

2024 Financial Results

2024 Events

- **Decisive financial restructuring: a solid balance sheet**
- **New governance with the arrival of a controlling shareholder (Ycor)**
- **In-depth audit of products, customer relations, services and operations**
- **New action plan paving the way for sustainable and profitable growth**

2024 Financial Results

- **€334.5 million Group revenue**, down 7% vs. 2023 (and down 11% on a like-for-like basis)
- **€44.4 million recurring EBITDA**, i.e. 13.3% of revenue (vs. 17.6% at end December 2023)
- **€70.9 million cash & cash equivalent** at 31 December 2024 (vs. €55.7 million at end December 2023)
- **Positive net cash position of €26.6 million** at 31 December 2024 (vs. -€197.4 million at end December 2023)
- **Consolidated net income to the Group of €119.9 million**

2025 Outlook

- **Operational priorities defined by the 2025 action plan to execute the Group's transformation (organization, product offerings, business development, IT tools, AI)**
- **Stabilization of revenue with the first effects of the plan and the integration of Regicom on a full-year basis**
- **Intensified cost control aimed at restoring EBITDA margin to around 15%**

Maurice Lévy, CEO of Solocal, comments: "Having been at the head of Solocal for six months now, I have been able to draw up an in-depth assessment of the company's strengths and weaknesses. My arrival was the result of the company's difficult financial situation, following a steady decline in revenue over the past fifteen years.

Today, after a financial restructuring that has given the company a solid balance sheet, an operational review, and the implementation of the first priority measures, Solocal is in a position to fully focus on its turnaround. At the start of this year, the company is focused on a three-pillars action plan that should enable it to secure new business wins and build customer loyalty, with the aim of stabilizing revenue and restoring profitability by 2025, with an EBITDA margin expected to be around 15%. This plan is designed to give the Group the means to achieve its ambition of returning to profitable, sustainable growth that will benefit us all. I would like to thank the Comex and all our employees for their warm welcome, their commitment to meeting the challenges ahead and to bringing Solocal back to success".

1. Q4 2024 main events

Under the leadership of the new Executive Committee, a number of projects with major impact have been successfully completed:

- **The HQ staff have successfully relocated** to a third of the surface area previously occupied, bringing a new dynamic to the teams.
- The sales approach has been redesigned, notably through **an overhaul of the customer and prospect portfolios allocated to the sales teams**. From now on, sales people will be true business partners in their own geographical zones, which have been narrowed down to optimize zone coverage and ensure better proximity to customers. The payplan has also been amended accordingly to make it clearer and more attractive.
- **The product offerings have been simplified** (25 offers available for sale at the end of 2024, compared with 33 at the end of 2023, and from 70 offers currently running to 44). **New product offerings will be launched in the first half of 2025**.
- **Customer relationship efforts have focused on reducing processing times and inventories for pending requests**, with some success (customer satisfaction at 4.0/5 on TrustPilot).
- **PagesJaunes' audience grew over 2024** (+13% visits & +2.2 million unique visitors). This dynamism demonstrates the vitality of the media in transformation, which is at the heart of the Group's strategy.
- The **IT department carried out massive decommissioning of servers, equipments and applications**, with the aim of simplifying the existing architecture.
- The Web Factory has reduced **website go-live times to record levels** for Solocal.
- The **non-renewal of the company agreement** now brings Solocal fully in line with its peers.

Last but not least, **thanks to Ycor's expertise, AI plays now a key role in the Group's operations**. Its use has become widespread at the Web Factory, notably for content creation, semantic analysis of PagesJaunes reviews, suggesting responses to reviews and generating SEO descriptions for PagesJaunes.fr results lists. Synergies with Ycor go further, and avenues are currently being explored in Datascience and AI, the structuring of PagesJaunes data assets and advertising.

2. Revenue and backlog analysis

In € million	Q4 2023	Q4 2024	Change	FY 2023	FY 2024	Change	Change on like-for-like basis
Total revenue	86.6	86.9	0.3%	359.6	334.5	-7.0%	-11.5%

2024 Group revenue amounts to €334.5 million. Revenues amounts to €318.5 million on a like-for-like basis, down -11.5% compared to 2023. Q4 2024 amounts to €76.8 million (-11.3% compared to Q3 2023 million on a like-for-like basis). Regicom's contribution represents €10.1 million in Q4 2024, giving a total of €16.2 million over the last 5 months of 2024. On a like-for-like basis, the change is essentially due to the weak commercial performance of sales in acquisition since the beginning of the year.

