



ANNUAL RESULTS 2015

SFAF meeting of 16 March 2016

PHILIPPE BOUAZIZ, Chairman

STEPHANE CONRARD, DG Vice-President and Chief
Financial Officer

PUBLISHER-INTEGRATOR OF MANAGEMENT SOFTWARE



Publication of **23** sector software packages and **12** professional & innovative solutions in 3 key areas: Manufacturing, Professional services, Distribution & Retail
Innovatives solutions : CRM, digital transformation, Cloud, Big Data



1st  Microsoft partner in the EMEA area, for **sage** and **AUTODESK** in France



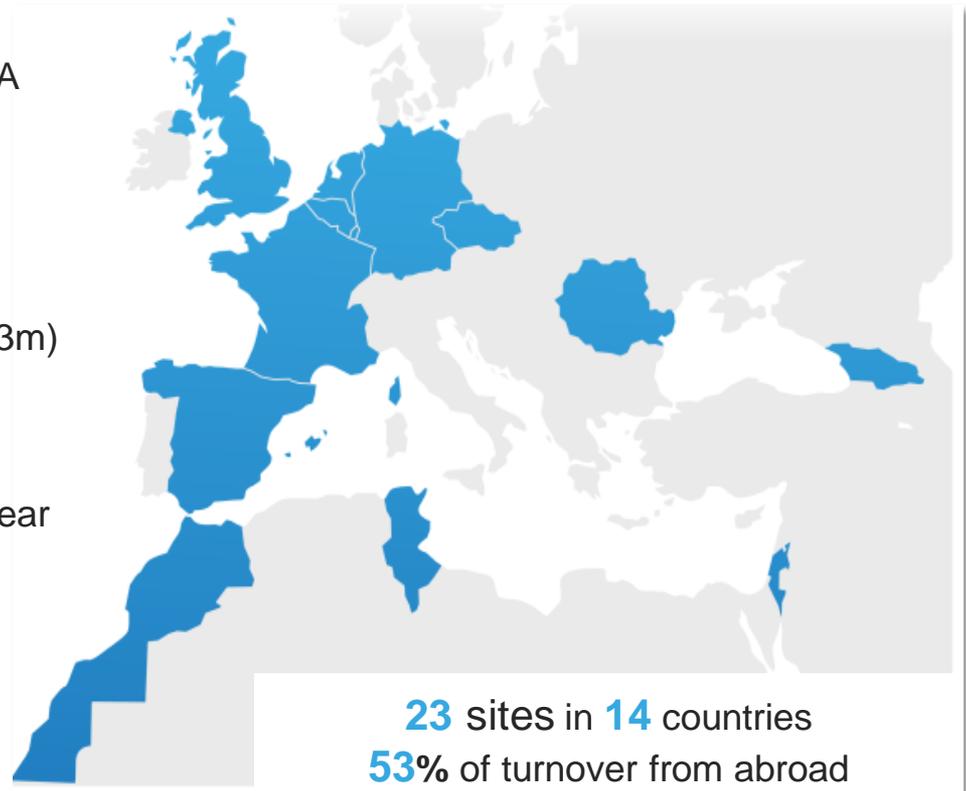
Turnover 2015: **€181.8m**
Of which publishing: 34.7% (€63m)



1275 staff
of which 10% allocated to the near shore



19,000 customers (SME, Mid-market companies and subsidiaries of international groups)





