

December 6, 2019 – 7:30 am CET

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## AudioValley announces the sale of Storever:

- To focus on 100% digital audio solutions that are now the priority
- To strengthen the Group's financial resources

**AudioValley, an international specialist in BtoB digital audio solutions,** (ISIN Code: BE0974334667/Ticker: ALAVY) is today announcing the signature of an agreement to sell Storever, an international agency that designs and markets in-store point-of-sale communication with audio and/or video solutions, to Italian company M-Cube. M-Cube has been active in point-of-sale digital and multimedia marketing since 2001. Once M-Cube incorporates Storever's clients into its portfolio, the expanded Group will considerably strengthen its position on the European market, with some 45,000 points of sale in over 80 countries worldwide, and will become the leading European group in the in-store radio and digital communication sector.

The sale price was €15 million. AudioValley owned 80.97% of Storever's capital before the sale. A long-standing Group business since 2003, Storever became a key player in the sale of in-store audio solutions on the European market. With a customised solution for every brand, Storever's in-store radio programmes are designed to fit with the company's broader marketing initiatives and help to enhance brand visibility, win over and maintain a base of loyal customers and increase point-of-sale revenue. Sold in the form of multi-year subscriptions for each point of sale, as of 30 June 2019 over 16,000 points of sale used this type of solution.

Storever had 46 employees at the end of June 2019 (33% of the Group's headcount) and generated revenue of €7.7m in 2018, for current operating income before amortisation of €2.0m. In the first half of 2019, revenue for the division totalled €3.8m, for current operating income before amortisation of €1.1m. Storever's net debt at the end of June 2019 was €3.5m.

This transaction will enable AudioValley to concentrate on its higher-growth 100% digital audio solutions: Targetspot, an online radio audience aggregation and monetisation solution, and Jamendo, a rights management and music licensing sales platform. Over the first nine months of 2019, these two divisions (Targetspot and Jamendo) generated combined revenue of €15.3m, an increase of 28.9% year-on-year.

Income from these sales will help to improve the financial structure of the Group, which has reiterated its intention to prepay the outstanding debt under the terms of the seller credit obtained when acquiring a majority stake in the Radionomy/Targetspot division. AudioValley recently reached an agreement with Vivendi to prepay a total amount of €16m (the nominal amount outstanding at 30 June 2019 was €24.6m) on the following schedule:

- €13m to be paid by 20 December 2019; and
- the balance of €3m to be paid by 31 March 2020.

# Press release

[www.audiovalley.com](http://www.audiovalley.com)



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After taking into consideration the change in scope associated with the sale of Storever, AudioValley is now targeting revenue in excess of €22m for 2019 (excluding discontinued operations), which represents proforma growth<sup>1</sup> of 30%. This growth is expected to drive a sharp improvement in operating income before amortisation and provisions in 2019 compared to 2018 (excluding discontinued operations), continuing the trend witnessed in the first half of the year.

## Future updates (after the stock market closes):

### **FY 2019 Turnover**

27 January 2020

### **FY 2019 Results**

21 April 2020

## CONTACTS

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<sup>1</sup> After eliminating Storever from 2018's figures.