

A nighttime photograph of a city skyline, likely New York City, with numerous skyscrapers illuminated. The Prodware logo, a blue stylized 'P' with a right-pointing arrow, is positioned to the right of the main text. The text 'prodware' is in a white, lowercase, sans-serif font, set against a solid blue rectangular background that spans the width of the text.

# prodware

2019 HALF-YEAR RESULTS

October 23, 2019

**GOING FROM SOFTWARE INTEGRATOR TO DEVELOPING BUSINESS APPLICATIONS**

**SUPPORTING OUR CUSTOMERS THROUGHOUT THEIR DIGITAL TRANSFORMATION FROM CONSULTING TO MANAGED SERVICES**

BUT THE MOST INTERESTING THING IS THE NUMBER OF ISVs

### Microsoft Dynamics 365 and Power Platform ecosystem



# 30 YEARS' EXPERIENCE AND EXPERTISE IN THE FIELD OF IT INNOVATION

## VERTICAL & BESPOKE SOLUTIONS

INDUSTRY  
RETAIL  
DISTRIBUTION  
PROFESSIONAL SERVICES  
FINANCE

COMPREHENSIVE  
R&D  
FOCUSING ON  
SOFTWARE  
INNOVATION

2018 REVENUE  
**€175.9 M**

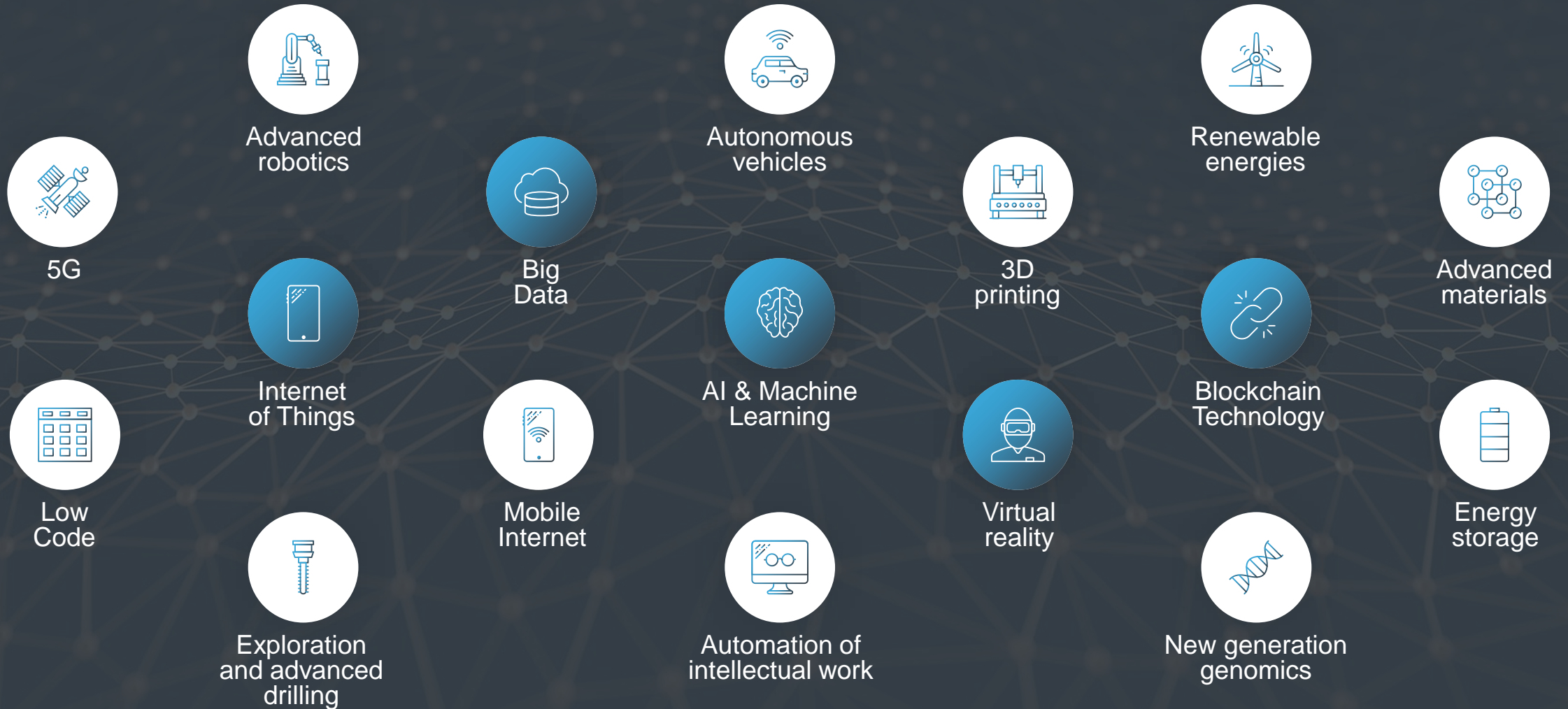
REVENUE H1 2019  
**€91.0 M**

**19,000**  
CLIENTS  
(SME AND MID-  
MARKET COMPANIES)

**1,355**  
EMPLOYEES

7.3% NEARSHORE  
employees

# OUR EXPERTISE



14 countries & more than 50 offices  
An international network covering 75 countries

## A GLOBAL PRESENCE



## PROVIDING CUSTOMIZED SOLUTIONS TO MEET CUSTOMER NEEDS

Depending on their line of business, their size, their offering (B2B, B2C) and their strategy (reputation, growth, profitability)



## MASTERING THE ENTIRE VALUE CHAIN

By means of a complete range of services including:  
Consulting – Integration – Cloud