ANNUAL RESULTS 2015

2015 HIGHLIGHTS

GUIDELINES 2016-2021

ANNEX

KEY INDICATORS RISING

TURNOVER FIGURES

+ 4.0%

174.8 181.8

2014 2015

EBITDA

29.6 29.5

2014 2015

CURRENT OPERATING PROFIT

+ 13.7%

13.5 15.4

2014 2015

NET RESULT

+ 5.9%

5.3 5.6

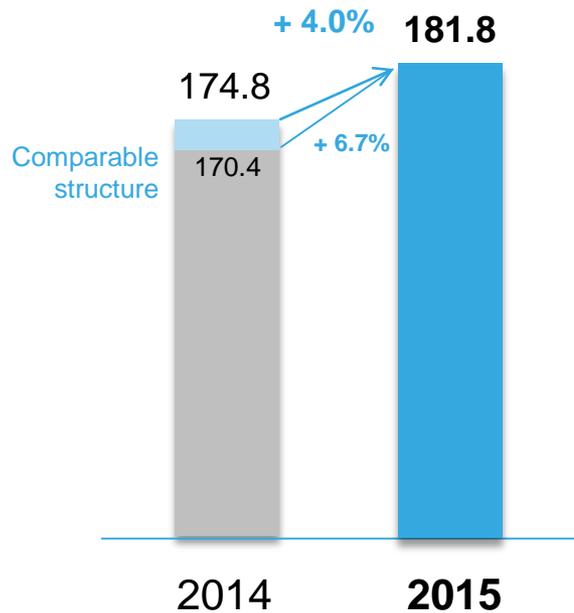
2014 2015

TURNOVER FIGURES

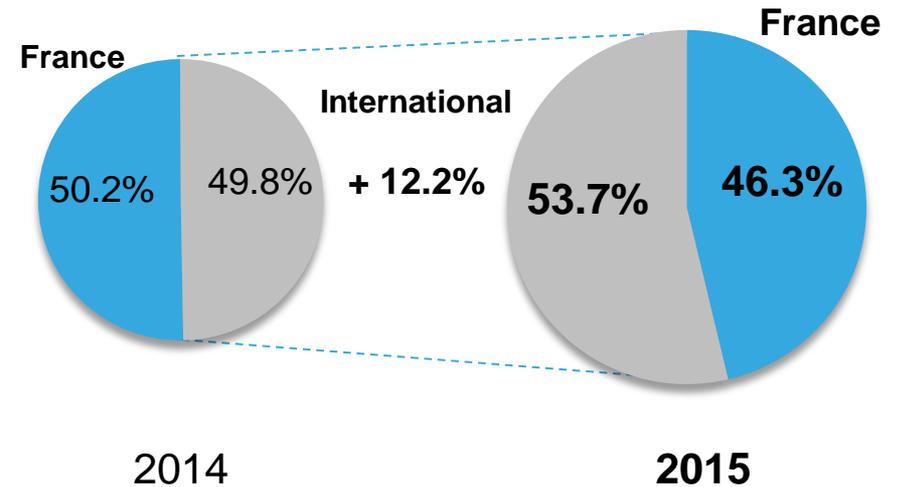
