

2016 Annual Results

EBITDA: +2.7% - Net margin: 14.1%

In €M - IFRS	2015	2016	Change
Revenue	172.3	166.8	- 3.2%
EBITDA	48.6	49.9	+ 2.7%
<i>% of revenue</i>	<i>28.2%</i>	<i>29.9%</i>	
Operating profit	38.0	39.1	+ 3.0%
<i>% of revenue</i>	<i>22.0%</i>	<i>23.4%</i>	
Net profit	26.1	23.6	- 9.6%
<i>% of revenue</i>	<i>15.1%</i>	<i>14.1%</i>	

Rounded, audited figures

Neuilly-sur-Seine, February 14, 2017: Linedata (LIN:FP), the global solutions provider to the investment management and lending and leasing industries, performed well in 2016 with an increase in its operating margin and highest ever EBITDA.

The Group generated €166.8 M in annual revenues, down slightly, by 3.2%, from 2015, due mainly to the adverse impact of the pound sterling exchange rate. Restated on a like-for-like basis, without this negative exchange rate impact of -€4.0 M and Derivation's positive contribution of €1.3 M, there was a slight organic decrease in revenues of 1.6% compared to 2015.

In support of its "Linedata 2018" business strategy, the Group accelerated its R&D spending, amounting to €17.3 M (10.4% of 2016 revenue), up 3% from 2015. However, effective cost management allowed the Group to improve its EBITDA to €49.9 M, which represents nearly 30% of revenue.

Analysis of the EBITDA margin

By segment, EBITDA margin breaks down as follows:

EBITDA margin rate	2015	2016
Asset Management	29.1%	30.5%
Lending & Leasing	23.1%	25.1%
Other activities	53.7%	58.4%
Total	28.2%	29.9%

In an environment that became unstable in the 2nd half, marked by a wait-and-see attitude in Europe regarding Brexit and the pound sterling's significant depreciation, Asset Management generated €99.4 M in revenues, down slightly, by 2.2%, compared to 2015. The segment's EBITDA amounted to €30.3 M, or 30.5% of revenue. The margin increased by 1.4 percentage points, thanks in particular to the increased share of offshore costs in direct costs and R&D.

Lending & Leasing revenues were €59.4 M, down 4.3% from 2015, mainly due to the late signing of Linedata Capitalstream orders. The proactive adjustment of costs to the decrease in revenues in North America allowed Linedata to generate €14.9 M in EBITDA, or a margin of 25.1%, up 2 points from 2015.

"Other Activities" revenues, which mainly include Insurance, were €8.0 M compared to €8.6 M in 2015 which benefited from exceptional revenues with one customer. EBITDA reached €4.7 M, which was stable compared to 2015.

Increase in operating profit

Operating profit was €39.1 M in 2016, a 3.0% increase over 2015. This was the result of a good performance in respect of EBITDA and the stability of allowances for amortization, depreciation, and provisions.

The financial result of -€3.2 M includes -€1.9 M in borrowing costs, -€1.4 M in other financial expenses, and €0.1 M in net foreign exchange gains. In 2015, the first two items amounted to -€2.1 M and -€1.5 M respectively, relatively similar to levels achieved in 2016. However, net foreign exchange gains were €4.7 M due to the strong appreciation of the dollar and the pound in 2015.

After a €12.3 M tax on profits (down €0.7 M from 2015), net profit stood at €23.6 M, down 5.1% compared with 2015.

Earnings per share were €3.27.

Low-debt on balance sheet

Equity totaled €114.9 M, down 10.9% compared with 31 December 2015. This reduction in equity is mainly due to the payment of an extraordinary dividend of €3 per share (around €22 M) in July 2016.

Net debt totaled €39.7 M compared with €18.1 M in 2015. It represents 0.8 times 2016 EBITDA.

Dividend

A dividend of €1.50 per share will be proposed at the next Shareholders' Meeting, up 7.1% from 2015 excluding 2015 extraordinary dividend.

Outlook

Linedata is reaffirming its drive to return to sustainable organic growth in 2017. The migration of existing clients to new product versions, the development of new, innovative technological platforms, and plans to take advantage of the many opportunities of the digital revolution will help the company achieve this ambitious goal.

In parallel, the Group will quickly benefit from synergies related to last January's acquisition of Gravitas through the expansion of its offering into outsourcing of front and middle office functions for asset managers.

The continued acceleration of R&D investments and the integration of the Group's recent acquisitions are expected to impact EBITDA margin and CAPEX in 2017. These investments are essential to the success of our "Linedata 2018" business strategy, which will deliver transformative solutions and improved performance to our customers, thus enabling the Group to reinforce the fundamentals of a robust business model built upon excellence and client satisfaction.

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www.linedata.com

Next communication: Revenue for first quarter 2017, May 10, 2017, after close of trading.

ABOUT LINEDATA

Linedata is a global solutions provider dedicated to the investment management and credit 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 €166.8 million in 2016. This company is listed on Euronext Paris compartment B FR0004156297-LIN - Reuters LDSV.LN - Bloomberg LIN: FP.

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