## DEVELOPING SOLID PARTNERSHIPS WITH INDUSTRY LEADERS

With strategic partners

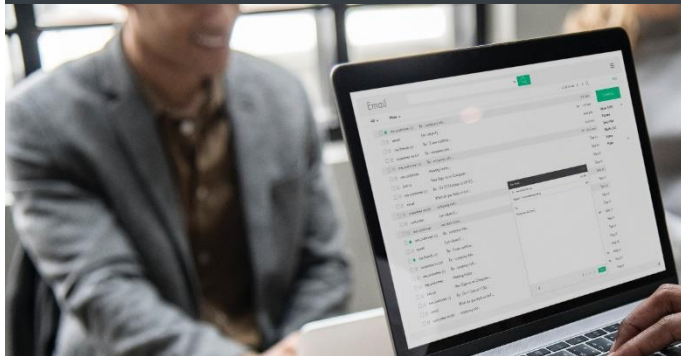


A nighttime aerial view of a city skyline, likely New York City, with numerous skyscrapers illuminated. A large, semi-transparent blue rectangle is overlaid on the left side of the image, containing white text. The text reads "H1 2019 Specifics".

# H1 2019 Specifics

# PURSUING THE 2016 - 2021 ACTION PLAN

## BUSINESS MODEL



INCREASING RECURRENCE  
DEVELOPING THE SAAS MODEL

MAXIMIZING MARGINS

## HUMAN CAPITAL



BOOSTING EXPERTISE  
MAINTAINING R&D EFFORTS  
LIMITING STAFF TURNOVER  
DEVELOPING NEARSHORE OPERATIONS

## PARTNERSHIPS

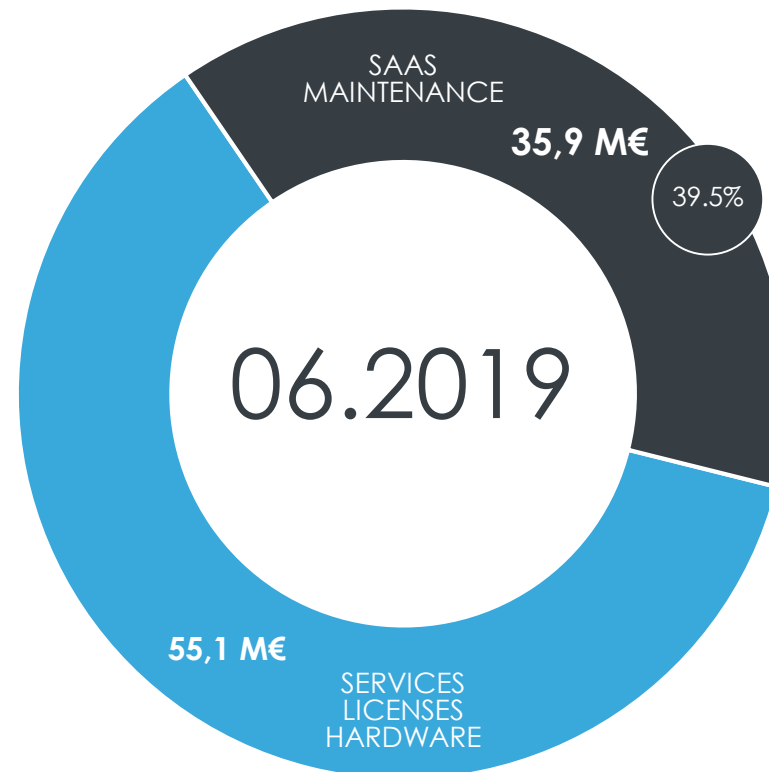
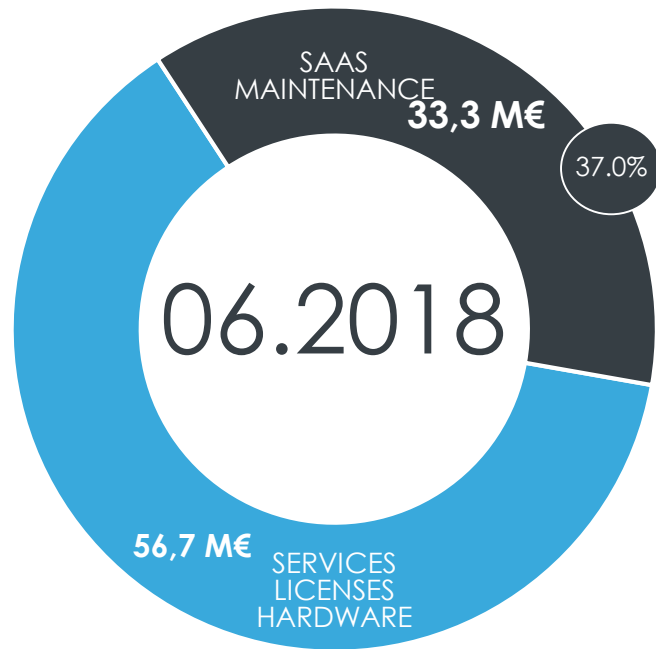


REINFORCING TIES WITH OUR  
3 STRATEGIC PARTNERS





# THE INCREASING SHARE OF RECURRING BUSINESS





# DYNAMIC MANAGEMENT OF HUMAN CAPITAL

**4<sup>th</sup> place in the ranking of Best Employers in France in 2019 in the software industry**

- Driving talent acquisition: 1,355 employees in March 2019 compared to 1,325 in March 2018
- 7.3% of personnel in the "nearshore" area

# A REINFORCED STRATEGIC PARTNERSHIP

Prodware achieves prestigious 2019/2020 Inner Circle for Microsoft Dynamics business solutions

