



2019 First Half-Year Results

Improvement in the operating margin

	First half 2018	First half 2019	Change
REVENUE	83.8	84.8	+1.2%
EBITDA <i>% of revenue</i>	19.0 22.7%	21.5 25.4%	+13.1%
OPERATING INCOME <i>% of revenue</i>	11.8 14.1%	13.3 15.7%	+12.1%
NET RESULT <i>% of revenue</i>	8.1 9.7%	8.2 9.6%	-

Rounded, audited figures (€M)

Neuilly-sur-Seine, 11 September 2019 – Linedata (LIN:FP), global solutions and outsourcing services provider for the asset management, insurance and credit industries, delivered, as announced, an increase in its operating profitability in the first half of 2019.

The Group realised half-year revenues of €84.8 million; an increase of 1.2% compared to the first half of 2018. Without the impact of Linedata Gravitas ceasing its Build Operate and Transfer (BOT) business, for which the last client effected an internal transfer at the end of 2018, the pro-forma growth in sales would be 4.8%.

EBITDA amounted to €21.5 million; an increase of 13.1% compared to the first half of 2018. This figure includes, for the 2019 financial year, the impact of the application of IFRS 16 on operating leases. Without this change in accounting standards, EBITDA would have been €19.2 million, a stable result compared to the previous year.

Operating Income reached €13.3 million (€13.2 million after the adoption of IFRS 16), up 12.1%, due to a significant decrease in provisions for risks and for bad debt.

EBITDA margin analysis

EBITDA margin	First half 2018	First half 2019
Asset Management	21.1%	24.3%
Lending & Leasing	23.8%	25.6%
Other activities	45.3%	51.3%
Total	22.7%	25.4%



In the first half of 2019, Asset Management revenues grew slightly (+ 0.2%). Restated for the exceptional negative impact of €2.9 million related to the end of the BOT contract at the end of 2018, the segment's pro-forma growth reached 5.9%. The EBITDA margin increased by 2.4 points but remains stable (20.8%) at constant standards.

Lending & Leasing segment revenues for the first half of 2019 were up 3.8% compared to the same period in 2018. EBITDA was €7.2 million, up €0.8 million. Restated for IFRS 16, this EBITDA figure is reduced to €6.7 million.

Analysis of results

The financial result was -€1.9 M million compared to -€1.3 million for the same period last year. The difference of -€0.6 million is due, in half part, to the impact of the application of IFRS 16 on lease and rental liabilities and, for the remaining part, to an increase in foreign exchange losses.

After taking into account taxes of €3.2 million, up €0.8 million compared to the same period last year, net income for the first half of the year was stable at €8.2 million, reflecting a net margin of 9.6%.

Balance sheet analysis

At June 30, 2019, shareholders' equity amounted to €107.9 million, down €5.1 million compared to December 31, 2018. This decrease reflects accounting for the payable dividend of € 9.6 million and an increase of €4.4 million in ownership of the company's shares.

Net debt, excluding the impact of the IFRS 16 rental liabilities, amounted to €75.2 million, down €2.5 million compared to the end of the previous financial year. It represents 1.7x the EBITDA for 2018.

Outlook

In the second half of the year, the Group will pursue its action plan aimed at bringing its Software, Services and Data activities closer together. In this context, investments in their integration will be intensified.

For the year as a whole, Linedata anticipates revenue close to that of 2018 despite the negative impact of the shutdown of the BOT activity.

Next communication: 3rd quarter 2019 revenue, 22 October 2019

ABOUT LINEDATA

With 20 years' experience and 700+ clients in 50 countries, Linedata's 1300 employees in 20 offices provide global humanized technology solutions and services for the asset management and credit industries that help its clients to evolve and to operate at the highest levels. Headquartered in France, Linedata achieved revenues of EUR 173.2M in 2018 and is listed on Euronext Paris compartment B FR0004156297-LIN – Reuters LDSV.PA – Bloomberg LIN:FP.

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