



Questions asked during the Q1 2020 Revenue presentation

What solutions have you implemented to support your customers and users since the onset of the crisis?

We reacted quite fast when it comes to adapting our services to this new context. As a key partner of the small and very small enterprises, we felt accountable to help our customers extremely impacted by the crisis.

We decided to make rich content update on PagesJaunes service free over the lockdown period. This service helps businesses display relevant information, useful news and initiatives. We also launched a new website, “commerces ouverts”, building on our PagesJaunes platform, to increase visibility of open businesses on the web. This was designed and rolled out in less than 10 days. Similarly, we updated our Mappy platform to help consumers identify these open businesses on a map.

Additionally, we accelerated the development and the roll-out of some relevant functionalities on PagesJaunes such as instant messaging to better interact with consumers and a new order form to enable local click & collect. We did all that in record times with true benefit for our customers to support their business.

What measures have you taken to ensure business continuity?

We implemented a comprehensive plan to ensure business continuity now and most importantly to be ready for the economic upturn.

Most our sales, marketing and customer support staff will be fully operational by the end of the lockdown: some working remotely, some in our offices which will be adapted to respect sanitary measures and protect their health and safety. We believe most of our customers will be back to work as well; we are getting ready to be there to support their business with our digital services generating awareness and leads.

Additionally, we will leverage our Capex investments that have not been stopped during the lockdown period. All our R&D teams have kept on developing our new digital services which will be rolled out in coming months. We are planning to launch new Presence services in Q3 2020, including new features such as click & collect, bookings, instant messaging, all of them with specificities depending on the industry, for SMEs as well as Large accounts.

Moreover, we will stick to our strategic priorities building on our Q1 momentum. We will primarily focus on the customer base: keeping up with the migration to the new Presence

and Priority ranking services, upselling and cross-selling our customers with strategic Digital products including websites, Performance advertising products such as Booster Contact and resuming with customer acquisitions quarter by quarter.

What are your cost reduction measures?

As announced we expect at this time the impact of the crisis to be of at least -20% decrease on our 2020 revenues compared to 2019. In terms of costs, Solocal is a fixed cost business, cost reductions are hence critical in this context. As such, we have identified c. €40 million savings on top of those that were initially forecast for 2020 and on top of massive cost reductions implemented since the transformation plan was launched in February 2018. This amount takes into account the impact of technical unemployment enabled by the Government. Approximately 50% of staff has been fully or partially impacted by such measures. We have also frozen new hires except for strategic recruitment.

Moreover, we have identified cost cutting on external charges such as decrease in corporate marketing expenses, limitation on travel expenses and reduction of all types of subcontracting and consulting expenses.

What is your liquidity forecast for the coming months?

We are assessing the impact of the health crisis in France on our liquidity situation as it evolves, and new announcements are made by the French government.

As of 31st March 2020, our cash position is €17 million, including sale proceeds of the Spanish subsidiary QdQ which are non-significant. As announced, the lockdown has impacted our Digital order intake by approximately -70% in the last weeks of March (vs. 2019), which in turn impacts our liquidity even though on a slightly deferred timing since we still cash in contracts sold previously. As a reminder, we have fully drawn the Revolving Credit Facility.

As such we took immediate actions to preserve our liquidity position through various measures as soon as the shutdown of schools was announced by the French President: on top of our cost-cutting plan on external and personnel charges, we decided conservatively not to pay the coupon due mid-March 2020. We also benefited from the postponement of social charges payment due in March, as authorised by the State. Additionally, we are currently discussing with some partners to obtain a State-guaranteed loan (PGE).

Can you tell us more about the State-guaranteed loan (PGE)?

We are finalising our forecast and our business plan in order to size the need, so as to be in a position to discuss in more detail with various partners. The potential PGE size also highly depends on the measures taken by the Government to progressively end the lockdown period and on the pace of the recovery. Solocal will communicate on this matter in due time.

We are currently discussing with several financing institutions regarding the implementation this PGE.

How are discussions with bondholders going?

After the announcement on 16th March 2020 of non-payment of the coupon for Solocal bond due March 2022, we first requested a standstill that 80% of bondholders agreed upon. At the same time, we assessed the current exceptional situation, its effects on our business and on our clients and the way we need to adapt in order to implement our strategy even though the timeframe has changed. We are currently working on updating forecast and business plan which will enable us to discuss with our bondholders on more solid grounds.

We will communicate in due time on the various steps of this process. Solocal is a highly profitable company on a dynamic market.

Solocal - www.solocal.com

We are the local digital partner for companies. Our job: advising and supporting them to boost their activity thanks to our digital services (Digital Presence, Digital Advertising, Websites, New Print Solutions). We also provide users with the best possible digital experience with PagesJaunes, Mappy and Ooreka, and our partners (Google, Facebook, Apple, Microsoft/Bing, Yahoo!, etc.). We provide professionals and the public with our high audience services, geolocalised data, scalable technology platforms, unparalleled order intake coverage across France, our privileged partnerships with digital companies and our talents in terms of data, development, digital marketing, etc. We gather 375,000 companies all over France and 2.7 billion visits on our services. Solocal moreover benefits from the "Digital Ad Trust Classique" label for its PagesJaunes and Mappy digital services. To know more about Solocal (Euronext Paris "LOCAL"): let's keep in touch [@solocal](https://twitter.com/solocal).

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