*An award reserved for elite Microsoft partners*

2019/2020  
**INNERCIRCLE**  
*for Microsoft Business Applications*



# OUR SUCCESS STORIES

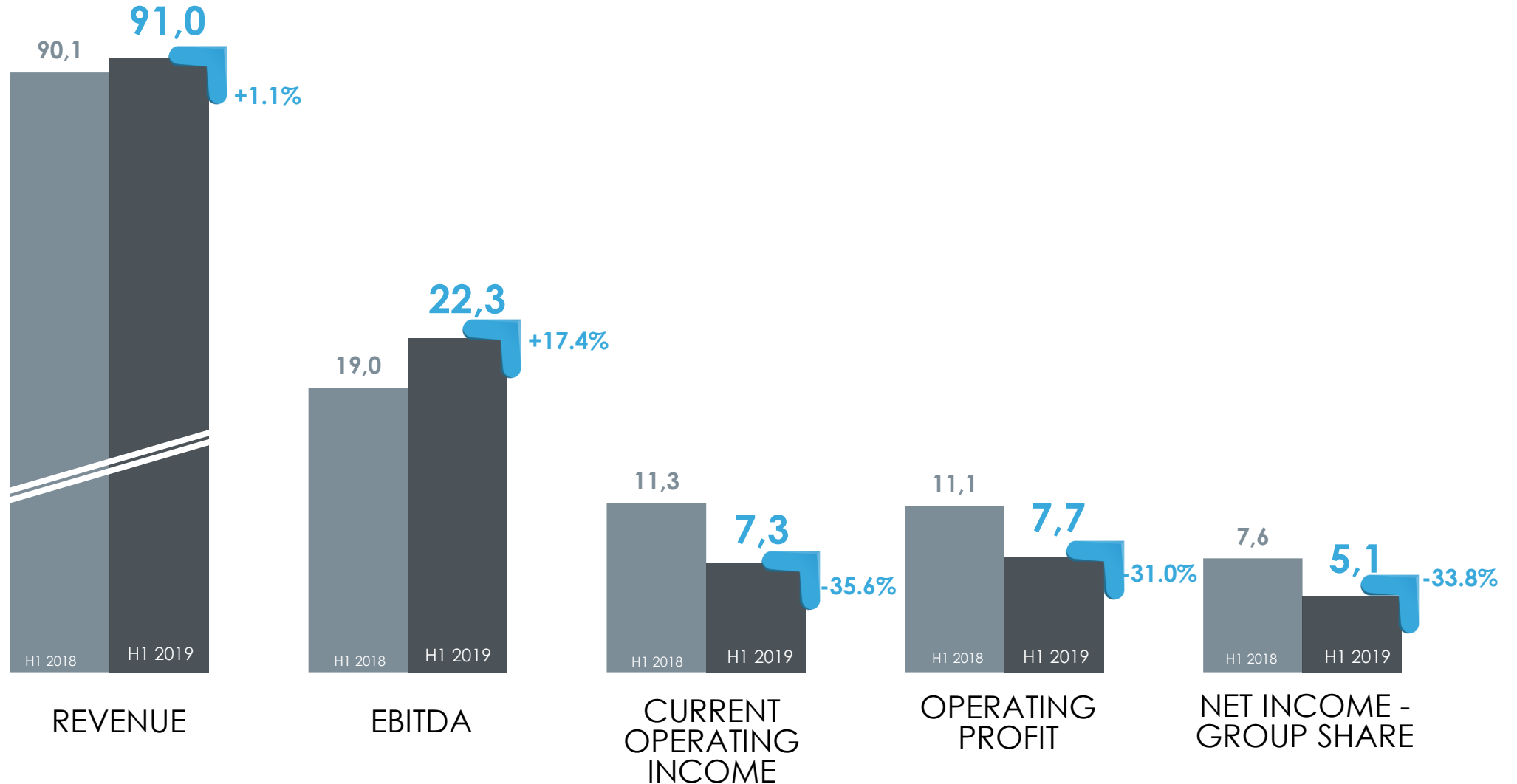


A satellite view of Earth at night, showing the curvature of the planet and numerous city lights glowing across the dark surface. The lights are concentrated in major urban areas and along coastlines. A blue rectangular box is overlaid on the upper right portion of the image, containing the title text.