Group order backlog amounts to €209.6 million as at 31 December 2024, vs. €194.1 million as at 31 December 2023, thanks to Regicom contribution.

Based on management estimates, sales already booked by December 31, 2024 should generate secure revenue of €175.7 million for 2025. Secure revenue for 2024 amounted to €172.9 million at 31 December, 2023.

Solocal revenue for Q4 2024 and FY 2024 is as follows:

In € million	Q4 2023	Q4 2024	Change	2023	2024	Change	Share
Connect	24.1	22.2	-8%	98.6	90.4	-8%	27%
Booster	48.3	48.9	1%	204.3	186.6	-9%	56%
Websites	14.3	15.8	10%	56.8	57.4	1%	17%
Total revenue	86.6	86.9	0%	359.7	334.5	-7%	100%

Booster activity (56% of FY 2024 revenue), which includes advertising activities, is down 9% compared to FY 2023.

In FY 2024, **Connect activity**, which includes digital presence, was down 8% compared with FY 2023. It represents 27% of FY 2024 revenue.

Websites activity which includes the full range of websites (Essentiel, Premium, Privilege) represents 17% of FY 2024 revenue, and is up 1% compared to FY 2023.

3. Sales performance, customer base, churn and ARPA

FY 2024 sales performance on a like-for-like basis, measured by order intakes, amounts to €307 million compared to €339 million in 2023. Renewal order intakes amount to €211 million in 2024 compared to €228 million in 2023. Order intakes from acquisition activities amount to €96 million.

Solocal **customer base** evolved as follows:

	Q4 2023	Q4 2024	Change	FY 2023	FY 2024	Change
Customer base - BoP^(a)	270k	241k	-29k	288k	261k	-27k
+ Acquisitions	7k	6k	-1k	35k	28k	-7k
- Churn	-16k	-10k	6k	-62k	-52k	+2k
Customer base - EoP^(a)	261k	237k	-24k	261k	237k	-24k
Net change BoP - EoP	-9k	-4k		-27k	-24k	
Churn^(b) - in %				21,5%	20,0%	-1,5 pts

(a) BoP = beginning of period / EoP = End of Period

(b) Churn rate : attrition in the number of customers on a LTM basis divided by the number of customers BoP

Customer base stands at 237k customers as of 31 December 2024 (including 7k customers for Regicom), down 9% compared to 31 December 2023, resulting from:

- a lower-than-expected level of new customer acquisition ;
- attrition in the number of customers lost slightly better than last year.

Churn rate stands at 20.0% as of 31 December 2024, slightly better than last year (21.5%).

Group ARPA stands at €1,360 as of 31 December 2024, slightly up compared to 30 September 2024 (€1,325) and significantly better compared to 31 December 2024 (c. €1,305).

4. Profit and Loss

The financial statements are audited, and the certification report on the consolidated financial statements will be issued once the management report has been approved by the Board of Directors and verified by the statutory auditors and the Independent Third Party for the CSRD.

<i>In € million</i>	2023	2024	Change
Total Revenue	359.7	334.5	-25.2
External expenses	-119.9	-140.4	-20.5
Personnel expenses	-176.3	-149.7	26.6
Recurring EBITDA	63.5	44.4	-19.1
Non-recurring items	-6	-1.7	4.3
Consolidated EBITDA	57.4	42.7	-14.7
Depreciation and amortisation	-54.3	-58.3	-4
Operating income	3.1	-15.6	-18.7
Financial income	-36.6	135.4	172.0
Income before tax	-33.5	119.8	153.3
Corporate income tax	-12.4	0.1	12.5
Consolidated Net income Group	-45.9	119.9	165.8

Recurring EBITDA amounts to €44.4 million, a €19.1 million decrease compared to 2023. The fall in revenue was offset by a **reduction in personnel costs**, mainly due to strict costs control on support functions, a reduction in the number of sales staff (resulting from difficulties in recruiting and retaining sales staff), and lower variable compensation due to poor sales performance.

External expenses amount to €140.4 million in 2024. Despite strict costs control, the increase of 20.5 million euros compared with 2023 is due to higher provisions for impairment of trade receivables as a result of the worsening economic environment and the introduction of a new information system, which has delayed the process of notifying customers, leading to aging of these receivables, as well as an increase in litigation.

Taking into account non-recurring items, **the Group's consolidated EBITDA reached €42.7 million for 2024**. This represents 12.8% of sales, below the target of 15%.

Depreciation and amortization amount -€58.3 million euros in 2024, stable compared with 2023 (-54.3 million euros).

