



prodware⁺

Innovation & Business Solutions

2020 Half-Year Results



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THE PARTNER OF
CHOICE OF MID-
MARKET COMPANIES
SUPPORTING THEIR
DIGITAL
TRANSFORMATION

2020/2021
INNERCIRCLE
for Microsoft Business Applications

30 YEARS'
EXPERIENCE IN
INNOVATION

19,000
Customers

(SMB & MID-
MARKET)

A PRESENCE IN 13
COUNTRIES

COMPREHENSIVE
VALUE
PROPOSITION

STRONG FOCUS
ON SOFTWARE
INNOVATION

1,300
EMPLOYEES

2019 REVENUE

€188 M

H1 2020
REVENUE

€85.5 M

A photograph of three business professionals in a modern office setting. A woman in a white blazer is holding a tablet, and two men, one in a white shirt and one in a light blue shirt with glasses, are looking at it with interest. The background shows office cubicles and large windows.

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H1 2020
HIGHLIGHTS

A RESILIENT MODEL IN THE FACE THE COVID-19 PANDEMIC

SAAS GROWTH
CURVE

BUSINESS RECURRENCE
& FLEXIBLE CONTRACT
MANAGEMENT

ROBUST MID-
MARKET
SEGMENT & KEY
ACCOUNT
PORTFOLIOS

GROUP'S BUSINESS
SEGMENT – LOW
IMPACT OF
COVID-19

EXPANDING
GEOGRAPHICAL
FOOTPRINT

CONTINUED INNOVATION

CATERING TO BUSINESS AGILITY

GROWING INNOVATION
INITIATIVES



WIDE RANGE OF SOLUTIONS

PRODUCTION
MARKETING
SALES
SERVICE
HR



BUSINESS SOLUTIONS DEVELOPED
USING LATEST DISRUPTIVE
TECHNOLOGIES

MACHINE LEARNING
AUGMENTED REALITY
ARTIFICIAL INTELLIGENCE
BIG DATA



CUSTOMER FOCUS



(France)

CCI Eurolam Group is a leading distributor in the electronics manufacturing industry for the telecommunications, automotive, and aerospace markets.



BUSINESS CHALLENGES

Offering a sales productivity tool
Providing a collaborative tool offering a 360° customer view
Adapting to CCI EUROLAM's needs while developing new features to improve business agility

SERVICES PROVIDED BY PRODWARE

Information system based on Microsoft Dynamics 365 for Sales
Designing a tool to centralize the company's information system