# 2019 HALF-YEAR RESULTS

# KEY INDICATORS

The impact of IFRS 16 on EBITDA



# SIGNIFICANT FINANCIAL ASPECTS



Sustained growth of SaaS



SAAS REVENUE  
**+10.8%**

Strong growth in international business



INTERNATIONAL  
REVENUE **+11.5%**

A significant increase in license purchases



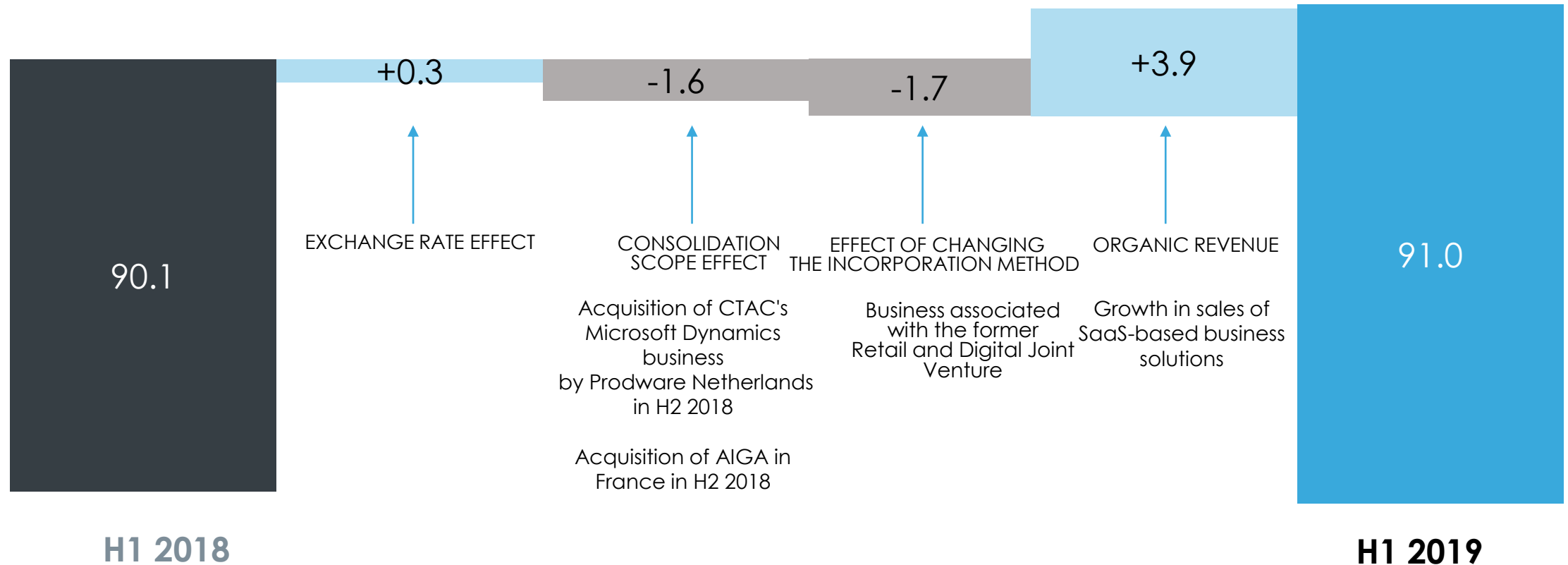
**+€4.6 M**

An increase in addition to depreciation and amortization, associated with the adoption of IFRS 16 and a reduction in structural costs



**+€5.6 M**

# THE STRUCTURE OF THE GROUP'S GROWTH





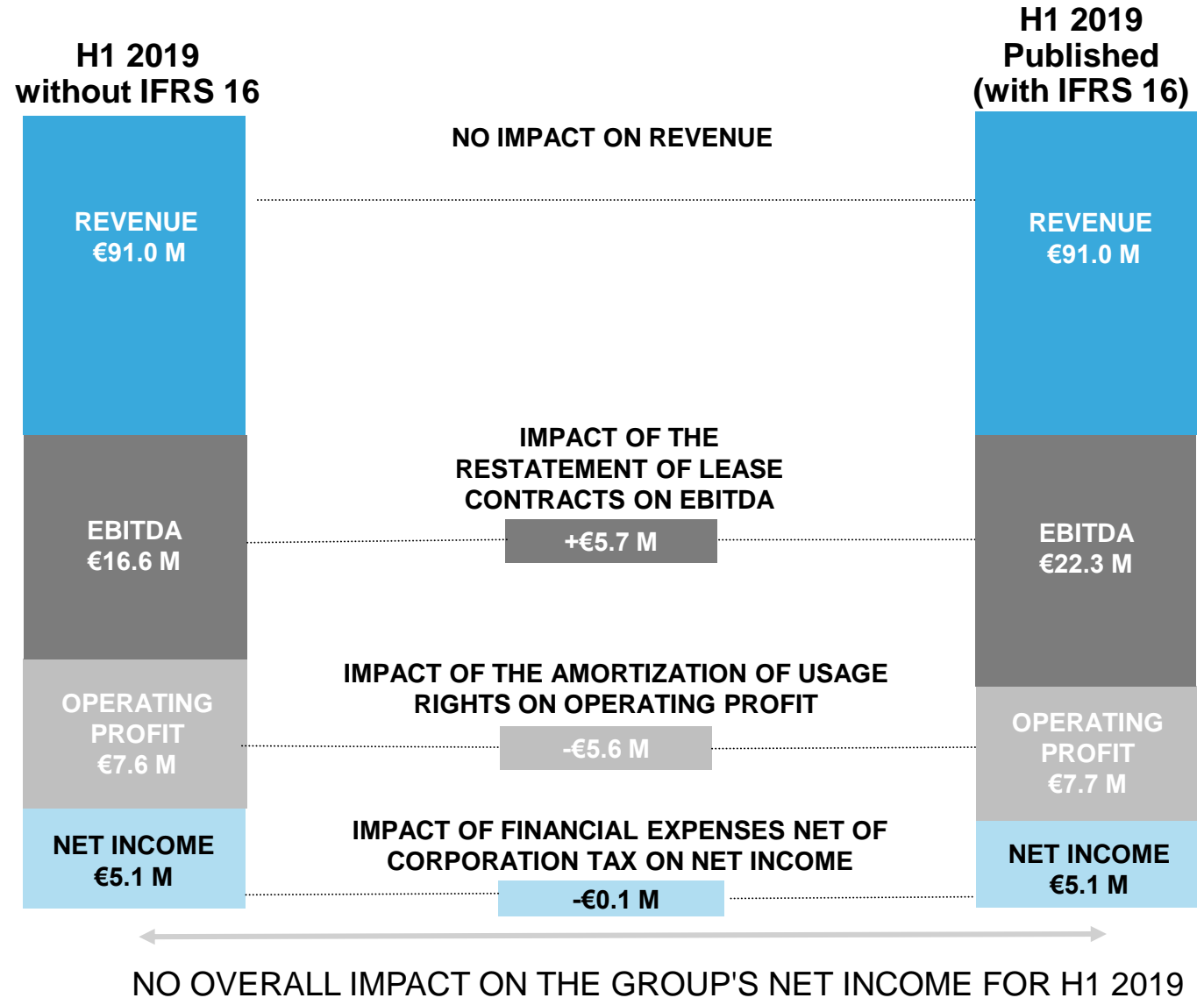
# EBITDA

- A marked increase in purchases of licenses: +€4.6 M
- Control of personnel costs
- A reduction in IFRS 16 external expenses following neutralization of the lease contract item: -€5.7 M