Financial result amounts to -€135.4 million in 2024, mainly due to the conversion of the Bonds into equity shares.

Income before tax amounts to 119.8 million 2024 vs. -€33.4 million 2023.

Corporate income tax amounts to -€0.1 million in 2024.

Consolidated net income stands at 119.9 million euros in 2024, compared with -45.9 million euros in 2023.

5. Cash Flow Statement and Debt

In € million	2023	2024	Change
Recurring EBITDA	63.5	44.4	-19.1
Non-monetary items included in EBITDA	1.2	26.7	25.5
Net change in working capital	-18.9	-22.1	-3.2
Acquisitions of tangible and intangible fixed assets	-21.2	-19.4	1.8
Recurring operating free cash flow (excluding rents)	24.6	29.6	5.0
Non-recurring items	-7.4	-22.3	-14.9
Disbursed financial result	-8.9	-2.8	6.1
Corporate income tax paid	-1.4	2.6	4.0
Others	0.9	-0.5	-1.4
Free cash flow	7.8	6.6	-1.2
Increase (decrease) in borrowings	-4	-23.8	-19.8
Capital increase	-	42.6	42.6
IFRS 16 & Others	-18.8	-20.5	-1.7
Regicom	-	10.2	10.2
Net change in cash	-15	15.2	30.2
Net cash & cash equivalents BoP	70.7	55.7	-15
Net cash & cash equivalents EoP	55.7	70.9	15.2

Non-monetary items included in EBITDA reflects higher provisions for trade receivables and litigation.

Change in working capital requirements amounts to -€22.1 million in 2024 compared to -€18.9 million in 2023. This change is mainly due to the downturn in sales.

Capex amounts to €19.4 million in 2024, down 8.5% compared to 2023.

Cashed-out financial expenses amount to -€2.8 million in 2024. They correspond to annual interests on the revolving credit line, annual interests on the credit line with BPI France and financial interests on Regicom's PGEs over the last 5 months of 2024. No interest was paid in 2024 on the Bonds and Mini Bond due to the financial restructuring.

Free Cash Flow is positive at 6.5 million in 2024 compared to +€7.8 million in 2023.

-€23.8 million **borrowings** reflect the partial repayment of the revolving credit line for 20 million euros, repayment of the BPI loan for 3.1 million euros and 0.7 million euros of Regicom's PGE.

Capital increase of €42.6 million corresponds to the net proceeds of the capital increase with preferential subscription rights of €18 million and the capital increase reserved for Ycor of €25 million (less issuance costs).

The change in « **Others** » by -€20.5 million mainly derives from the cash-flow corresponding to the financial amortization of capitalised rights of use related to the application of IFRS 16 (i.e. rents paid by the group).

Group net change in cash is therefore positive at **€15.2 million** in 2024. As of 31 December 2024, **Group cash position amounts to €70.9 million** vs €55.7 million as of 31 December 2023.

Net financial debt stand at **-€26.6 million as of 31 Decembre 2024** (excluding IFRS 16), compared to €197.4 million as of 31 December 2023. Group gross debt amounts to €44.3 million and is composed of the Mini Bonds maturing in 2029 (€21.3 million), the fully drawn RCF maturing in September 2026 (€14 million), the "Prêt ATOUT" loan maturing in 2026 (€3.9 million), the Regicom'state guaranteed loans (€4.2 million) and the accrued interests for around €0.8 million. The cash position amounts €70.9 million.

The application of IFRS 16 impact on net financial debt is €36.3 million as of 31 December 2024. This derives from the reclassification of rental expenditures in rental obligations as part of liabilities on the balance sheet.

Net leverage as defined in the documentation of Mini Bonds is -1.0x as at 31 December 2024 (to which IFRS 16 does not apply). The EBITDA to interest expenses ratio (ISCR) amounted to 4.4x .Capex was less than 10% of consolidated revenue in 2024. Hence the Group is in compliance with the financial ratios stipulated in its financing documentation.