RESULTS

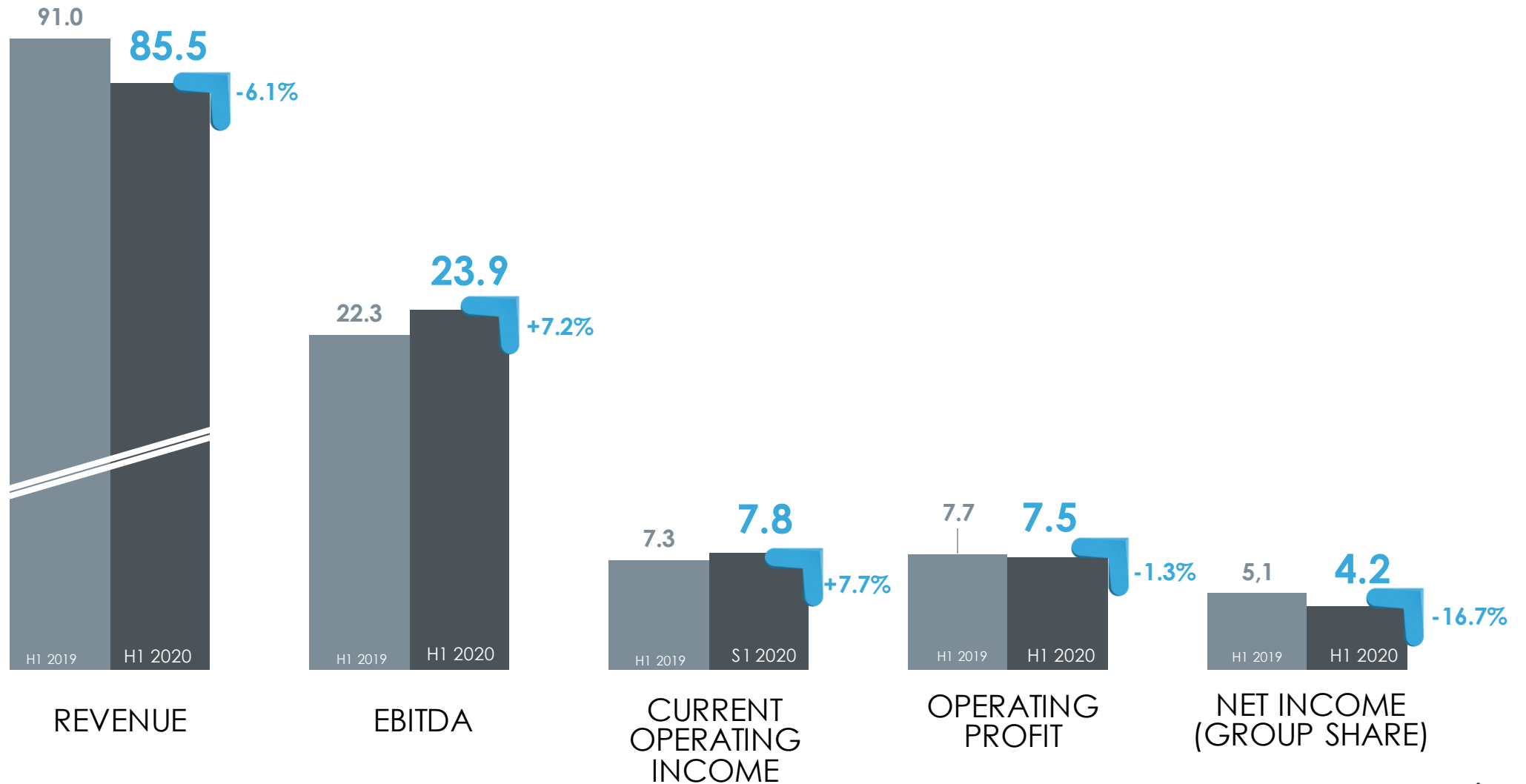
Doubling of revenue
Converting leads into opportunities
360° customer view



2020 HALF-YEAR RESULTS