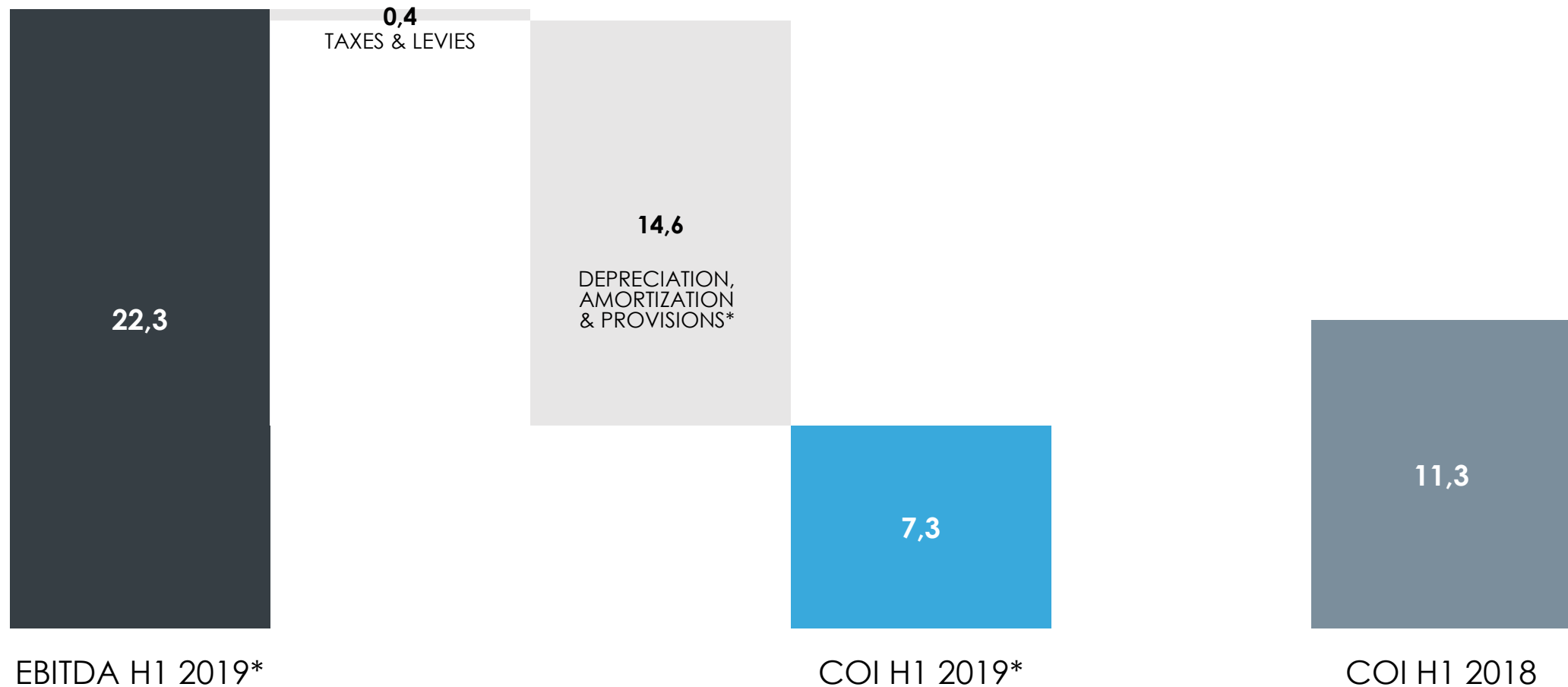
IFRS standards  
Unaudited data in €M

	<b>H1 2018</b>	<b>H1 2019 with IFRS 16</b>	<b>Variation with IFRS 16</b>	<b>H1 2019 without IFRS 16</b>	<b>Variation without IFRS 16</b>
Revenue	90.1	91.0	+1.1%	91.0	+1.1%
Purchases consumed	(24.0)	(28.6)	+18.8%	(28.6)	+18.8%
External expenses	(14.5)	(9.6)	-33.9%	(15.3)	+5.5%
Personnel costs	(31.9)	(31.1)	-2.6%	(31.1)	-2.6%
Other current operating income and expense	(0.7)	0.5	ns	0.5	ns
<b>EBITDA</b> As a % of revenue	<b>19.0</b> 21.1%	<b>22.3</b> 24.5%	<b>+17.4%</b> +3.4 pt	<b>16.6</b> 18.2%	<b>-12.6%</b> -2.9 pt

