



Linedata

2017 annual results – a reflection of the Group’s investment strategies

	2016	2017	Change
REVENUES	166.8	179.0	+7.3%
EBITDA <i>% of revenues</i>	49.9 29.9%	43.5 24.3%	-12.7%
OPERATING PROFIT <i>% of revenues</i>	39.1 23.4%	30.2 16.9%	-22.8%
NET PROFIT <i>% of revenues</i>	23.6 14.1%	19.8 11.1%	-16.1%

Rounded audited figures

Neuilly-sur-Seine, 13 February, 2018 – Linedata (LIN:FP), the global solutions and outsourcing services provider to the investment management and credit finance industries, is announcing 2017 annual results which reflect, as expected, the acceleration of the “Linedata 2018” plan.

In 2017, the Group generated revenues of €179.0M, up 7.3% compared to 2016. On a like-for-like basis, business is down 5.2% compared to 2016.

At the start of the 2017 financial year, the Group launched an ambitious transformation of its technology and software platforms. At the same time, the integration of two new businesses, Gravitas and QRMO, required exceptional investment efforts with a one-off impact on results.

In line with its strategic plan, Linedata increased its R&D spending by 11.6% to €19.4M. This increase, coupled with the costs of integrating new businesses with services-orientated offerings, has resulted in a Group EBITDA of €43.5M (24.3% of revenues).

EBITDA Margin Rate	2016	2017
Asset Management	30.5%	23.5%
Lending & Leasing	25.1%	24.5%
Other business	58.4%	40.7%
Total	29.9%	24.3%



Asset Management revenues were up significantly, by 19.6%, thanks to positive contributions of €24M from Derivation, Gravitas and QRMO. On a like-for-like basis and at constant exchange rates, revenues were down 1.9%, mainly due to “wait-and-see” postures in the face of Brexit negotiations. EBITDA in the segment reached €27.9M. The EBITDA margin was 23.5%, down on 2016 due, in particular, to the rising costs of R&D and acquisitions.

The Lending & Leasing segment was able to limit the reduction in its annual revenues to 7.7% thanks to a strong end-of-year performance, which enabled the Group to post a rise in its business activity, including a 22.4% growth in bookings. EBITDA reaches €13.5M, a margin of 24.5%, almost the same as in 2016.

Analysis of results

The operating profit is €30.2M, down 22.8% on 2016. This reflects the rise in depreciation charges following the acquisitions made during the year and the rise in depreciation charges on capitalized R&D.

The financial result is -€7.9M, compared with -€3.2M in the previous year, as a result of the negative impact of variations in the euro/dollar exchange rate on intercompany loans and current accounts and the rise in interest on debt linked to the growth in average outstanding credit balances.

After accounting for tax of €2.5M, a substantial reduction compared to €9.8M in 2016, the net profit was €19.8M, compared with €23.6M in 2016.

Net earnings per share (NEPS) were €2.75 in 2017 compared with €3.27 in 2016.

Balance sheet analysis

At 31st December, equity capital was €115.4M, a slight rise of 0.5% on 2016.

Net indebtedness was €77.7M compared with €39.7M in 2016 as a result of the additional debt incurred to finance the Group's growth by acquisition.

Dividend

A dividend of €1.35 per share will be proposed at the next Shareholder's Meeting.

Outlook

Linedata is confirming its confidence in its continued growth in 2018.

The synergies expected with Gravitas and QRMO, the ramping-up of the new AMP (Asset Management Platform), and the deployment of modular digital solutions for the credit market are just some of the strengths that will enable the Group to make a success of its “Linedata 2018” corporate project.

Next communication: Revenues for 1st quarter 2018, on 26th April, 2018, after close of trading.



ABOUT LINEDATA

With 20 years' experience and 700+ clients in 50 countries, Linedata's 1,300 employees in 20 offices provide global humanized technology solutions and services for the asset management and credit industries. Linedata supports corporate development and boosts its clients' growth.

Linedata's 2017 revenue was €179.0 million. Linedata is listed on Euronext Paris compartment B FR0004156297-LIN – Reuters LDSV.PA – Bloomberg LIN:FP.

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