KEY INDICATORS

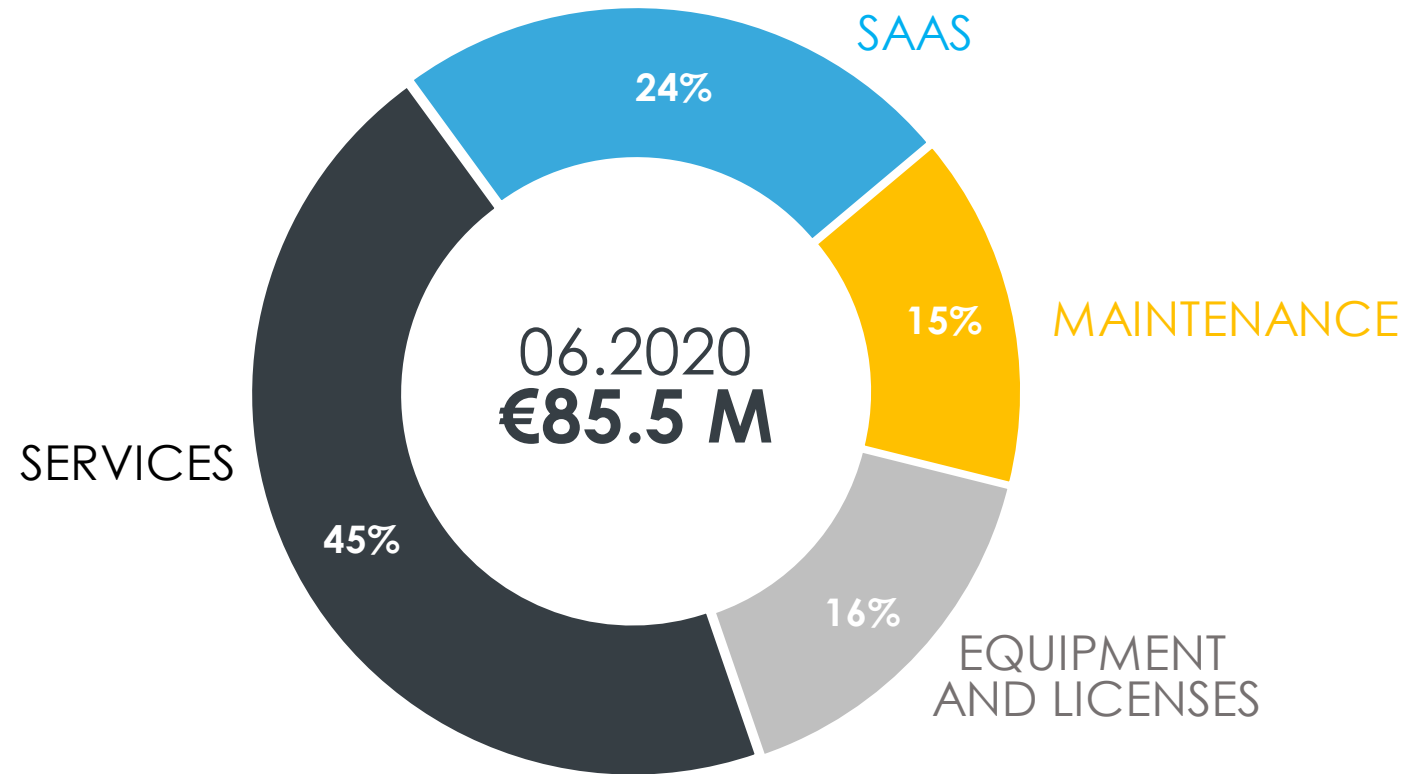
Improved operational profitability in a very difficult economic environment