# IMPACTS ASSOCIATED WITH THE ADOPTION OF IFRS 16



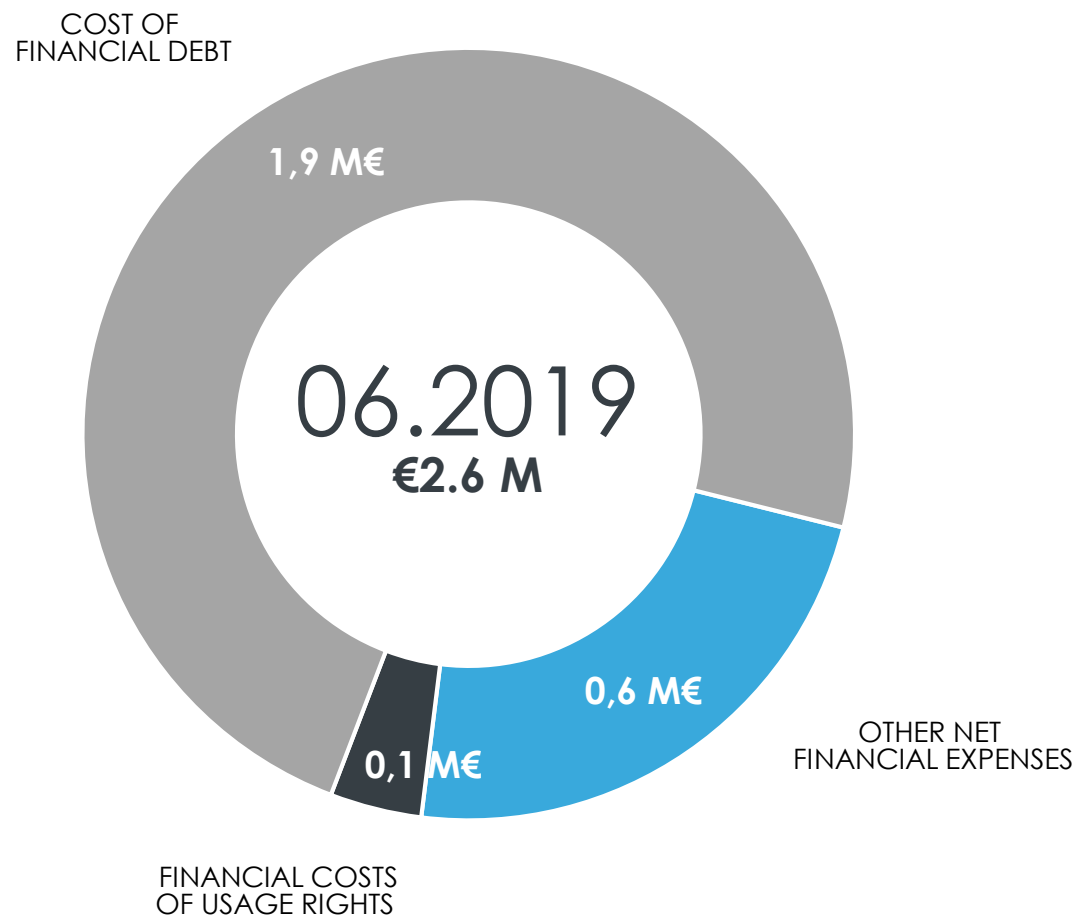
# EBITDA / COI BRIDGE (€M)



\* Including the effect of IFRS 16 on depreciation and amortization of €5.6 M

# FINANCIAL INCOME

- Reduction in debt interest: -€0.2 M
- Reduction in financial provisions: -€0.3 M
- Impact of the restatement for IFRS 16: +€0.1 M of expenses



# INCOME STATEMENT

IFRS standards - Unaudited data in €M

	06.2018	06.2019*	Var.
Revenue	90.1	91.0	+1.1%
<b>EBITDA</b>	<b>19.0</b>	<b>22.3</b>	<b>+17.4%</b>
<b>As a % of revenue</b>	<b>21.1%</b>	<b>24.5%</b>	<b>+3.4 pt</b>
Taxes and levies	-0.8	-0.4	
Net additions to depreciation, amortization and provisions	-6.9	-14.6	
<b>Current operating income</b>	<b>11.3</b>	<b>7.3</b>	<b>-36.5%</b>
<b>As a % of revenue</b>	<b>12.5%</b>	<b>8.0%</b>	<b>-4.5 pt</b>
Other operating income and expense	-0.2	0.4	
Operating profit	11.1	7.7	-31.0%
As a % of revenue	12.3%	8.4%	-3.9 pt
Net cost of financial debt	-2.1	-1.9	
Other financial income and expenses	-0.9	-0.7	
Financial income	-3.0	-2.6	
Income tax expense	-0.7	-0.5	
Share of profit/loss of associates	0.4	0.3	
Net income from continuing activities	7.7	4.9	
Net consolidated income	7.7	4.9	
<b>Net income - Group share</b>	<b>7.6</b>	<b>5.1</b>	<b>-33.8%</b>
<b>As a % of revenue</b>	<b>8.5%</b>	<b>5.6%</b>	<b>-2.9 pt</b>

