

## Increased profitability in 2020

- EBITDA margin grew close to 29% of annual turnover.
- Net income: +7.4%

IFRS compliant statements Data audited - in €M	2019	2020	Variation
<b>Consolidated annual turnover</b>	187.7	<b>172.4</b>	-8.1%
<b>EBITDA</b>	48.3	<b>49.8</b>	+3.1%
% of turnover	25.8%	<b>28.9%</b>	
<b>Current operating income</b>	17.3	<b>18.9</b>	+9.7%
% of turnover	9.2%	<b>11.0%</b>	
<b>Operating income</b>	17.3	<b>19.2</b>	+11.2%
% of turnover	9.2%	<b>11.1%</b>	
<b>Net income Group share</b>	10.5	<b>11.3</b>	+7.4%
% of turnover	5.6%	<b>6.6%</b>	

### Business slowdown in 2020 under control

Prodware's turnover in 2020 declined by 8.1% within the context of the global sanitary crisis, mainly due to the slow down of the Integration business activity. SaaS sales continue to grow reaching €45.0M in the same year showing a significant improvement of 15.6% compared to the previous financial year. This recurring revenue now represents 26.1% of Prodware's total revenues.

### Seeking continued growth in profitability

EBITDA in 2020 grew by 3.1% despite a decline in turnover. It reached €49,8M with a 28.9% margin. This was made possible following a sharp decrease of external charges (-22.4% at €16.5 M) and staff expenses (-14.2% at €49.8M). In line with the Group's strategy of preserving its financial fundamentals, Prodware decided to sell its subsidiary in Tunisia as well as its Integration business unit in Israel in 2020. This fully ties into its 2016-2020 strategic plan of focusing on its core business in Europe, a geography deemed to have the most business development potential.

The Current Operating Income, which factors in the depreciation charges and slightly higher provisions (+€0.7M compared to 2019) and €0.9M less in taxes, saw a relative increase of 9.7%.

Financial expenses totalled €6.4M in 2020, nearly equivalent to 2019 whereas corporate income tax increased by €1.5 M.

The Net income Group share reached €11.3M in 2020 compared to €10.5M in the previous fiscal year showing a 7.4% increase.

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



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## A solid and sound balance sheet

Equity capital worth €155.4M as of December 31<sup>st</sup>, 2020 is reported on Prodware's balance sheet increasing by 7.3% compared to December 31<sup>st</sup>, 2019.

The net debt (excluding lease liabilities under IFRS 16), comes to €85.2M, with a debt-to-equity ratio (gearing ratio) amounting to 0,55 times the equity with a leveraged ratio based on conventional and fixed standards reining in at 1.7x 2020 EBITDA.

## Perspectives

### 2021- 2025 strategy: « The Place to Be and the Company to Work With »

Partner of choice supporting companies through their digital transformation journey (essentially those rapidly growing mid-size companies, mid-market organizations and subsidiaries of large Groups), Prodware will continue to reinforce its innovative industry-specific solution development activity and Business Consulting practice, fields of expertise that are pivotal in supporting its customers.

In parallel, the Group will continue to develop and strengthen its market positioning in Western Europe while remaining abreast of new opportunities in Northern Europe, an area where Microsoft technologies are in great demand.

Moreover, the existing company's centres in Eastern Europe will contribute in production capacity at a very competitive cost in this now very global marketplace, in addition to the growth forecast planned in its Western Europe geographies.

Finally, focusing on Human Capital Management is a top priority – first to make sure Prodware retain and attract talent and second, to ensure stellar Customer Relationship Management, both aspects being essential to drive solid, profitable and sustainable growth.

**Next publication:** Turnover of 1<sup>st</sup> quarter of 2021: May 19<sup>th</sup>, 2021, after market close.

## About Prodware

*Whether it is enabling ambitious Cloud strategies, artificial intelligence driven decision-making solutions or more flexibility and agility delivered by modern business applications, Prodware, with more than 3 decades of expertise and know how is in a class of its own.*

*Prodware leverages the latest technologies and technological breakthroughs building the business processes 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.*

*For more information [www.prodwareGroup.com](http://www.prodwareGroup.com)*

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