In €m

As % of overall turnover

TURNOVER FIGURES



POWERFUL INTERNATIONAL UPSWING

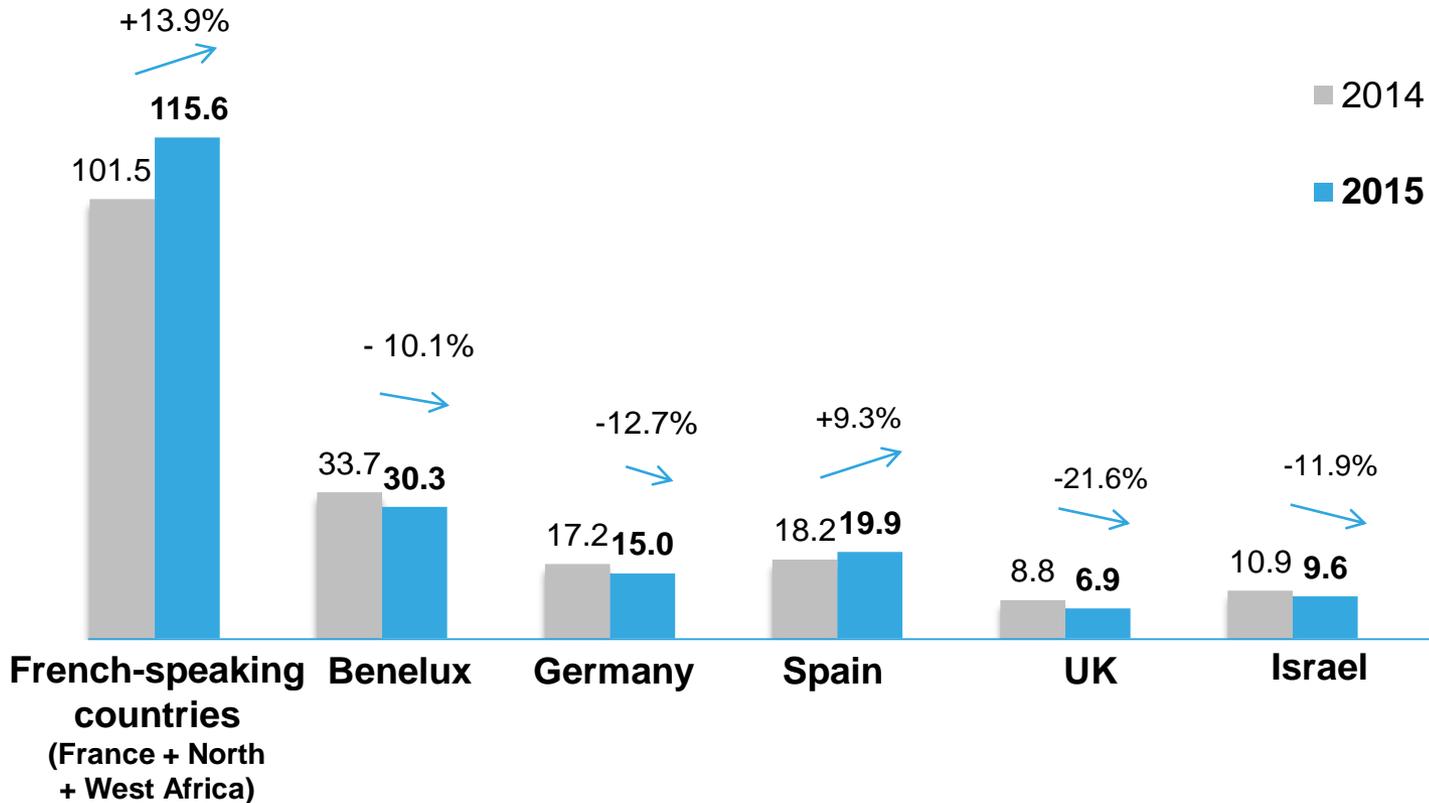


▶ Dynamics of activities brought by activation of large contracts with midsize companies and subsidiaries of large groups

▶ Commercial synergies at a European level: an increase in turnover from International business based in France