\* Including the effect of IFRS 16 on H1 2019

# STATEMENT OF CASH FLOWS

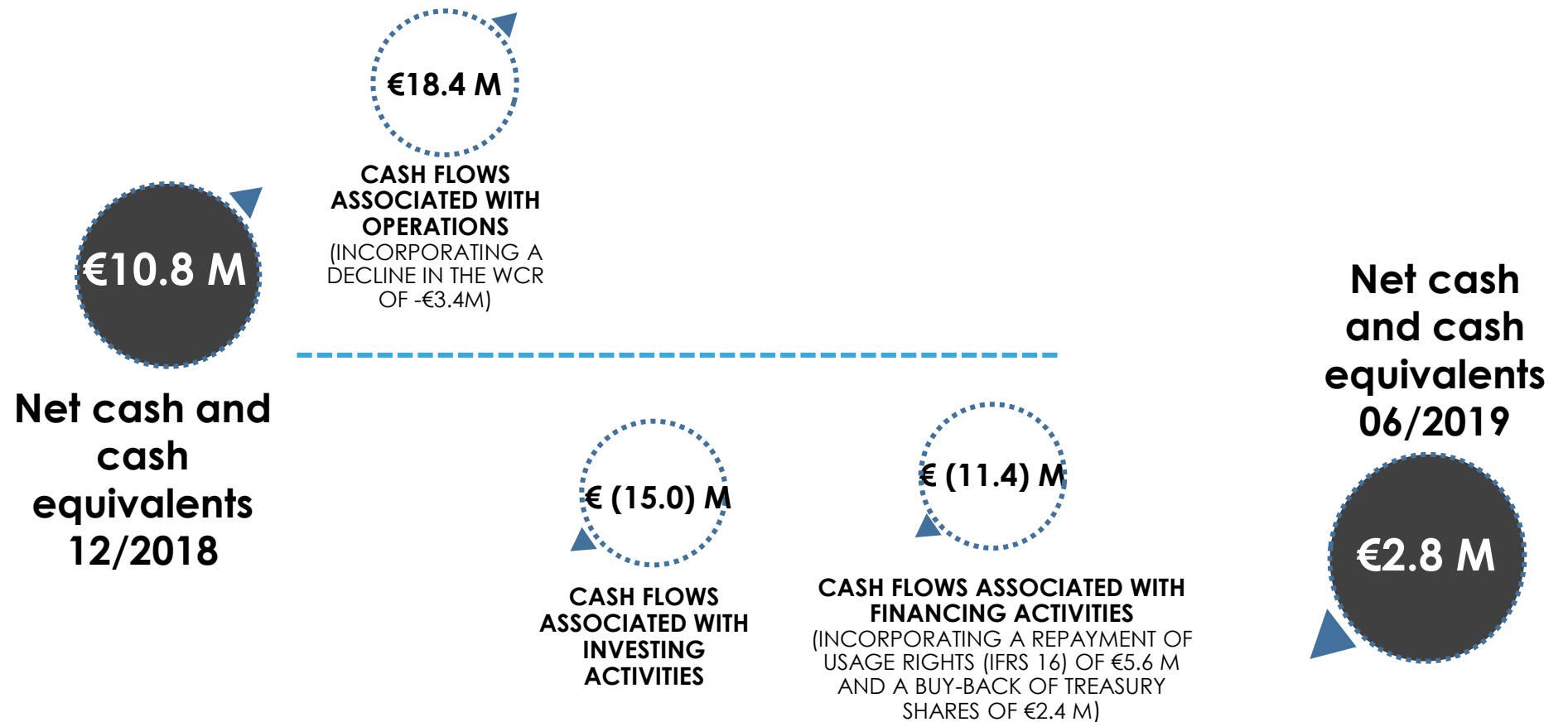
IFRS standards - Unaudited data in €M

	06/30/2018	12/31/2018	06/30/2019*
Cash flows from operations before cost of financial debt and income tax	17.6	27.7	21.7
Change in working capital requirements	0.9	-3.0	-3.4
<b>Net cash from operating activities</b>	<b>18.5</b>	<b>24.7</b>	<b>18.4</b>
Net payments to acquire fixed assets	-17.7	-36.1	-15.0
<b>Net cash used in investing activities</b>	<b>-17.7</b>	<b>-36.1</b>	<b>-15.0</b>
Net change in borrowing including bank debt	-	15.7	-8.7
Dividends received/paid by the parent company	-0.5	-0.5	-0.3
Capital increases/reductions	-	0.3	-
Equity-related transactions including treasury shares	-	-0.3	-2.4
<b>Net cash flows from financing activities</b>	<b>-0.5</b>	<b>15.2</b>	<b>-11.4<sup>(1)</sup></b>
Net effects of exchange rate changes on cash and cash equivalents	-0.1	-	-
<b>Change in cash and cash equivalents</b>	<b>0.2</b>	<b>3.7</b>	<b>-8.0</b>

\* Including the effect of IFRS 16 on H1 2019

<sup>(1)</sup> including repayments of usage rights (IFR H16) of €5.6 M

# FREE CASH FLOW ANALYSIS



**NET FREE CASH FLOW H1 2019 = -€8.0 M**

# BALANCE SHEET

## ASSETS

## LIABILITIES

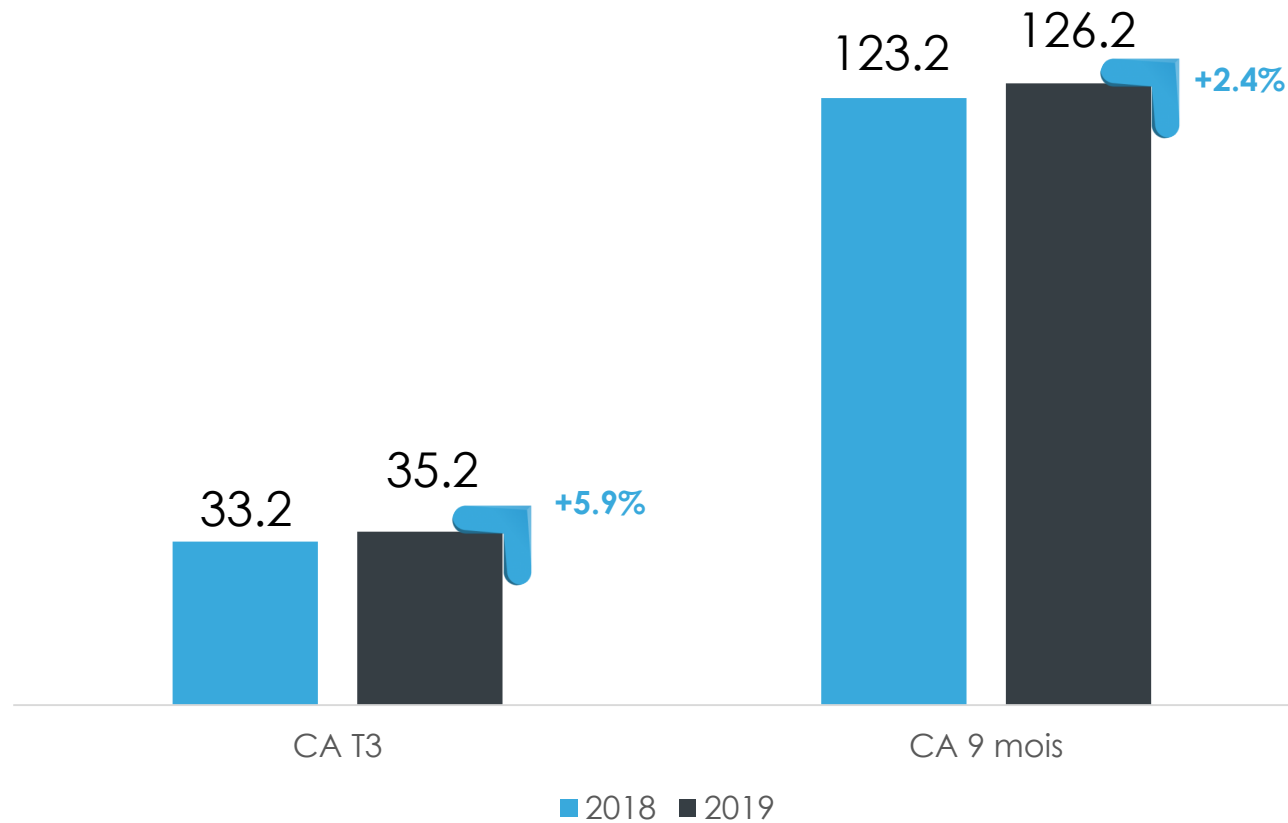
	ASSETS		LIABILITIES	
	12/31/2018	06/30/2019*	12/31/2018	06/30/2019*
<i>IFRS standards</i> <i>Unaudited data</i>			<i>IFRS standards</i> <i>Unaudited data</i>	
Goodwill	34.6	34.6	Equity	138.2
Other intangible assets	160.6	166.6	Non-current debt	87.4
Usage rights		31.4	Non-current lease liabilities	31.4
Tax assets	11.0	11.0	Other non-current liabilities	4.3
<b>Total non-current assets</b>	<b>206.2</b>	<b>243.6</b>	<b>Non-current liabilities</b>	<b>91.8</b>
Trade and other receivables	58.0	52.6	Current provisions	0.7
Other current assets	18.5	20.8	Current debt	22.7
Cash and cash equivalents	33.5	29.7	Trade and other payables	20.7
<b>Total current assets</b>	<b>110.0</b>	<b>103.1</b>	Other current liabilities	42.1
<b>TOTAL ASSETS</b>	<b>316.2</b>	<b>346.7</b>	<b>Total current liabilities</b>	<b>86.3</b>
			<b>TOTAL LIABILITIES</b>	<b>316.2</b>
				<b>346.7</b>