PRODWARE: A MIXED SERVICE/SOFTWARE DEVELOPMENT MODEL



**TOTAL RECURRING
H1 2020 = 39%**



EBITDA

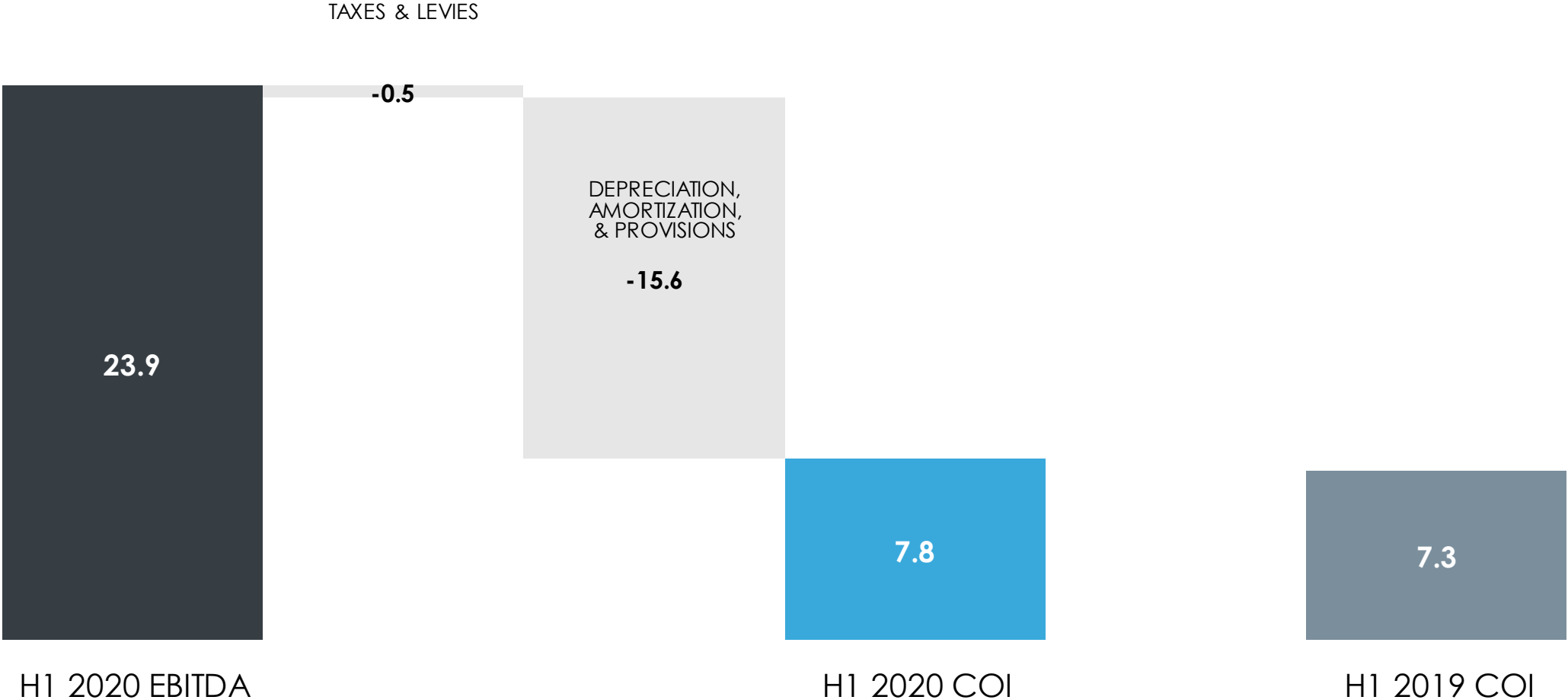
- Lower personnel costs related to health crisis
- Lower overhead costs
- Less subcontracting