CHANGE IN TURNOVER BY GEOGRAPHICAL AREAS

In €m

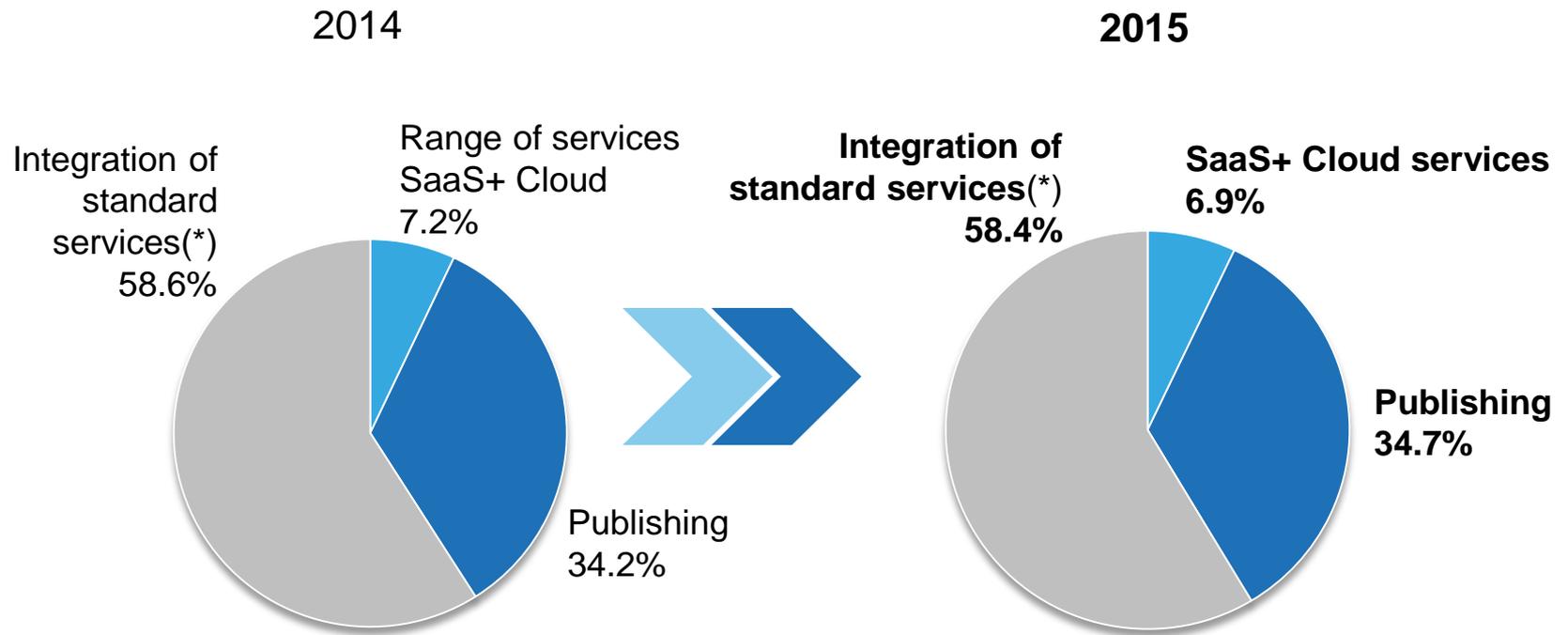


- ▶ Strong momentum in French-speaking countries, drawn by subsidiaries of major accounts
- ▶ Good performance in Spain from international deals
- ▶ Strong comparables in the UK and Israel
- ▶ Final stages of refocusing the German and Benelux zones

