

## Press Release

22 April 2021

# KEYRUS

insight into value

## 2020 Annual Results

**Revenues : €260.9m : -9.0%** (organic growth\* -9.8%)

**Current operating income : €9.1m**

**Operating income : €6.9m**

**Net income : €2.7m**

In millions of euros	2020	2019
Revenues	260.9	286.7
Current operating income	9.1	5.6
Operating income	6.9	2.6
Net income	2.7	(5.5)
Net income (Group Share)	0.8	(6.0)

**Levallois-Perret, 22 April 2021** : the **Keyrus** Board of Directors met on 22 April 2021 in the presence of the auditors and finalized the audited consolidated accounts for the 2020 financial year.

### 2020 Operating Performance

The **Keyrus** Group recorded consolidated revenues of €260.9m for the 2020 financial year, a decrease of 9.0% as compared with the 2019 financial year (-9.8% at constant scope and exchange rates). Based on reported figures, revenues from the Large Account segment decreased by 12% whilst those from the Mid-Market segment grew by 1.5%.

As regards Large Account activities, this decrease was seen in all the geographical regions in which the Group operates, with the exception of the United States and the Asia zone.

Europe was the zone most affected by the health crisis, with a drop in activity of 18.9%, mainly due to the sharp slowdown in investment by large companies. Furthermore, the reorganisation of our activities in France, which was undertaken in early 2020 following the difficulties encountered in 2019, did not yield its full results in the 2020 financial year.

Nevertheless, the first positive effects of the actions undertaken were observed during the 4th quarter, with the implementation of new governance arrangements.

The LATAM zone also saw a decline in organic terms, which stood at 9,7%, and which was the direct result of a drop in the activity of one of our major clients in Brazil and the negative impact of variations in the exchange rate.

Despite this downturn in activity, the zone's contribution in terms of profitability increased sharply compared to 2019 profitability levels, and this was achieved notwithstanding the negative impact of the health crisis, thereby confirming that the remedial actions launched in the second half of 2019 continued to yield results in 2020.

Our United States subsidiaries delivered a notable performance in 2020. Their activity increased by 28.1% in organic terms, thanks to a dynamic market, the quality of our offerings, and the positive impact of our recent acquisitions in this market.

Mid-Market activities, which are carried on by the Group's **Absys Cyborg** subsidiary, posted organic growth of 1.1% (1.5% based on reported figures) in the 2020 financial year, in spite of the uncertain economic context. This solid performance resulted from a significant increase in revenues in the 4th quarter (+7.1%, as compared with the 4th quarter of 2019), supported by a recovery in service-delivery activities.

Subscription-based software sales also remained on an upward trend, enabling an increase in recurring business, which accounted for 46% of revenues in the 2020 financial year, as against 43% in 2019.

The Group's current operating income was €9.1m, as against €5.6m for 2019.

Operating income and net income Group share were €6.9m and €0.8m respectively, as against €2.6m and €(6.0)m for 2019.

The Group's net financial indebtedness decreased significantly, falling to €18.9m, compared to €46.8m as at 31 December 2019. This improvement of €27.8m was mainly due to a decrease of €37.0m in the Working Capital Requirement (WCR) and, to a lesser extent, to an improvement of €7.0m in cash from operations, partially offset by the repayment of loans and financial debts, as well as by investments.

The decrease in the WCR results (i) firstly from the decrease in the trade receivables component (reduction in revenues, but also improved management of client outstandings and of our processes), and also (ii) from the deferral of the payment of tax and social security charges in France, by virtue of the government measures implemented to address the effects of the health crisis.

The Group's net cash position\*\* stood at €61.8m as against €30.0m at the end of the 2019 financial year.

In July 2020 the Group obtained the agreement of its partners to the granting of a State-backed loan of €10m, which, when added to available cash, bolstered **Keyrus's** financial ability to deal with the effects of this unprecedented crisis. On an operating level, the Group and its subsidiaries have set up arrangements to monitor cashflow and update forecasts on a weekly basis.

