



2018 earnings

Year of strong investment in a rapidly evolving market

Press release – Paris, April 11, 2019 - 5:35pm

Weborama (FR0010337444 – ALWEB – PEA PME), a global leader for data science delivering scientific consumer insights, is today reporting its full-year earnings for 2018, approved by the Board of Directors on April 11, 2019.

€m	2018	2017
Revenues	32.27	31.38
Gross margin	19.9	20.74
<i>Gross margin rate</i>	62%	66%
EBIT	(2.21)	2.12
Financial income and expenses	(0.21)	(0.23)
Non-recurring income and expenses	(0.48)	(0.03)
Minority interests and income from associates	(0.76)	(0.78)
Net income (Group share)	(1.75)	2.47

2018 growth held back by an unfavorable market environment

Faced with a market environment slowdown in 2018 linked to the impact of GDPR's rollout, and US development taking longer than expected, Weborama achieved 3% revenue growth in 2018 (+6% at constant exchange rates) to €32.3m.

The Data Strategy division, which accounts for all the investments, has maintained its strong commercial performance with both historical and new clients across an increasingly wide range of missions. Its revenues are up +12% to €23.7m, representing 74% of consolidated revenues, compared with 68% in 2017.

For the full year, international sales represent around 70% of revenues.

EBIT shows a loss of €2.2m, reflecting the strong investments made

Factoring in a significant increase in raw data purchases, the gross margin rate for 2018 came to 62%, compared with 66% in 2017. These purchases are intended to extend the size and depth of the profile database in order to prepare for future growth.

These were combined with the costs for setting up new activities in the US and the R&D investments made, including the recruitment of machine learning and data science experts.

2018 EBIT was affected by the increase in these costs and the impact of the ruble's devaluation, delivering a loss of €2.2m (versus +€2.1m in 2017).

In line with its sustained research and development efforts, the Group recorded a research tax credit of €2.1m for the year.

After taking into account financial income and expenses, tax and non-recurring expenses of €0.5m linked to adjustments for previous years, the Group's net income represents -€1.2m.

Financial position strengthened and development sustained

Following the €5.6m capital increase from December last year, the Group had €7.9m of cash at December 31, with financial debt down €1.1m to €3.8m and €24.3m of shareholders' equity (including minority interests) versus €21.1m in 2017.

Weborama's market trends are still buoyant, with an acceleration of the digital transformation reaching all businesses worldwide and based to a great extent on data-driven consumer knowledge. Faced with GAFAs' dominance, advertisers are today looking for alternative solutions that enable them to keep the ownership and freely activate their data.

In this environment, Weborama is one of the few operators able to offer a global proprietary data solution that is personalized, efficient, non-intrusive and competitive.

The Group plans to capitalize on its robust commercial performance to accelerate its growth and continue developing its technologies, while managing its costs effectively.

Weborama is a world leader for data science supporting businesses with their digital marketing transformation thanks to its range of tools and expertise delivering scientific consumer insights. In a globalized marketing world within which the relationship between brands and their audiences is increasingly individualized, Weborama provides a custom proprietary data solution that is efficient, non-intrusive and competitive, on a global scale, for next-generation marketers.

Weborama's solutions include a number of proprietary technologies, particularly a data management platform (DMP), fed by one of the world's most advanced behavioral databases (BigSea: 1.5 billion anonymized profiles, 220 qualification criteria). Expanding strongly, this database benefits from exclusive Data Science capabilities combining Natural Language Processing and Machine Learning.

Listed on Euronext Growth™ in Paris, Weborama is developing its expertise in around 30 countries, supported by a team of 250 people. Weborama is an accredited research entity in France and a member of the Excellence Club of BPI France, which has awarded the Group its "Innovative Business" label. It is also eligible for SME share-based savings schemes (PEA-PME).

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