



PRESS RELEASE

H1 2018 earnings

- 16% sales growth including 2% organic growth
- H1 2018 EBITDA at breakeven
- Accompanying the strong growth of Visiativ
 - Creation of a unique value proposition for a 16,000-strong client base
 - Continued investment in development and group structuring
 - Strengthening of financial resources
- Full-year outlook: Revenues of over €155 million (up 25%) including €30 million generated by the Software division (up 38%)

Lyon, 18 September 2018 – 6.00 pm. The Visiativ Group share (FR0004029478, ALVIV) is listed on Euronext Growth Paris. Visiativ's Board of Directors met on 14 September 2018 to approve the first half 2018 financial statements.

For the first six months of its 2018 financial year, Visiativ, a publisher and integrator of innovative software platforms, posted revenues of €64.1 million, up 16% (up 2% like-for-like¹). The success of Visiativ's cross-selling strategy applied to a customer base of over 16,000 small to mid-cap companies was reflected by particularly buoyant business in Software and Innovation Consulting and relative stability in the longer-standing SOLIDWORKS segment of the Integration division. Expenditure on Group structuring and resources to drive the next phase of growth naturally curbed profit margins for the first half, historically a loss-making period.

The current outlook for the second half allows the Group to aim for full-year revenues of over €155 million (versus an initial target of €150-155 million), entailing revenue growth of over 25%. The Group also plans to continue to generate profitable growth over the full year.

Limited Review Accounts (€m) French GAAP	H1 2017 (6 months)	H1 2018 (6 months)	Change	2017 (12 months)
Revenues	55.1	64.1	+16%	124.4
EBITDA²	2.1	0.0	-€2.1m	9.0
EBIT	0.9	(1.9)	-€2.8m	6.4
<i>% of revenues</i>	1.5%	(3.0%)	-	5.2%
Net income - Group share	0.6	(3.6)	-€4.1m	4.8

¹ Like-for-like revenue growth adjusting for the consolidation of Numvision and Spread as of 1 July 2017, c+e forum as of 1 December 2017 and ABGI and Valla as of 1 April 2018. Innova Systems and Audros Technology will be consolidated from 1 July 2018. Timelab, a start-up in which Visiativ purchased a majority stake in February 2018, is not consolidated.

² EBIT + depreciation/amortisation



Now organised around three business lines faced with the challenge of pursuing a cross-selling strategy, Visiativ saw contrasting trends in its business activity during the period:

- **Integration** revenues rose **5%**, up 1% like-for-like due to a 3% decline in SOLIDWORKS sales at constant consolidation, offset by a strong performance in the 3DEXPERIENCE segment (up 8% at constant consolidation);
- In the **Software** division, although performance was overshadowed by the major licence contract signed with an insurance customer during first half 2017, business remained extremely buoyant with growth of 12%, including 3% organic growth. Adjusted for the exceptional insurance license deal in 2017, first half **like-for-like sales rose 14%**;
- The new **Innovation Consultancy** division arising from the acquisition of ABGI Group, consolidated since 1 April 2018, generated a highly satisfactory performance over the first few months of its integration, recording pro forma revenue growth of around 18% for the first half and generating strong business in all regions, including France and the USA.

First half 2018 **recurring revenues** – including maintenance, SaaS and subscriptions – amounted to €35.6 million, up 19% year-on-year from €30.0 million and now accounting for **56% of total Group revenues** (up one percentage point).

First-half earnings were impacted by changes in the business mix combined with investment in Group structuring after an intense phase of acquisitions, and in preparation for the next stage of growth. **H1 2018 EBITDA is at breakeven** (versus €2.1 million in H1 2017), while the Group posted an EBIT loss of €1.9 million compared to positive EBIT of €0.9 million last year.