As at 31 December 2020, cashflow forecasts did not reveal any financing difficulties, and the Group complied with its banking covenants. Indeed, the position with regard to these covenants even showed a noticeable improvement as compared with the 2019 financial year.

## Outlook

The **Large Account** segment continues to consolidate its portfolio of offerings - Data Intelligence - Digital Experience – Management & Transformation -, strengthening its value proposition by acquiring key personnel. The Group is thus continuing on its strategic trajectory and building its integrated offering of services to help its clients achieve their digital transformation and valorize their “Data asset base”. The bolstering of activities in North America will also be an important development focus.

For the **Mid-Market** segment, the **Keyrus** Group is pursuing a prudent and selective growth strategy in view of the economic environment. The segment will continue to grow organically, on the one hand through new R&D investment and Innovation around new Cloud – SaaS solutions that complement those of the Sage and Microsoft editors, and, on the other hand, through targeted acquisitions.

Due to the crisis linked to the CoVid-19 pandemic, the **Keyrus** Group had expected the market to be highly uncertain and volatile in the second half of 2020, with greatly differing developments from one region to another. In this context, our two sectors of activity are organized to deal with these uncertainties in 2021, whilst at the same time continuing to implement their long-term strategy of retaining their leadership in their market.

**Eric Cohen**, President & CEO, comments : *“Our performance in the 2020 financial year will have demonstrated the Group’s capacity to remain resilient and bounce back in the context of an enduring health crisis. Our positioning as a hyper-specialist in Data with 25 years of experience and project accomplishments, expertise that is recognized at international level and always at the cutting edge of innovation, and a geographical presence offering significant growth potential, allowing us to look forward confidently to the future in spite of the uncertain economic environment.*

*More than ever before, our development project is part of a responsible approach in response to social and societal challenges within which the very essence of our data-related activities takes on its full meaning. Data provides insights into the way we all behave and the manner in which the world is changing, taking shape, and improving for future generations. Naturally, **Keyrus** will bring to bear all its knowledge and mastery of data science to help its clients meet all the post-Covid challenges.”*

### Summary statement of operating income by operating sector

In €m	Large Accounts		Mid-Market		Total	
	2020	2019	2020	2019	2020	2019
Revenues	197.0	223.8	63.9	62.9	<b>260.9</b>	<b>286.7</b>
Current operating income	5.2	0.9	3.9	4.7	<b>9.1</b>	<b>5.6</b>
Operating income	3.6	(1.8)	3.3	4.4	<b>6.9</b>	<b>2.6</b>

## Management and impact of the COVID crisis

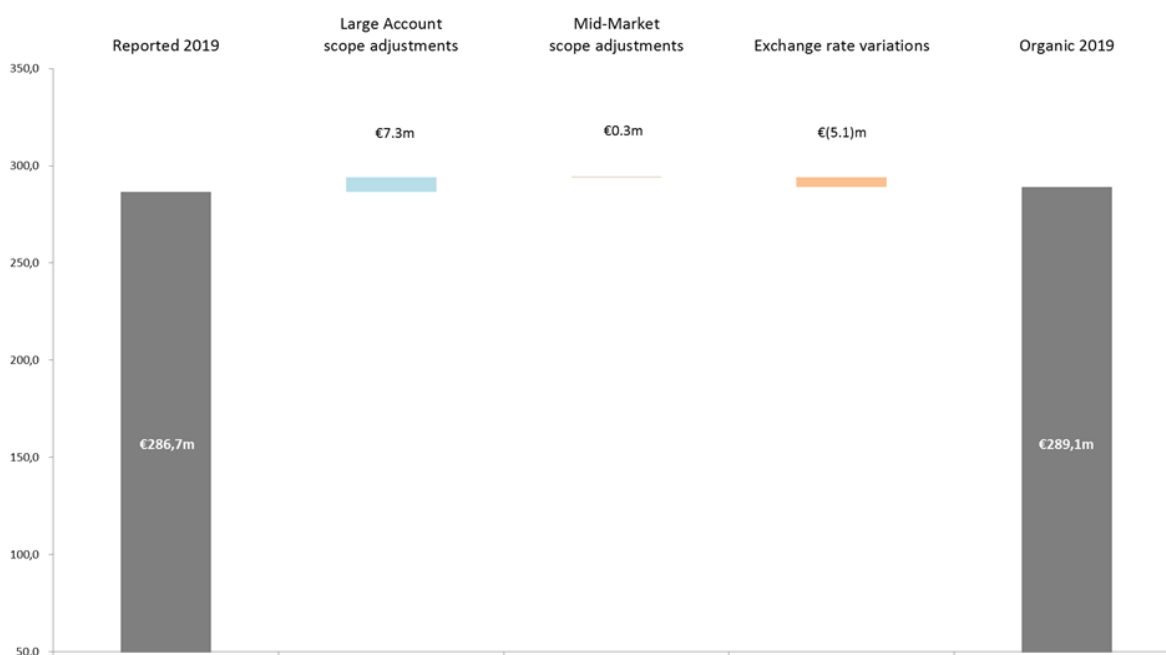
In terms of organization, in March 2020 the Group proceeded to create a crisis unit headed up by its President-CEO and the Group's executive Directors. This unit is still in place today and continues to ensure the efficient operation of the health-related procedures required to safeguard all of its employees and the business-continuity plans for all its subsidiaries. These plans undergo updates as the local and international context changes.