PRODUCT MIX

As % of turnover

DISTRIBUTION OF GLOBAL SALES

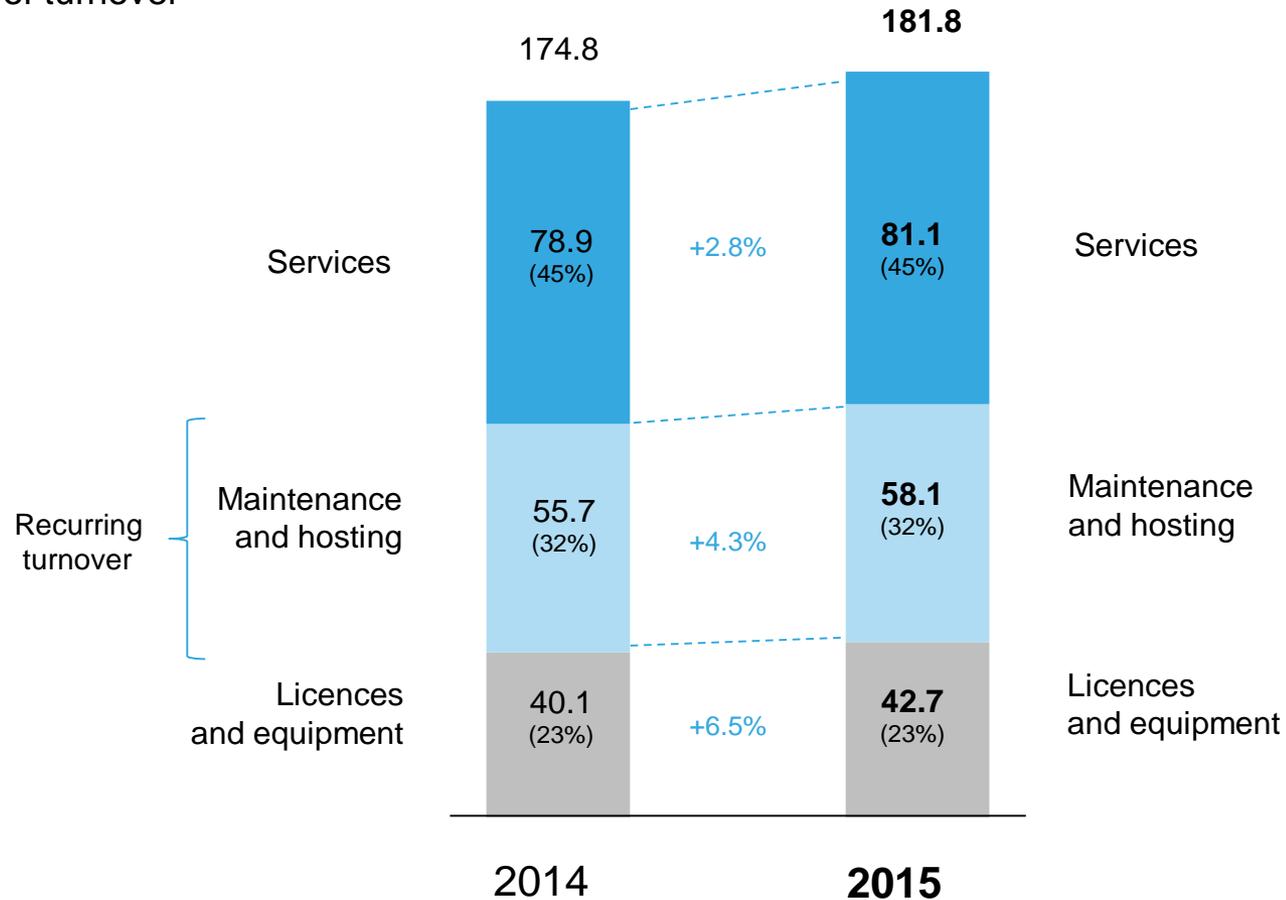


Increase in the value of publishing and SaaS weighted by the activation of large integration contracts

