



Q3 2020 REVENUE

European digital services group SQLI announces consolidated revenue for the third quarter and the first nine months of 2020¹. After a second quarter that was severely impacted by the health crisis and the sharp market contraction, notably in France, the Group detects some encouraging signs of a recovery in the third quarter and confirms its targets for the year-end.

€m – IFRS – unaudited data	2019	2020	Change
Q1	62.0	58.9	-5.0%
Q2	61.0	51.4	-15.7%
Q3	54.4	47.9	-11.9%
First 9 months	177.4	158.2	-10.8%
o/w <i>Commerce & Experience</i> segment	76.4	82.0	+7.3%
o/w <i>Digital & Technology</i> segment	101.0	76.2	-24.6%

GROWTH IN INTERNATIONAL MARKETS AND SUCCESSFUL INTEGRATION OF REDBOX

Third quarter revenue reached €47.9 million, a decrease of 11.9% versus the same period in 2019 (-14.3% at constant scope and exchange rates²):

- The **Commerce & Experience** business segment, which comprises European digital agency operations, generated third quarter revenue of €26.2 million, an increase of +11.0% reported and +5.5% on a like-for-like basis. The segment therefore saw a sharp rebound in its activity after a decline of -6.5% at constant scope and exchange rates in the second quarter. The Group benefited from solid sales momentum internationally, in Switzerland and Spain in particular, and from the successful integration of Redbox Digital, an e-commerce agency based in the UK and the Middle East, since March 2020.
- The **Digital & Technology** business segment, which comprises the digital services activities, made revenue of €21.7 million in the third quarter of 2020 compared with €30.8 million a year earlier. This decline in the third quarter (-29.5%) is comparable to that seen in the second quarter and reflects a stabilisation of activity. As announced, the economic impact of the health crisis has been amplified by the streamlining of the offering and the discontinuation of loss-making activities under way since the second half of 2019.

Revenue for the first nine months of the year came to €158.2 million compared with €177.4 million the previous year (-10.8% reported and -13.6% like-for-like³). The situation is very different for the business fields:

- the **Commerce & Experience** segment recorded revenue growth of +7.3% (+0.9% on a like-for-like basis) to €82.0 million.
- the **Digital & Technology** segment saw sales contract by -24.6% to €76.2 million.

¹ Estimated unaudited data

² Exchange rate effect: +0,3 pp / scope effect: +2,5 pp

³ Exchange rate effect: 0 pp / scope effect: +2,4 pp

IMPLEMENTATION OF ADAPTATION MEASURES

Since the start of this unprecedented health crisis, the Group has taken the necessary measures to mitigate the impact of the decline in activity on its results. It therefore extended the use of part-time work to the third quarter, mainly in France. SQLI also recorded a gradual improvement in its utilisation rate to 78% in the third quarter of 2020 versus 75% in the second quarter.

In parallel, SQLI continues to manage its costs and cash position very closely, notably through better mobilisation of tax receivables (research tax credit) without the use of factoring.

CONFIRMATION OF TARGETS FOR 2020

The level of activity at the end of September is in line with the trends anticipated for the end of the year. SQLI thus confirmed it expects 2020 annual revenue to be above €210 million, with current operating income of more than €6 million.

Beyond that, the Group is deploying the necessary resources to gradually strengthen its growth momentum, notably by strengthening the sales team in France and speeding up the integration of international acquisitions.

SQLI will publish its 2020 annual revenue on 2 February 2021, after market.

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About SQLI: Founded in 1990, SQLI is an international digital services group that combines the best technologies and methods to create user focused applications and services and e-commerce solutions that enhance the customer experience.

Its unique positioning as a commerce, technology and skills transformation specialist, combined with the production capacity of its digital services centres, enable SQLI Group to help European key accounts increase their sales, brand awareness and internal performance over the long term.

SQLI's 2,200 employees are spread over 15 countries: France, Switzerland, Luxembourg, Belgium, the United Kingdom, Ireland, Germany, Sweden, Netherlands, Denmark, Spain, Dubai, Singapore, South Africa and Morocco. SQLI posted revenue of €239 million in 2019 and has been listed on Euronext Paris (SQLI) since 21 July 2000.

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