### \* DEFINITION OF THE NOTION OF ORGANIC GROWTH IN REVENUES

The notion of organic growth in revenues involves presenting the revenues of the preceding year (N-1, in this case, the 2019 financial year) restated in such a way as to apply the exchange rates and scope of consolidation of the current year (N, in this case, the 2020 financial year). The Group then calculates a figure for organic N-1 revenues by:

- using the exchange rates of year N to calculate the reported revenues of companies outside the Eurozone in year N-1 ;
- adding to the reported revenues for year N-1 the N-1 revenues of companies that came within the scope of consolidation in year N ;
- deducting from the reported revenues for year N-1 the N-1 revenues of companies that went out of the scope of consolidation in year N.

In 2020, the adjustments to go from reported 2019 revenues to organic 2019 revenues look as follows:



### \*\* NET CASH POSITION

Cash and cash equivalents, recorded as assets in the balance sheet, after deduction of bank overdrafts

## ABOUT THE KEYRUS GROUP

### Keyrus – Large Account Activities

An international player in consulting and technologies and specialist in Data and Digital, **Keyrus** is dedicated to helping enterprises take advantage of the Data and Digital paradigm to enhance their performance, facilitate and accelerate their transformation, and generate new drivers of growth and competitiveness.

Placing innovation at the heart of its strategy, **Keyrus** develops a value proposition that is unique in the market and centred around an innovative offering founded upon a combination of three major and convergent areas of expertise:

- **Data Intelligence :**  
Data Science – Artificial Intelligence - Big Data & Cloud Analytics – Business Intelligence – EIM – CPM/EPM
- **Digital Experience :**  
Innovation & Digital Strategy – Digital Marketing - DMP & CRM – Digital Commerce – Digital Performance – User Experience
- **Management & Transformation Consulting :**  
Strategy & Innovation – Digital Transformation – Performance Management – Project Support

### Absys Cyborg – Mid-Market Activities

**Absys Cyborg** is a specialist in the publication and integration of management solutions:

- **Management, ERP, and CRM software**
- **Hosting and Managed Services**
- **Collaborative solutions**
- **Reporting and Business Intelligence**
- **Consulting, Project Management Support Steering, IT Strategy**

**Absys Cyborg** is the leading integrator of Sage and Microsoft solutions and positions itself as a recognized expert in all the product lines of the Sage editor (Sage 100, Sage Pay, Sage FRP 1000, Sage X3) and Microsoft Dynamics.

Present in 20 countries on 4 continents, the **Keyrus** Group has 3,000 employees.

**Keyrus** is quoted on Euronext Growth Paris  
(ALKEY – ISIN Code: FR0004029411 – Reuters: KEYR.PA – Bloomberg: ALKEY:FP).  
Further information at: [www.keyrus.com](http://www.keyrus.com)