(*) Microsoft, Sage, Autodesk products

DISTRIBUTION BY PRODUCT FAMILY

In €m
As % of turnover



Recurring turnover

Maintenance and hosting

Licences and equipment

Services

Maintenance and hosting

Licences and equipment

2014

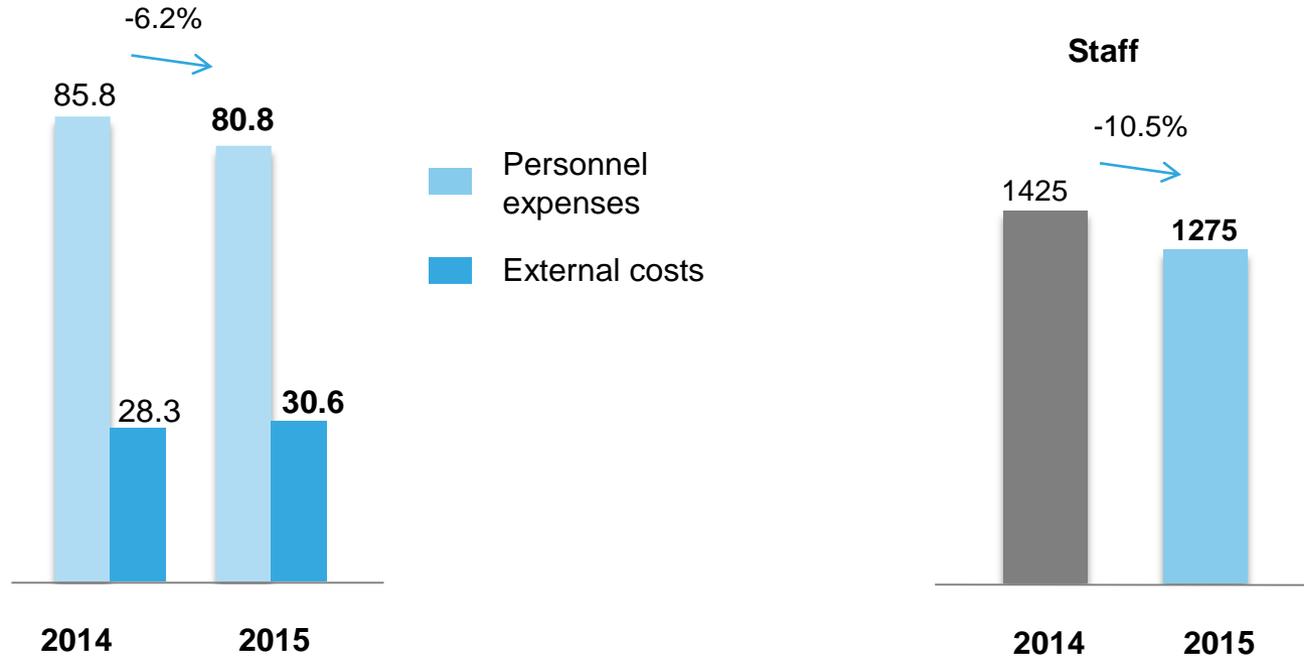
2015



Recurring income up
A more profitable Services segment

STAFF

In €m



Significant decrease in personnel expenses due to drastic downsizing as part of the refocusing of the activities of the Dutch and German subsidiaries with a special emphasis on overheads



Increase in external charges following the increase in subcontracting, used mainly for ad hoc missions on specific projects in order to increase profitability

INCOME STATEMENT (1/2)

IFRS standards Audited data in €m	2015	2014	Change
Turnover figures	181.8	174.8	+ 4.0%
Consumed purchases	(59.7)	(56.7)	
External costs	(30.6)	(28.3)	
Personnel expenses	(80.8)	(85.8)	
Taxes and duties	(2.0)	(1.9)	
Net charges for depreciation and provisions	(12.1)*	(14.2)	
Other products and current operating costs	18.8	25.7	
EBITDA	29.5	29.6	-
<i>As % of turnover</i>	16.2%	16.9%	
Current operating profit	15.4	13.5	+13.7%
<i>As % of turnover</i>	8.4%	7.7%	
Other products and current operating costs	(5.6)**	(4.6)	
Operating profit	9.8	8.9	+ 8.1%
<i>As % of turnover</i>	5.4%	5.1%	

* Neutral impact of the decline in charges for depreciation and provisions - neutralisation of client reversals

** €3.1m for 2 disputes from the old Qurius recovery + €2.5m in restructuring costs



Strong increase in ROP brought by the drop in payroll

DISTRIBUTION OF OTHER PRODUCTS AND CURRENT OPERATING COSTS

In €m

	31/12/2015	31/12/2014
Research tax credit for the year net of fees	11.6	12.2
Capitalised production	14.8	11.0
Inventoried products	(1.3)	0.3
Other products and cost transfers	1.5	2.2
Other costs	(7.8)	(1.0)
Total of other products and current operating costs	18.8	24.7



Slight decrease in the research tax credit in a context of strong growth in investments in digital conversion

INCOME STATEMENT (2/2)

IFRS standards Unaudited data in €m	2015	2014	Change
Operating profit	9.8	8.9	+ 9.7%
As % of turnover	5.4%	5.1%	
Profit	(3.5)	(3.6)	
Taxes on profits	(0.4)	(0.2)	
Share in associated companies	0.03	0.2	
Net profit from continuing operations	5.9	5.3	
Net profit of the consolidated Group	5.6	5.3	+5.9%
As % of turnover	3.1%	3.0%	
Net profit group share	5.7	5.2	+ 8.1%
As % of turnover	3.1%	3.0%	



Increase in the Net profit

Continuity in the payment of SI (X 2)

