

# 2023 ANNUAL RESULTS AND STRATEGIC OPERATIONS SUPPORT THE GROUP'S AMBITION

Paris - 14 March 2024. SQLI, a European digital services group, announces its annual results for 2023, as approved by the Board of Directors at its meeting on 12 March 2024 chaired by Philippe Donche-Gay<sup>1</sup>. On this occasion, the Group announces a sequential improvement in its results during 2023, as well as several strategic initiatives to strengthen its position as a key player in the digital experience market, and unveils its financial ambitions for 2024.

In €m – IFRS – Audited data	2022	2023	Change
REVENUE	245.9	251.2	+2%
CURRENT OPERATING INCOME	21.5	20.6	-4%
	8.7%	8.2%	-0.5 pt
OPERATING INCOME (EBIT)	16.2	12.4	-23%
NET INCOME	7.7	4.8	-37%

## SEQUENTIAL IMPROVEMENT IN RESULTS BETWEEN THE 1<sup>ST</sup> HALF AND THE 2<sup>ND</sup> HALF OF 2023

SQLI has posted a 3<sup>rd</sup> consecutive year of growth, with consolidated revenues up organically by +2% to €251.2m (also +2% at constant exchange rates). France (+2.3%) and international markets (+2.0%) contributed equally to the Group's revenue growth.

Current operating income fell slightly (-4%) in 2023, reflecting a two-stage trend. After a 1.3 point decline in the current operating margin on ordinary activities in the first half of 2023<sup>2</sup>, due to a temporary deterioration in the level of activity, profitability improved by 0.2 point in the second half of 2023<sup>3</sup>, returning to 8.7% of revenues, the level achieved for the whole of 2022.

This turnaround demonstrates the relevance of the strategic choices made at the start of the year, particularly the implementation in France of a new organization based on areas of expertise, following a model that is also being rolled out internationally. The Group has also invested to strengthen its technological expertise, its commercial efficiency, and the development of its service centre in Morocco.

<sup>1</sup> Audit procedures were conducted on the consolidated financial statements.

<sup>2</sup> Compared to H1 2022

<sup>3</sup> Compared to H2 2022

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Operating income (EBIT) came to €12.4m, after considering €8.2m of net non-current expenses (around half of which related to the recognition, with limited impact on cash, of the long-term incentive plan introduced in 2022 and expenses associated with the change of head office in Levallois).

After taking into account the net cost of debt (€4.4m in 2023 compared with €4.0m in 2022) and the tax expense (€2.7m compared with €3.4m), consolidated net income for 2023 is €4.8m.

## CONTROL OF THE NET DEBT/EQUITY RATIO

SQLI had gross cash of €15.7m<sup>4</sup> at the end of 2023, compared with €22.2m at the start of the year. The change was mainly due to less recourse to deconsolidating factoring (€4.0m) and to the fitting-out of the new head office (€2.5m).

Net financial debt (excluding IFRS 16) remains low and under control, at €11.7m, compared with equity of €117.2m, giving a ratio of around 10%.

## 3 STRATEGIC OPERATIONS LAUNCHED IN EARLY 2024

On the strength of these solid results and a good business momentum at the start of the year, SQLI has decided to embark on a new development cycle combining organic growth, refocusing on its core activities and targeted acquisitions. This roadmap has resulted in 3 strategic initiatives since the beginning of the year:

1. The acquisition of **Levana**<sup>5</sup>, an independent French agency founded in 2017 with a team of 70 employees and a benchmark in the Salesforce ecosystem, the world leader in customer relationship management solutions.
2. The planned acquisition of **Station 10**<sup>6</sup>, a London agency with 25 talented people and recognised for its cutting-edge expertise in analysing data from Adobe's cloud platforms.
3. The proposed sale of **Aston**<sup>7</sup>, a training business that is not part of the strategic roadmap and which will be acquired by a training specialist, the Talis Education Group.

These operations are designed to consolidate SQLI's position as a benchmark partner for the world's leading providers of experience platforms (Adobe, Microsoft, Salesforce, and SAP). They will improve the SQLI Group's growth profile, while consolidating the proportion of activities generating a double-digit recurring operating margin. In 2024, the impacts of the acquisitions and disposals will offset each other overall, in terms of both income statement and cash flow.

## AMBITION FOR PROFITABLE GROWTH IN 2024

Between 2020 and 2023, SQLI will have increased its revenues by an average of 5.5% a year and raised its current operating margin from 3.4% to 8.2% of revenues.

The Group aims to continue this cycle in 2024, with faster revenues growth than in 2023 and a further improvement in profitability, enabling it to achieve a double-digit current operating margin.

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<sup>4</sup> Net of short-term bank loans and overdrafts.

<sup>5</sup> [SQLI strengthens its position in customer experience management with the acquisition of Levana](#)

<sup>6</sup> Letter of intent signed and audits underway with a view to completion in the first half of 2024.

<sup>7</sup> Project subject to the information/consultation process with employee representative bodies and scheduled for completion in the 1st half of 2024.

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**About SQLI** : Founded in 1990, SQLI is a European digital services group that supports major international brands in creating value through Digital. Its creative and technical teams are committed to providing customers, consumers, and users with new and engaging experiences based on the best technologies and methodologies, as well as their skills and convictions. They design, develop, and deploy strong and effective architectures that improve companies' agility, increase their efficiency, and promote their growth. SQLI's 2,100 employees are spread over 12 countries: France, Switzerland, Luxembourg, Belgium, the UK, Germany, Sweden, the Netherlands, Spain, Morocco, Mauritius and Dubai. In 2023, the SQLI group generated revenues of €251m. SQLI has been listed on Euronext Paris (SQI) since 21 July 2000.

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