For the first time, as of the 2018 financial year, the Visiativ Group is presenting a breakdown of contribution per business unit (excluding overheads and Group marketing costs):

- **Integration contribution** fell €1.4 million (down €1.1 million at constant consolidation) to €7.6 million. The decline is mainly concentrated in the SOLIDWORKS segment, whose margins were impacted by increased competitive pressure coupled with a preparatory hiring campaign conducted by the services departments. 3DEXPERIENCE margins held up well. Earnings were also impacted by the expenditure on Rapid Manufacturing.
- The **Software division** contributed a robust €2.7 million to Group, with a margin of 21%, down €0.4 million however from last year. Besides the mix effect related to the insurance licence contract signed in H1 2017, half-year results were impacted by strengthening teams in the services and sales departments and depreciation/amortisation charges related to developments. The latest acquisitions, Spread and Numvision, contributed €0.3 million to first half contribution.
- The **Innovation Consulting division** posted a contribution of €3.1 million for the three-month period beginning 1 April 2018 thanks to healthy profit margins recorded by the division during a traditionally strong quarter.

Beyond the performance of these core divisions, H1 earnings were also impacted by **increased overheads due to the Group's expansion and marketing expenditure on the "Entreprise DU FUTUR" event, a resounding success with major business repercussions for Visiativ**. This impact is expected to tail off during the second half.

The increase in the tax charge due to the distribution of earnings between subsidiaries and the increase in the minority interests share, primarily due to the excellent performance recorded by ABGI Group, resulted in a net loss Group share of €3.6 million, compared to net income of €0.5 million in H1 2017.



Strong financial springboard to ensure the success of the Next100 plan

H1 2018 free cash flow amounted to a moderate €1.2 million outflow, together with a historically unfavourable change in working capital for this period (down €3.6 million).

Visiativ continued its active capital expenditure and M&A policy (acquisition of ABGI Group and Innova Systems during the first half) and set up new financing arrangements through the successful launch of a **€20 million Euro PP-type bond issue** and the grant of a **€5 million capex credit facility**.

Closing cash and cash equivalents at 30 June 2018 amounted to €26.9 million compared to borrowings of €50.4 million. **Net gearing thus came to 60%**, giving the Group sufficient financial leeway to continue its development in line with the Next100 strategic plan.

2018 outlook

The Group is now aiming at **2018 full-year revenues of over €155 million** compared to its initial target of €150-155 million, **implying total year-on-year revenue growth of over 25%, including €30 million generated by the Software division (up 38%)**.

At this mid point in the year, **looking ahead to the second half in which the Group historically generates most of its earnings**, Visiativ is confident in its ability to achieve yet another year of profitable growth.

Laurent FIARD, Chairman and CEO of Visiativ, commented:

*“Paradoxically, the contrasting performances of Visiativ’s core business lines during the first half demonstrates the merits of our strategy. Rather than resting on its laurels, **the Group must continue to globalise its Integration offering**, through acquisitions such as c+e forum in late 2017 and Innova Systems during this first half, **and expand its portfolio of innovative solutions in order to support the digital transformation of small and mid-cap companies**. Our growth strategy also involves strengthening ties with our 16,000 customers in order to **step up cross selling**, a practice particularly beneficial to the Software and Innovation Consulting divisions. This strategy goes hand in hand with major Group structuring, which we need to carry out in order to take full advantage of our acquisitions and new solutions. **Our transformation plan is anchored around the creation of a unique value proposition.**”*

Next release: Q3 2018 revenues, 16 October 2018, after close of trading (instead of 25 October 2018 as initially scheduled).

ABOUT VISIATIV

Integrator of innovative software solutions, Visiativ steps up the digital transformation of companies via its collaborative and social business platform. Working with mid-caps since its foundation in 1987, the Visiativ Group posted 2017 revenues of €124m and boasts a diverse portfolio of over 16,000 customers. Covering every economic sector in France and with operations in international (Brazil, Canada, Morocco, Switzerland, UK and USA), Visiativ has nearly 850 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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