IFRS

Unaudited data in €M

	H1 2019	H1 2020	Change
Turnover	91.0	85.5	-6.1%
Cost of consumed materials	(28.6)	(27.8)	-2.8%
External expenses	(9.6)	(7.9)	-17.5%
Personnel expenses	(31.1)	(25.4)	-18.2%
Other current operating income and expenses	0.5	(0.5)	ns
EBITDA As % of revenue	22.3 24.5%	23.9 27.9%	+7.2% +3.4 pts

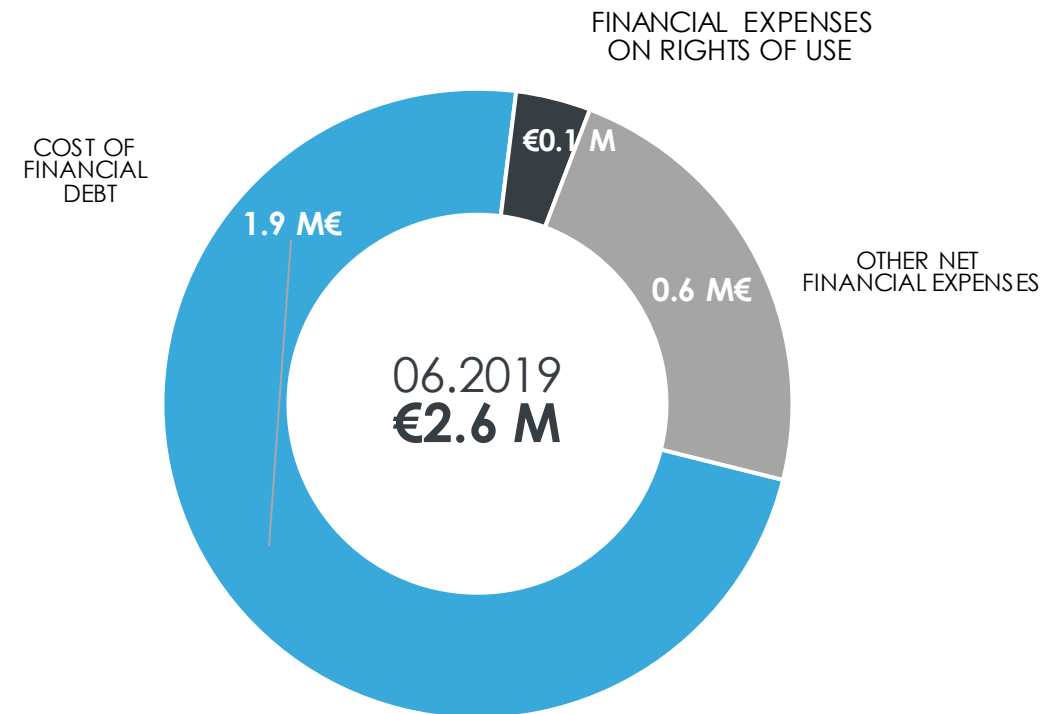
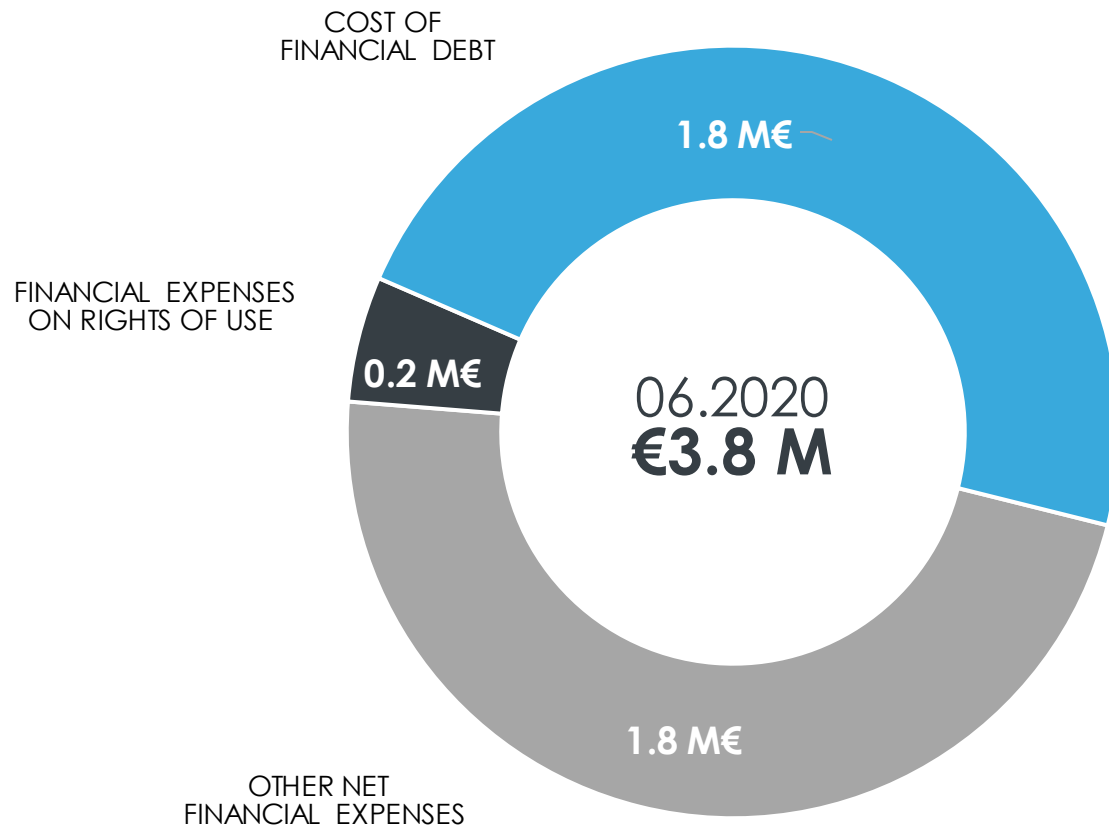
EBITDA/COI BRIDGE (€M)



