

2017 First Half-Year Results

EBITDA: €18.9 M - Net profit: €5.1 M

In €M - IFRS	H1 2016	H1 2017	Change
Revenue	83.1	90.6	+ 9.0%
EBITDA <i>% of revenue</i>	23.6 28.4%	18.9 20.8%	-20.1%
Operating profit <i>% of revenue</i>	18.1 21.8%	11.8 13.0%	-34.9%
Net profit <i>% of revenue</i>	11.8 14.2%	5.1 5.6%	-57.3%

Rounded, audited figures

Neuilly-sur-Seine, 11 September, 2017 - Linedata (Euronext Paris:LIN), the global solutions provider dedicated to the investment management, credit finance and insurance industries, recorded as anticipated a decrease in earnings for the first half of 2017. This decrease is explained principally by the acceleration of the “Linedata 2018” action plan, which led to sustained product investments, and by the effect of a change in product mix, more heavily weighted towards service offerings.

For the period, the Group recorded revenue of €90.6 M, up by 9.0% compared with first half 2016. On a like-for-like basis at constant exchange rates, earnings were down by 5.4%.

The Group’s consolidated EBITDA was €18.9 M for the first half of 2017, equal to 20.8% of revenue.

As announced, the Group accelerated R&D investments, which amounted to €10.3 M (11.4% of revenue), up 17.9% compared with first half 2016.

Analysis of EBITDA margin

By segment, EBITDA margin breaks down as follows:

EBITDA margin	H1 2016	H1 2017
Asset Management	28.9%	21.9%
Lending & Leasing	23.9%	16.0%
Other activities	55.7%	43.2%
Total	28.4%	20.8%

Asset Management achieved revenues of €61.3 M, a growth of 24.8% compared with first half of 2016, driven mainly by the contribution of the Gravitas business (€11.9 M) and favourable sales trends in North America and Asia. On a like-for-like basis, revenue was up 0.6% compared with 2016.

EBITDA for the segment was €13.5 M, or 21.9% of revenue, a decrease compared to 2016 due mainly to the integration of Gravitas. This included non-recurring post-acquisition costs and the previously announced increase in R&D expenses.

Revenue for the Lending & Leasing segment was €26.5 M in the first half of 2017, down 11.4% compared to the same period for 2016.

EBITDA was €4.2 M, 16.0% of half-year revenue, down by 7.9 points. This contraction was mainly linked to a lower profit margin in the United States and a smaller proportion of perpetual licenses.

Results analysis

The operational result, which includes an increase in depreciation charges following the acquisition of Gravitas and an increase in capitalized R&D, was €11.8 M for first half 2017, 34.9% lower than for the first half of 2016. The operational margin was 13.0%, versus 21.8% for first half of 2016.

The financial result was -€4.7 M, versus -€2.1 M for last year, due essentially to an unfavourable comparison basis for net exchange losses compared with first half of 2016 and a slight increase in interest expense linked to the increase in average loans outstanding.

After taking into consideration tax of €2.0 M, the net half-year result was €5.1 M, down 57.3% compared to the same period for 2016.

Balance sheet analysis

Shareholder equity totaled €103.5 M, down 9.9% compared with December 31, 2016, due to dividend payments and exchange rate movements.

Net debt was €69.8 M, versus €39.7M on December 31, 2016. This represents 1.4 times 2016 EBITDA.

Outlook

For 2017, Linedata anticipates revenue growth for the full-year, with an improvement in profitability, in the second half-year.

In order to accelerate the Group's digital transformation, Linedata will pursue its 2017/2018 action plan, bringing truly innovative platform solutions to market and successfully integrating combined Software & Service offerings following the Gravitas acquisition at the start of the year and, more recently, QRMO.

This ambitious investment strategy and business model evolution will give Linedata the means to develop its market positioning and penetration over the long-term.

Next communication: Revenue for 3rd quarter 2017, October 19, 2017, after close of trading.

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ABOUT LINEDATA

Linedata is a global solutions provider dedicated to the investment management and credit finance communities, with close to 1250 employees in 20 offices across the globe. Linedata has been at the service of the financial industry from day one, and applies its market and client insight to provide innovative and flexible mission-critical software and services that help its clients grow in over 50 countries. Headquartered in France, Linedata achieved revenues of EUR 166.8 million in 2016. This company is listed on Euronext Paris compartment B FR0004156297-LIN - Reuters LDSV.PA - Bloomberg LIN:FP.

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