Net debt (excluding lease liabilities originating from IFRS 16) is €83.9 M, which is 0.6 times the equity.

\* Including the effect of IFRS 16 on H1 2019



# REVENUE Q3 (€M)



Variation with comparable data<sup>(1)</sup>

REVENUE Q3: -1.4%

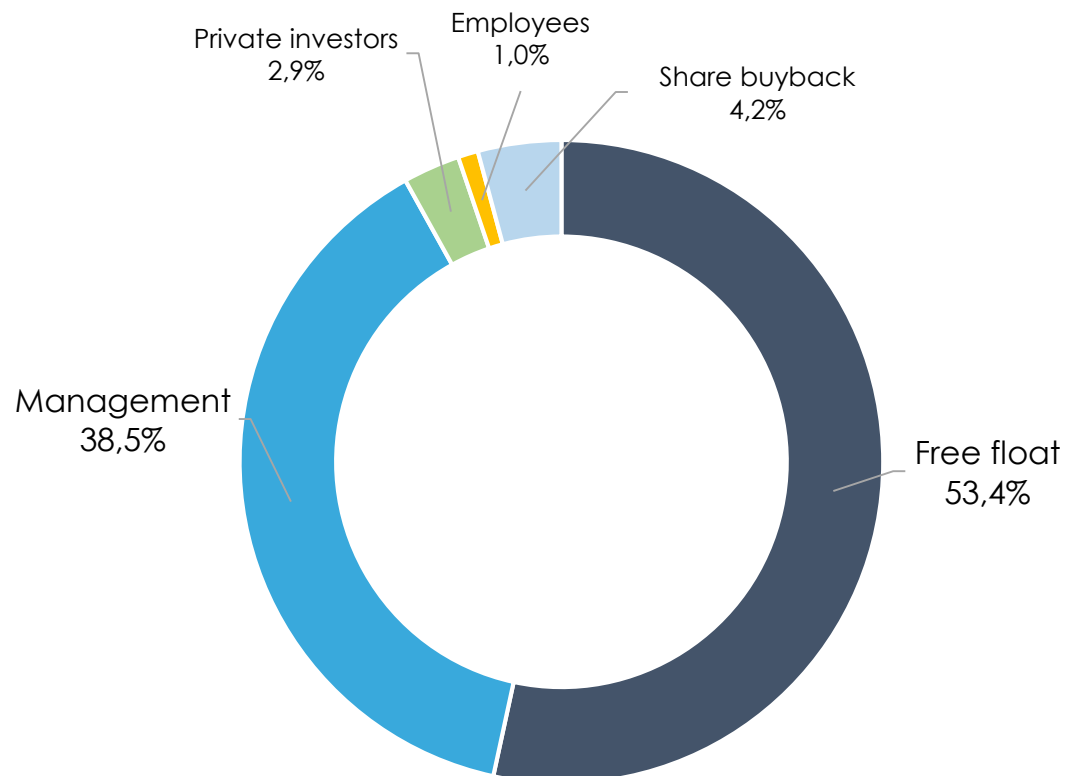
REVENUE 9 months: -2.2%

<sup>(1)</sup> Excluding AIGA-CTAC acquisition and "retail and digital" business restatement

# STOCK SHEET

## DISTRIBUTION OF CAPITAL AT 30/06/2019

As a % of the number of shares



## SHARE PRICE OVER A YEAR



Mnemo  
ALPRO

Market  
capitalization  
at 10/16/2019:  
€47 M

Number of  
shares:  
7,748,042

Euronext  
Growth




# DEVELOPMENT STRATEGY

# PURSUING THE 2016 - 2021 PLAN

Group refocusing on core business to increase profitability and cash generation.  **SUSTAINABILITY**

Drive SaaS growth significantly.  **RECURRENCE**

Securing an acquisition line of credit.  **GROWTH**



prodware 

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