FINANCIAL INCOME

Slightly lower interest on debt

Greater provisions for financial investments



INCOME STATEMENT

IFRS - Unaudited data in €M

	06.2019	06.2020	Change
Revenue	91.0	85.5	-6.1%
EBITDA	22.3	23.9	+7.2%
As % of revenue	24.5%	27.9%	+3.4 pts
Taxes and similar payments	-0.4	-0.5	+23.4%
Net additions to amortization, depreciation, and provisions	-14.6	-15.6	+6.5%
Current operating income	7.3	7.8	+7.7%
As % of revenue	8.0%	9.1%	+1.1 pts
Other operating income and expenses	0.4	-0.3	n.s.
Operating profit	7.7	7.5	-1.3%
As % of revenue	8.4%	8.8%	+0.4 pts
Financial income	-2.6	-3.8	+46.7%
Income tax expense	-0.5	0.2	n.s.
Share of profit/loss of associates	0.3	0.2	-34.8%
Net income from continuing operations	4.9	4.1	-16.1%
Consolidated net income	4.9	4.1	-16.1%
Net income, Group share	5.1	4.2	-16.7%
As % of revenue	5.6%	4.9%	-0.7 pts

CASH FLOW STATEMENT

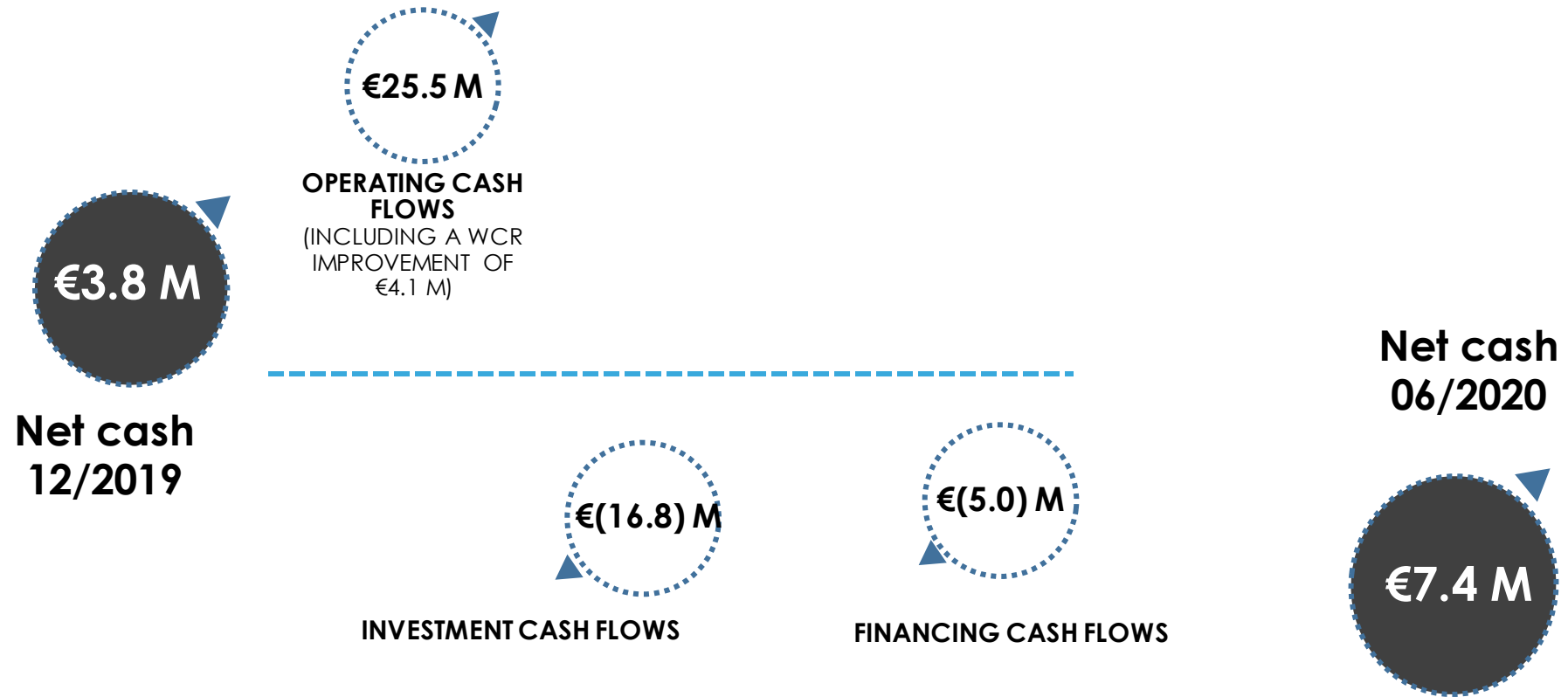
- Positive cash generation over H1 2020: +€3.6 M
- Significant decrease in WCR: €4.1 M

IFRS - Unaudited data in €M

	30/06/2019	31/12/2019	30/06/2020
Cash flows from operations before cost of financial debt and income tax	21.7	46.7	21.4
Change in WCR	-3.8	3.3	4.1
Net operating cash flows	17.9	50.0	25.5
Net acquisition of fixed assets	-15.0	-36.9	-16.8
Net investment cash flows	-15.0	-36.9	-16.8
Net change in borrowing, including bank debt ⁽¹⁾	-8.7	-17.8	-4.9
Parent company dividends received/paid	-0.3	-0.3	-
Capital increases/reductions	-	-0.2	-
Equity transactions including share buyback	-2.4	-2.8	-0.2
Net financing cash flows	-11.4	-21.1	-5.0
Net effects of exchange rate changes on the balance of cash	-	-	-
Change in cash	-8.5	-8.1	+3.6

⁽¹⁾ including repayments of rights of use (IFRS 16)

FREE CASH FLOW ANALYSIS



H1 2020 NET FREE CASH FLOW = +€3.6 M

BALANCE

ASSETS

<i>IFRS</i> <i>Audited data</i>	31/12/2019	30/06/2020
Goodwill	34.6	34.6
Other fixed assets	179.2	186.3
User fees	29.5	26.9
Deferred tax assets	11.2	11.9
Total non-current assets	254.4	259.8
Inventories	0.1	0.1
Accounts receivable and other receivables	53.2	54.0
Other current assets	22.7	10.6
Cash and cash equivalents	29.4	36.0
Total current assets	105.4	100.7
TOTAL ASSETS	359.8	360.4