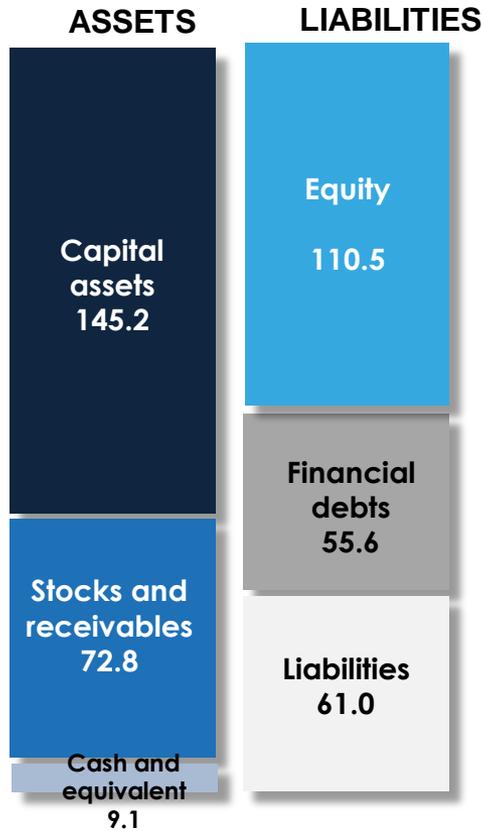
Prodware has €82.8m of reportable losses at closing of which only €10.5m in active deferred tax assets have been capitalized on the balance sheet

IMPROVED FINANCIAL SOUNDNESS

In €m

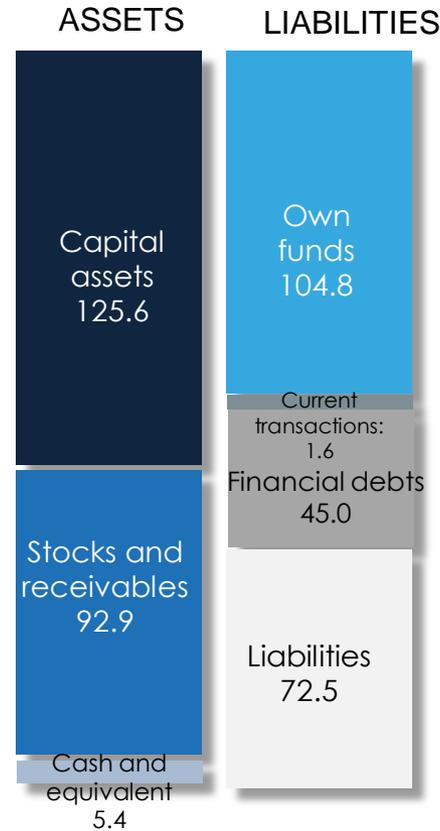
€227.1m

31 December 2015



€223.9m

31 December 2014



Improve cash-flow

More current transactions - Increase in working capital

Increase in assets: culmination of digital services

CASH

In €m	2015	2014
Net result of the integrated companies	5.6	5.3
Elimination of operating costs and products without impact on cash and unrelated to liabilities	21.8	17.3
Change in the working capital	7.5	- 9.1
Net cash flow generated by activity	34.9	13.5



Significant rise in net cash flow (+ €21.4m) brought by the big change in working capital: + €16.6m

GENERATION OF CASH

In €m	2015	2014
Acquisition of capital assets	- 37.6	- 21.2
Transfers of capital and reduction in capital funds	- 1.8	0.3
Impact of changes in structure	- 0.03	- 0.4
Net cash flows from investment operations	- 37.5	- 21.4
Issuing of borrowings	18.6	21.1
Loan repayments	- 11.4	- 11.8
Cost of financial debt	- 2.8	- 2.9
Dividends received/paid by the parent company	-0.2	-
Increases / reductions in capital	0.2	-
Net cash flows related to financing transactions	4.3	6.4
Change in cash	1.8	- 1.5

▶ One-time increase in investments to €37.5m (+ €16.1m)

▶ Return to cash generation (+ €1.8m)



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LOAN WITH THE BANQUE INTERNATIONALE DU LUXEMBOURG AND THE BANK OF CHINA



Underwriting of a €20m medium-term debt in June 2015, depreciable over 5 years, which has enabled:

- Medium-long term and dilutive deleveraging (end of current transactions)
- An average loan rate of 2.2% compared to 6.5%
- The financing of the acceleration of investments for the digital conversion of Prodware services
- The creation of the new consulting services and recruitment of dedicated expert teams

▶ A bank loan allowing the Group to extend the maturity of its debt and strengthen its financial capacity.