6. New Executive Committee

With the appointment of Jérôme Fievet as Chief Financial Officer, the Comex is now composed of :

- Maurice Lévy, Chairman and CEO ;
- Alain Lévy, Executive VP Tech and Products;
- Charles Riou, Executive VP Strategy and Transformation;
- Jean-Baptiste Taupin, Executive VP Commerce;
- Jérôme Fievet, Chief Financial Officer;
- Agnès Mauffrey, Chief Technology Officer;
- Quentin Mazurier, Sales Director;
- Charlotte Millet, Communications Director;
- Stéphane Monat, Marketing, Products and Media Director;
- Malvina Prault, Customer Experience Director;
- Jean-Charles Rebours, Human Resources Director;
- Nicolas Regal, Production Director;

7. A strategy of reconquest

Solocal's strategy is to regain an undisputed leading position by focusing on two key areas: prove useful to the entire population and indispensable to professionals and small businesses. This involves:

- A. Revitalizing PagesJaunes. The media is progressing satisfactorily and should become the meeting place for all aspects of local life** (cultural, social, commercial, associative, etc.).
- B. PagesJaunes, whose performance enables its subscribers to expand their business, must offer all the solutions needed to help French VSEs and SMEs develop** via the Internet.
- C. Create and invent cutting-edge products** (including AI) that are more efficient, more competitive and more effective
- D. Transform the corporate culture** by instilling new values: excellence, rigor, innovation, respect and ethics.

This strategy of reconquest, aimed at **profitable and sustainable growth** that benefits everyone, requires us to regain the trust of our customers, to restore competitiveness in Products & Services through innovation and AI, and to revitalize our sales operations with efficiency and performance, transform the corporate culture by tackling the elimination of silos (One Solocal) and instilling at all levels of the company, alongside commitment, the notions of agility, speed, collaboration and productivity, while encouraging initiative.

A three-part action plan was launched in November 2024 and will focus in 2025 on:

- **"Clean"** up the aberrant or complex data points that poison the smooth running of the company. This means eliminating all blocking tools, processes, software systems or products.
- **"Repair"** what needs to be repaired, to tackle the root causes of operational problems and regain agility, efficiency, productivity and performance.
- **"Build"** Solocal's future by creating the products, systems and approaches that will deliver sustainable, profitable growth.

The main objective of this plan is to revitalize PagesJaunes with the ambition of affirming its local superiority. The Group will make PagesJaunes the indispensable local platform for professionals and consumers/citizens. Combined with a data strategy designed to provide genuine customer insights and win market shares in local advertising, PagesJaunes will regain its position as the undisputed leader. All this will be reinforced by "win-win" partnerships with local and national players, bringing new vitality to local life and business activities.

8. 2025 Outlook

The objective for 2025 is to stabilize revenue with the full-year impact of the integration of Regicom, and to intensify our efforts to control costs, with the aim of restoring the EBITDA margin to around 15%.

2025 will also see the implementation of the Group's transformation plan on all fronts: organization, sales, products, IT, etc., in order to enter 2026 in a position of conquest and growth.

Meeting on February 18, 2025, the Board of Directors approved the Group's consolidated financial statements for the year ended December 31, 2024. The financial statements are audited, and the certification report on the consolidated financial statements will be issued once the management report has been approved by the Board of Directors and verified by the statutory auditors and the Independent Third Party for the CSRD.

All the 2023 figures presented in this press release correspond to the Solocal Group perimeter without the integration of Regicom. As regards the figures for Q4 & FY 2024, where "Group" is mentioned, this corresponds to the Solocal scope including Regicom, which has been integrated since July 31, 2024. Where "Constant perimeter" is indicated, this represents the Solocal perimeter excluding Regicom.

Due to rounding, figures in these tables and other documents may not add up exactly to totals, and percentages may not reflect absolute values exactly.

Definitions

Order intake: Orders recorded by the salesforce, that give rise to a service performed by the Group for its customers

Order backlog: corresponds to the outstanding portion of revenue yet to be recognised as at 31 December 2024 from order bookings such as validated and committed by customers. For subscription-based products, only the current commitment period is considered

Secured revenue: This is the recognition of future revenue from past order intake as validated and committed by customers to date (net of cancellations already noted) and which should give rise to a future service

ARPA: Average Revenue per Account, based on the last twelve months order intake for Solocal SA

Winback: acquisition of a customer who has been lost in the previous 12 months

Churn: number of churned customers on a LTM basis

Churn rate: number of churned customers on a LTM basis divided by the number of customers BoP

Customer base: represents the number of customers with whom the Group has generated at least one euro in revenue over the past 12 months

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Solocal is the digital partner for all local companies in France, from VSEs, to SMBs or Large Companies with networks. We advise over 230 000 companies all over France and support them to boost their activity thanks to our digital services (Relational Presence, Websites and Digital advertising). We also bring users the best possible digital experience with PagesJaunes. We provide professionals and the public with our high audience services (16M views for PagesJaunes / TOP 50 Mediametrie), geolocalised data, scalable technology platforms, unparalleled commercial coverage across France, our privileged partnerships with GAFA.

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