

2020 annual turnover: €172.4 M

- Accelerated growth in SaaS sales (+15.6%)
- Decrease in service revenue due to sanitary crisis
- Positive outlook on expected 2020 results

Turnover (not audited) under IFRS (in €M)	2020	2019	Change	Change on like-for-like basis (*)
1st quarter	46.9	46.3	+1.4%	+1.1%
2nd quarter	38.6	44.7	-13.8%	-13.5%
3rd quarter	32.2	35.2	-8.4%	-5.2%
4th quarter	54.6	61.4	-11.1%	-5.3%
TOTAL	172.4	187.7	-8.1%	-5.6%

(*) On like-for-like basis: adjusting for acquisitions and change in consolidation method in 2020

Business slow down due to sanitary crisis but steady nevertheless

In 2020, Prodware generated an annual turnover of €172.4 million compared to €187.7 million in 2019, showing an 8.1% decrease. Prodware's business results amounted to €164.9 million in turnover representing a slighter 5.6% decrease when factoring out the results generated by Prodware Israel's activity. In the 4th quarter of 2020 the annual turnover dropped by 11.1% compared to the same period in 2019. On like-for-like basis, business declined by 5.3%.

Revenue from the software development activity (33.4% of the global turnover) is of €57.6 million, 6.2% behind 2019.

Annual growth in SaaS sales: +15.6%

SaaS sales have reached €45.0 million seeing a 15.6% increase compared to the previous financial year. They now represent 26.1% of Prodware's total revenue. Over the last three years, total SaaS sales and their percentage of the total income has doubled, vindicating therefore the 2017-2021 strategy consisting in reinforcing recurring revenues and increasing margins. In a context where the sanitary crisis has accelerated digital adoption, SaaS subscription models and collaboration tools have proven to be especially well adapted to enabling remote work.

With regard to geographies and the specific context, business remains steady with a slight increase in sales in Germany (+3.2%). The French speaking region, totalling €63.0 million (36.5% of total income), has fallen behind by 16% due to many customer sites having closed down during the lockdowns.

PRODWARE

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Prodware est éligible FCPI - Entreprise responsable, Prodware est adhérent du Global Compact.



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A resilient business model

As announced, Prodware adjusted its annual charges throughout this exceptional year with that of its business volume in order to safeguard its margins and cash flow. Due to shrewd management of its resources and growth in SaaS sales, the Group foresees an improvement in its profitability metrics for 2020. And this, despite a decrease in turnover brought on by slower business in Services and spreading out the earnings from licenses that have now become SaaS subscription sales.

Perspectives

In 2021, the biggest and most common denominator for all companies will be to accelerate the adoption of digital transformation in order to ensure business continuity and leverage new growth opportunities in a market being completely reshuffled across most industries. It is also important to highlight that the "more traditional » business needs related to Cloud computing, collaboration tools or Customer Relationship Management solutions without forgetting demand for Cybersecurity, are still in high demand. These types of projects are still high on the list of priorities for a certain number of companies whereas we are seeing as well, more and more, interest in projects related to data and data optimization (AI, Big Data, Machine learning).

Prodware, the Digital Transformation enabler for mid-size companies, developing industry-specific business solutions, embraces this massive dynamic through its partnerships with leading market players. As an illustration of this dynamic, Prodware, an Elite Inner Circle 2020/2021 member for Microsoft Business Applications, should continue to benefit from Microsoft's market savvy. Microsoft foresees a 14% annual growth worldwide in 2020 mainly driven by the US market, a market known to being a little more mature than the European market.

Next publication:

2020 annual results: Wednesday, March 3rd, 2021 after market close.

SFAF assembly – presenting 2020 annual results: Thursday, March 4th, 2021.

About Prodware

Emboldened by three decades of solid experience and know-how in the field of IT innovation we have always thrived on delivering value and expertise to our customers worldwide. Whether enabling ambitious Cloud strategies, artificial intelligence driven decision-making tools or IoT applications. Prodware keeps paving the way to innovation.

Prodware has embraced technology advances and breakthroughs helping companies step into the future by building the business models of tomorrow across the manufacturing, retail & distribution, professional services and finance verticals.

The Prodware group is a global company founded in 1989 with regional offices in 13 countries with close to 1400 employees. Prodware is listed on Euronext Growth in Paris generating €172,4 M in annual revenue in 2020. Prodware SA is listed on Euronext Growth and is eligible for the FCPI investment fund and the PEA/PME share savings plan
For more information www.prodwaregroup.com

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