

# Ymagis Group Presents "Perform2020" Strategic Plan

## **Press Release**

Paris (France) -11 October 2016

### **Ymagis Group Presents "Perform2020" Strategic Plan**

#### **Sustained organic growth to replace VPF activities**

#### **Restoring profitability for Content Services business unit**

#### **Strengthening international activities**

#### **Ymagis Group (ISIN:**

**FR0011471291, TICKER: MAGIS, PEA-PME eligible),**

the European specialist in digital technologies for the cinema industry, today released its 3-year strategic plan,

*Perform 2020*

. Following a build-up period that saw revenue quadruple since Ymagis' IPO in 2013, the Group is setting the framework for a new profitable growth phase based upon the rationalization of its organizational structure and services offer as well as innovation and international expansion.

#### **VPF remains a significant cash-flow source**

The VPF (Virtual Print Fee) business unit, one of the Ymagis Group's original revenue sources via the financing of the digital transition of European cinemas, is generating lower revenue, as anticipated. However, the business will continue to contribute significantly to the cash-flow in the coming years, allowing the Group sufficient revenue to finance the rationalization and growth of its two other business units, CinemaNext (exhibitor services) and Eclair (content services).

#### **Double-digit organic growth for Eclair and CinemaNext**

As a European services leader through Eclair and CinemaNext, Ymagis Group is working toward a compound annual growth rate of at least 10%. The objective is to replace by 2020 the VPF business unit, which represented 41% of revenue as of 30 June 2016, by the two services business units.

Ymagis Group will reap the benefits of a dynamic marketplace fueled by content development and platforms as well as the continued increase in movie ticket sales. With first-generation digital projection systems now nearly 8 years old, an important short- and long-term replacement market is also expected. Finally, Ymagis Group aims to anticipate market needs by rationalizing its businesses and segmenting its offer to concentrate on those with the greatest added value.

The reorganisation, implementation of synergies, economies of scale already undertaken and overall management of operations are expected to quickly render Eclair's activities profitable and lead to a profit before taxes of at least 5% for the entire Group.

### **Strong business potential through innovation**

The numbers above do not include revenue and earnings generated by new services or products developed by the Group's various entities.

Ymagis Group recently launched its new digital color solution, EclairColor. The result of synergies between its two services business units, EclairColor significantly improves the quality of image projection in cinemas, which is an important differentiating factor. The technology, which has just been released on the market, received a very positive response from industry professionals at the annual French cinema exhibitors' convention (FNCF) last month. Building upon synergies within Eclair and the recurrence of the business unit's six divisions, further new product developments such as EclairPlay, a one-stop platform showcasing Eclair's complete portfolio of services, are underway. Ymagis Group is also developing a Premium Large Format solution in the interest of providing exhibitors with a new premium product offer.

### **Focus on an external growth strategy**

In its position as a European industry leader and once it has met the parameters for profitable organic growth, Ymagis Group intends to keep playing a consolidation role in the industry and pursue external growth opportunities that will allow it to expand its services portfolio and accelerate its internationalization in high-potential geographic areas. The Group anticipates an additional €50M in revenue over the course of the next three years through its future acquisitions that will generate a profit margin at least equal to that obtained through organic growth,

### **Strategic plan available online**

## About Ymagis Group

Ymagis is a European leader in advanced digital technology services for the cinema industry. Founded in 2007, the Group is headquartered in Paris and has offices in 23 countries with nearly 700 employees. Our core business is structured around three main units: CinemaNext (exhibitor services: sales and field services, software solutions, customer service/NOC and consulting), Eclair (content services: post-production, theatrical delivery, digital distribution, versioning and accessibility, restoration and preservation) and Ymagis (financial services). For more information, please connect to [www.ymagis.com](http://www.ymagis.com) [www.cinemanext.digital](http://www.cinemanext.digital) or [www.eclair.digital](http://www.eclair.digital)

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The

*Perform 2020*

strategic plan is available under "Publications" in the "Investors" section of the Ymagis Group corporate website or by clicking on the following link:

<http://goo.gl/gtgrLO>

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