



PRESS RELEASE

**First-half 2019 results:
continued profitable growth trajectory**

- Buoyant revenue growth (+33%), driven by the Consulting and Software divisions
- Strong EBITDA and EBIT growth
- Confirmation of annual targets: revenues of over €200 million and improvement in profit margins

Lyon, 17 September 2019 – 6.00 pm. Visiativ Group, a publisher and integrator of collaborative software platforms and provider of innovation consulting, is listed on Euronext Growth in Paris (FR0004029478, ALVIV).

Results for the first half of 2019 were fully in line with Visiativ's profitable growth trajectory, including:

- **Strong revenue growth of 33% to €85.0 million.** The Consulting and Software divisions posted double-digit organic growth, while the Integration division recorded usual growth for the first half, including low organic growth, but expects to see a considerable upswing in the second half;
- **Recurring revenues up 50%, including 6% like-for-like,** accounting for 63% of first-half business, up from 56% a year earlier;
- **Continued globalisation of the Visiativ offering,** driven by the latest and growing acquisitions in the Integration and Consulting divisions during the first half, **bringing the share of overseas business to 22%,** up from 8% last year;
- **The highest six-month EBITDA margin to date 4.1%** and EBIT of €1.0 million, in contrast to the customary seasonal first-half EBIT loss.

Backed by these strong first-half results and the positive Q3 trend in all divisions, Visiativ confirms its target to break the €200 million revenue barrier in 2019, one year ahead of the Next100 strategic plan forecast, together with another year of rising profit margins.

| €m - Limited review French GAAP | H1 2018 (6 months) | H1 2019 (6 months) | Change | 2018 (12 months) |
|------------------------------------|-----------------------|-----------------------|---------------|---------------------|
| Revenues | 64.1 | 85.0 | +33% | 163.2 |
| EBITDA¹ | 0.0 | 3.5 | +€3.5m | 13.1 |
| <i>EBITDA margin %</i> | - | 4.1% | - | 8.0% |
| EBIT | (1.9) | 1.0 | +€2.9m | 8.9 |
| <i>EBIT margin</i> | -3.0% | 0.8% | - | 5.4% |
| Net income Group share | (3.6) | (3.5) | +€0.2m | 3.3 |

¹ EBIT + depreciation and amortisation



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Visiativ posted consolidated H1 2019 revenues of €85.0 million, reflecting a sharp increase of 33% (up 2% like-for-like at constant consolidation scope and exchange rates). Recurring revenues (maintenance, SaaS, subscriptions) amounted to €53.4 million in the first half, up 50% (up 6% like-for-like), now accounting for 63% of total Group revenues (vs. 56% in H1 2018). Furthermore, new acquisitions posted organic growth of around 10% for the first half.

The Software and Consulting divisions posted strong organic growth of 12% and 11% respectively. Including the impact of acquisitions, the two divisions posted respective revenue growth of 26% and 164%.

The Integration division posted usual growth over the first half, including minimal organic growth, but rose 20% including the contribution of international acquisitions. The division expects to see a considerable upswing in the second half due to seasonal business trends and a more favourable market environment.

In addition to changes in business lines, the Group continued its globalisation drive in the first half (22% of total business, up from 8% one year ago), driven by acquisitions made over the last twelve months (Innova Systems, Dimensions Group, Jumpstart). The international segment is increasingly acting as a growth driver, particularly in the Integration division (22% of the division's sales are now generated outside France, vs. 10% in 2018).

The Group posts €3.5 million EBITDA growth in first half 2019

First-half EBITDA amounted to €3.5 million after breaking even a year earlier. EBITDA was boosted by changes in the business mix, including an increased share of business generated by the two most profitable divisions, Software and Consulting.

- The **Integration division** recorded an EBITDA loss of €0.7 million, an improvement on the H1 2018 loss of €1.3 million. As a reminder, the division's result is generated during the second half (EBITDA of €5.7 million over full-year 2018).
- The **Software division** posted EBITDA of €1.4 million after breaking even a year earlier, giving an EBITDA margin of 9.5% driven by 27% revenue growth.
- The **Consulting division** maintained high profit margins, with EBITDA of €3.8 million giving an EBITDA margin of 26.3% (24.9% EBITDA margin over the 9 months of consolidation in 2018).
- The **Business Development** segment (cloud, rapid manufacturing) posted an EBITDA loss of €1.1 million, despite 10% revenue growth, due to expenditure on redesigning offerings and major investments.

Although the segment usually posts an EBIT loss in the first half, generating most of its business in the second half, this year first-half EBIT was positive at €1.0 million.

Net financial expense amounted to €0.8 million, including the cost of new financing arrangements set up in 2018 to boost growth.

After non-recurring expenses of €0.3 million and a corporate income tax charge of €1.5 million, the Group posted a consolidated net loss of €1.6 million, compared to a €3.0 million loss in first half 2018. The increase in the minority interest share, which mainly concerned ABGI Group, resulted in a net loss Group share of €3.5 million, versus a €3.6 million loss in H1 2018.

Financial position as at 30 June 2019

Although first-half free cash flow amounted to a €1.2 million inflow, change in working capital reduced cash flow by €6.5 million due to recent acquisitions, including in the Consulting division which normally records its peak cash position at the end of September.

Capital expenditure totalled €9.4 million, mainly allocated to external growth (€5.6 million) and intangible assets (€2.4 million).

At 30 June 2019, cash and cash equivalents amounted to €18.9 million. Net borrowings stood at €33.1 million, representing a gearing ratio of 73% at 30 June 2019, traditionally a low point of the year (60% at 30 June 2018 and 35% at 31 December 2018). The Group expects to record gearing close to 50% by the end of the year, at constant consolidation scope.

**Outlook**

First-half performance coupled with a promising start to the second half, particularly in the Integration division, enables the Group to confirm its full-year consolidated revenue target of over €200 million, pushing overall growth over the 20% mark, by combining organic growth and the full-year consolidation impact of acquisitions carried out in 2018 and 2019.

As in the first half, this dynamic growth should make 2019 a further year of profit growth.

2019 financial calendar

- Q3 2019 revenues: **4 November 2019**
- FY 2019 revenues: **28 January 2020**

These dates have yet to be confirmed and may be subject to change if necessary. All publications will be issued after close of trading on Euronext Paris.

ABOUT VISIATIV

Integrator of innovative software solutions, Visiativ steps up the digital transformation of companies via its collaborative and social business platform and innovation consultancy offer. Working with mid-caps since its foundation in 1987, the Visiativ Group posted 2018 revenues of €163m and boasts a diverse portfolio of over 18,000 customers. Covering every economic sector in France and with operations in international (Belgium, Brazil, Canada, Luxembourg, Morocco, the Netherlands, UK, USA and Switzerland), Visiativ has nearly 1,000 employees. The Visiativ share (ISIN code FR0004029478, ALVIV) is listed on Euronext Growth Paris. The share is eligible for the PEA and PEA-PME personal equity plans and FCPI/FIP investments funds, thanks to its status as an “innovative business” recognised by Bpifrance.

For further information, visit www.visiativ.com

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