EQUITY & LIABILITIES

<i>IFRS</i> <i>Audited data</i>	31/12/2019	30/06/2020
Equity	144.8	149.4
Non-current debt	85.7	88.1
Non-current lease liabilities	19.2	17.1
Other non-current liabilities	5.7	5.2
Total non-current liabilities	110.6	110.4
Current provisions	0.7	0.7
Current debt	26.9	30.0
Current lease liabilities	10.3	10.0
Trade payables	23.6	16.5
Other current liabilities	42.7	43.6
Total current liabilities	104.3	100.7
TOTAL EQUITY & LIABILITIES	359.8	360.4

Net debt at 30 June, 2020 (excluding lease liabilities originating from IFRS 16) is €82.1 M, which is 0.55x equity.

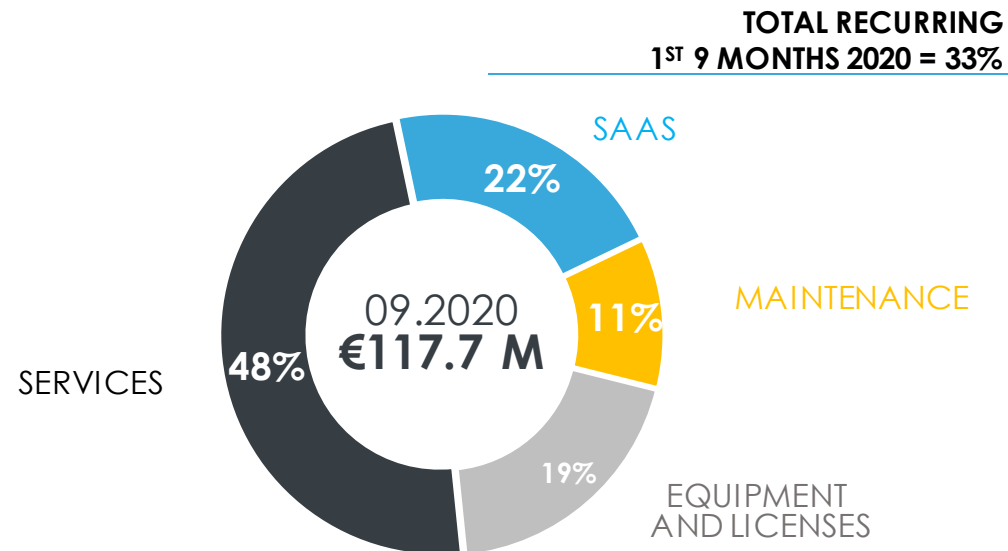
Q3 REVENUE

2020 9-MONTH YTD REVENUE: €117.7 M (-6.7%)

IFRS

Unaudited data in €M

	2019	2020	Change
Q3 revenue	35.2	32.5	-8.4%
9-month YTD revenue	126.2	117.7	-6.7%



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PURSUING THE
2016-2021
STRATEGY

LEVERAGING POTENTIAL HIGH-GROWTH BUSINESS ACTIVITIES

CONSOLIDATING PRODWARE'S POSITION IN THE GROUP'S TARGET COUNTRIES

Optimizing human and financial investments

Focusing on & prioritizing strategic projects

Greater involvement of near-shore centres to extend the Group's service offering.

SALE OF THE ISRAELI AND TUNISIAN ENTITIES

Innovation R&D and development of industry-specific business solutions remain within the Group



NEW CHALLENGES

RISE IN REMOTE
WORKING



SOARING USE OF
THE INTERNET OF
THINGS



DIVERSIFICATION
OF ARTIFICIAL
INTELLIGENCE
APPLICATIONS



A photograph of three business professionals in a modern office setting. A woman in a white blazer is holding a tablet, and two men, one in a light blue shirt and one in a white shirt, are looking at it with interest. The office has large windows and glass partitions.

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QUESTIONS &
ANSWERS

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Stéphane Conrard
+ 33 979 999 000
sconrard@prodware.fr

capvalue

Gilles Broquelet
+33 1 80 81 50 01
gbroquelet@capvalue.fr

