</b>

## Key elements of debt (40,0 M€)

- Sellers loan (fair value) : 18,9 M€
- Commercial debt: 14,4 M€
- Financial debt: 3,1 M€
- Others : 3,6 M€

# Consolidated cashflow

en K€ - non audited	31 dec 2018	31 dec. 2017
Operational cashflow	-2 384	-901
Investment cashflow	-912	1 487
Financing cashflow	2 952	-149
<b>Cashflow variation</b>	<b>-344</b>	<b>437</b>
Cash and cash equivalent	1 018	1 354

# Zoom in on Vivendi loan repayment scheme

- Amount due end 06/2018: 29,7M€
- Repayment of 5,1M€ en 07/2018
- **Amount due on 31/12/2018: 24,6M€ + 0,9M€ interest**
- Discount of 30% if repaid in full before 30/06/2019 (7,6M€)

Echéancier de paiement de la dette Vivendi

07/2018	5 070 k€
12/2019	2 971 k€
12/2020	2 971 k€
12/2021	4 347 k€
12/2022	3 875 k€
12/2023	3 841 k€
12/2024	3 806 k€
12/2025	3 772 k€





1. GROUP PROFILE

2. MILESTONES REACHED SINCE IPO

3. 2018 RESULTS

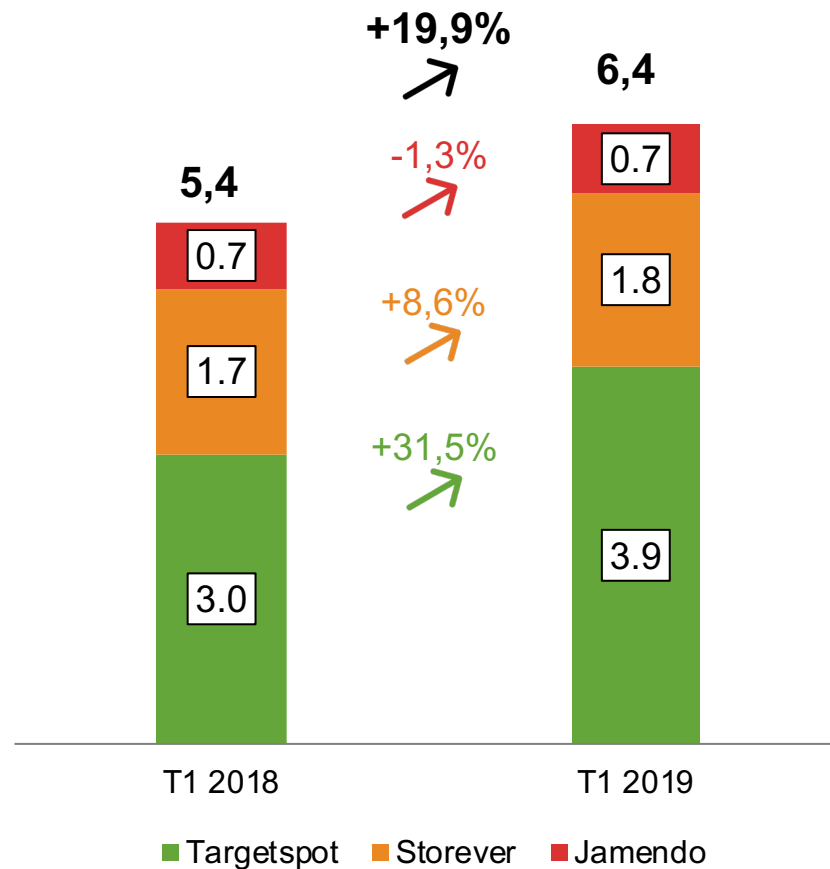
**4. OUTLOOK**



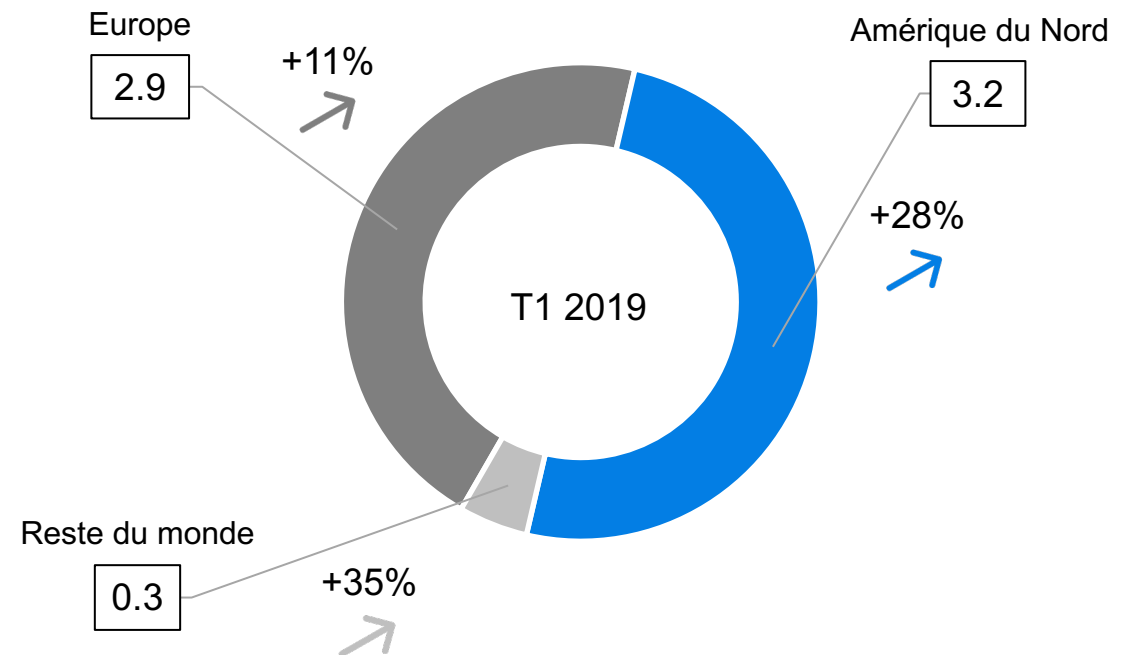
# Q1 2019 : Growth of 19,9%

## Targetspot confirms strong growth path : +31,5%

Growth breakdown per division (in M€)



Revenue and growth per region (in M€)



# Our objectives

## 2019

Our business and sales development is projected to generate  
**a growth in revenue of 35%** (at CER)

# AUDIOVALLEY

---

ALEXANDRE **SABOUNDJIAN**

*Founder and CEO*

[alexandre@audiovalley.com](mailto:alexandre@audiovalley.com)

# ACTIFIN

---

VICTOIRE **DEMEESTERE**

*Financial communication*

+33 (0)1 56 88 11 11

[vdemeestere@actifin.fr](mailto:vdemeestere@actifin.fr)

JENNIFER **JULLIA**

*Financial press contact*

+33 (0)1 56 88 11 19

[jjullia@actifin.fr](mailto:jjullia@actifin.fr)