

## Press release

# Half-year results 2023: return to a positive EBITDA in H1

London, 20<sup>th</sup> September 2023 - Invibes Advertising (Invibes), an advanced technology company specialising in digital advertising, has published its results for the first half of 2023, marking a return to positive EBITDA.

The half-yearly financial report is available on the Company's website: <https://www.invibes.com/uk/en/investors.html>

Consolidated data, Unaudited, in k€	H1 2023	H1 2022	Δ
<b>Turnover</b>	<b>12 441</b>	<b>13 265</b>	<b>-6%</b>
Purchases and external expenses	(7 136)	(7 274)	-2%
Staff costs	(5 113)	(6 958)	-27%
<b>EBITDA</b>	<b>192</b>	<b>(967)</b>	<b>+1 159</b>
Depreciation, amortisation and provisions	(599)	(630)	-5%
<b>Operating income (loss)</b>	<b>(407)</b>	<b>(1 597)</b>	<b>+1 190</b>
Financial result	(36)	(141)	+74%
Tax	(3)	(1)	-
<b>Net result (loss)</b>	<b>(446)</b>	<b>(1 739)</b>	<b>+1 293</b>

## Resilient sales for the first half of 2023, down 6% H1 YoY.

In the 1<sup>st</sup> half-year to 2023, Invibes recorded sales of €12.4m, down 6% on the comparative period in 2022, reflecting contrasting trends by country.

During the first six months, business in the **existing countries** where Invibes has been established for the longest (France, Spain, Switzerland) continued to be challenging.

Whilst **countries in the scale-up phase** (Germany, the UK, Italy, and Belgium) proved resilient, with sales up 23% over the period.

## Return to positive EBITDA in H1.

Faced with a significant slowdown in the advertising market in the summer of 2022, Invibes rapidly responded by taking immediate steps in the second half of the year to optimize its cost structure, notably by cutting its staff by 15% in the second half of 2022, with the aim of returning to profitability in 2023.

These rapid measures to cut costs enabled the Group to adapt its cost structure to the weaker economic environment, while maintaining the sales forces needed to pursue growth in all its strategic growth countries. These measures, in combination with a stringent control on other key parameters, such as gross margin, have enabled a return to positive EBITDA from 1st half 2023.

The breakdown of EBITDA by country maturity is as follows:

<i>Consolidated data, Unaudited, in k€</i>	<b>H1 2023</b>	<b>H1 2022</b>	<b>H1 2021</b>
<b><u>Existing countries</u></b> <sup>(1)</sup>			
Turnover	8 332	10 148	7 014
EBITDA	2 543	3 316	2 078
% EBITDA	31%	33%	30%
<b><u>Scale-up</u></b> <sup>(2)</sup>			
Turnover	3 584	2 918	1 691
EBITDA	133	(446)	(283)
% EBITDA	4%	-15%	-17%
<b><u>New countries (start-ups)</u></b> <sup>(3)</sup>			
Turnover	524	199	10
EBITDA	(392)	(753)	(40)
% EBITDA	-	-	-
<b><u>Group overheads</u></b> <sup>(4)</sup>			
	<b>(2 094)</b>	<b>(3 084)</b>	<b>(1 252)</b>
<b>Consolidated EBITDA</b>			
	<b>192</b>	<b>(967)</b>	<b>503</b>

(1) France, Spain, Switzerland and ML2GROW

(2) Germany, United Kingdom, Italy, and Belgium

(3) Sweden, Norway, Denmark, South Africa, Netherlands, UAE, Poland, and Czech Republic

(4) Excluding CAPEX

Despite a fall in activity in the countries where Invibes has been established for the longest (France, Spain, Switzerland), the EBITDA margin remained solid at over 31%, demonstrating the resilience of the model when a market is mature and established and all the fundamentals are activated, despite more difficult conditions.

In countries in the scale-up phase (Germany, the UK, Italy and Belgium), sales growth has been accompanied by an improvement in profitability, with EBITDA showing a positive trend over the period.

After considering a depreciation of €599k, Invibes posted an operating loss of €407k, more than quadruple the figure for the first half of 2022.

The net loss was also divided by almost 4 over the period, reaching €446k.

### **A solid balance sheet to support growth.**

With a gross cash position of €17.3m (including €5.3m of deconsolidating factoring), and a net cash position of €10.5m at 30 June 2023, the Group has the necessary capacity to finance its future development and maintain a high level of investment in R&D, with innovation remaining the key driver of the Invibes model.

### **Intelligent targeting solutions that are ever more innovative and unique, offering a strong competitive differentiation.**

The cost-cutting measures have been implemented with the aim of maintaining its capacity for innovation, which is essential if it is to continue to stand out in the digital advertising ecosystem and win new market share.

On the strength of this constant innovation, Invibes stands out from its competitors with a unique value proposition incorporating technological Services & Solutions tailored to

advertisers' business sectors and ever more new intelligent targeting solutions based on big data and innovative, high-impact in-feed formats.

To give an example, in the first half of the year, Invibes launched Invibes Survey, an interactive targeting solution which has proved very popular with advertisers - combining the power of branding with the collection of direct feedback from users on any subject to gather key data with a view to optimising future campaigns and improving the customer experience.

Upstream of a campaign, this new solution uses a survey of a group of people to accurately identify target audience segments based on characteristics similar to those of the survey respondents, making it possible to extend the reach of the advertising campaign and win over new customers.

At the end of a campaign, the advertiser can also launch a survey to measure its effectiveness and impact (awareness, image, purchase intentions, consumption habits, etc.).

Multiple advertisers have already successfully used this innovative solution in recent months, including Nissan, Universal Pictures and Amazon Prime Video.

## **Outlook: reaffirmation of target of positive EBITDA in 2023**

With a first half marked by a return to positive EBITDA, benefiting from the effect of the cost-cutting measures implemented at the end of 2022, Invibes is reaffirming its confidence in its objective of achieving positive EBITDA over the full 2023 financial year.

## **About Invibes Advertising**

Invibes Advertising (Invibes) is an international technology company specialising in digital advertising innovation.

Founded on the philosophy that advertising efficiency comes from being truly innovative and naturally engaging to users, Invibes has developed an integrated technology platform for brands to reach consumers through impactful in-feed advertising.

Invibes delivers advertising that creates positive attention by harnessing the power of big data, innovative in-feed formats, wide reach and extensive intelligence services.

Pioneering the way in sustainable advertising, Invibes also offers a unique solution to offset campaign emissions through its Carbon-Neutral label.

In order to partner with some of the greatest brands in the world, like Amazon, Bacardi, Dell, IKEA and Toyota, we rely on even greater people. At Invibes we strive to maintain an energetic, open environment that fosters a culture of ideation, growth and #GoodVibes, that shines straight through to our clients.

Want to hear more about Invibes? Visit: [www.invibes.com](http://www.invibes.com)

Invibes Advertising is listed on the Euronext Stock Exchange (Ticker: ALINV – ISIN: BE0974299316)

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**Financial & Corporate Contacts:**

**Kris Vlaemynck, co-CEO**

[kris.vlaemynck@invibes.com](mailto:kris.vlaemynck@invibes.com)