SUSTAINABILITY OF OUR CUSTOMER REFERENCES



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“

The strategy of **prodware**

is to be the essential partner
for Medium and Large Companies

for the supply of IT systems
with great Added Value

in the service of their performance. ”

REMINDER OF OUR STRATEGY

Since 2010, a leadership built on an approach per industry and size of company

Manufacturing

- > Discrete
- > Process
- > Food Industry
- > Life Sciences
- > Chemicals

Professional Services

- > IT
- > Waste & Recycling
- > Services

Distribution & Retail

- > Retail
- > Wholesale
- > Distribution

OUR LEADERSHIP NOW SUPPORTED BY VERY STRONG NEW DEMAND, A GREAT "BOOSTER."

Market expectations, borne by important technological innovations , evolve very rapidly and offer enormous potential for growth



CREATION AND LAUNCH OF A MARKET PLACE FOR THE SMB (VOLUME) MARKET



Why

Growing demand for simple complementary services to management IT systems in the face of changes in their market, especially technological ones

Prodware legitimacy which controls the best all components of an IT system as a publisher, integrator and host



How

Creation of a Market place

- Complete range of Products and Services that are simple to acquire, install and use
- Advise, guide, influence our customers through the provision of **best practices** for each industry and function
- Provide guidance services "à la carte"



Positioning

Evolve from a technological partner to a business partner

- Become a reference marketplace for Mid-size companies that is identical in all countries
- Provide the services and solutions of tomorrow

▶ A **Marketplace** providing the best solutions for medium-sized businesses

OUR BUSINESS CONSULTING SERVICES FOR THE LARGE COMPANIES MARKET (VALUE)



Why

Growing demand for support for company transformation facing changes to their market, including technological

Prodware's legitimacy controlling the best sectoral and professional practices as a Publisher



How

Creation of a new business line 'Business consulting'

- Assist in company transformation
- Advise, guide, influence our customers
- Provide services and innovative solutions
- Generator of business for Prodware's core areas



Positioning

Evolve from a technological partner to a business partner

- Become our customer's adviser and influencer
- Provide the services and solutions of tomorrow



A successful start

- A majority of the management of the teams operational
- Beginning to distribute services in a very tuned in and promising market

OPTIMISATION OF THE DEBT STRUCTURE

€79m Euro PP bonded loan

Bank borrowings depreciable over 5 years: €29m

Debt bond from 4 to 7 years: €50m

Average overall debt rate: 3.45% compared with 5% before

2 objectives:

- ▶ Refinance the entire medium/long term debt at optimised cost
- ▶ Ensure the financing of the 2016-2021 strategy

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SHARE SPECIFICATIONS



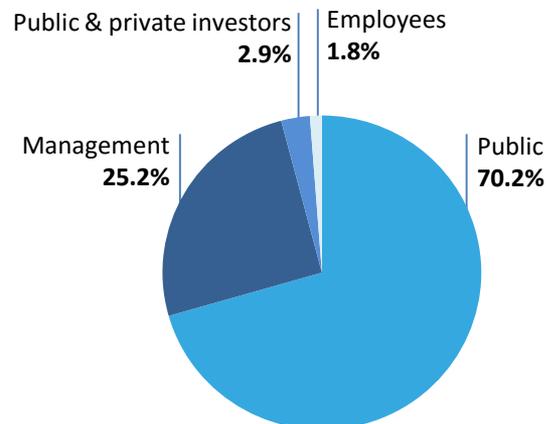
COTÉ EN BOURSE
SUR NYSE/EURONEXT
(ALTERNEXT PARIS)

Number of shares:
8,200,560

Share capital at 15/03/2016:
€61m

Average volume over 1 year:
15,000 titles

Capital distribution at 15 March 2016



As % of the number of shares

NEXT PUBLICATION

Turnover in
1st quarter of 2016

11 May 2016

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