

Press Release

24 September 2020

KEYRUS

insight into value

2020 Half-Year Results

Organic decrease in revenues of -10.1% to €134.0m

Current operating income up, at +€2.6m, as against -€4.3m in the 1st half of 2019

In millions of euros	H1 2020	H1 2019
Revenues	134.0	145.6
Current operating income	2.6	-4.3
Operating income	2.0	-4.9
Net income (Group Share)	-2.5	-8.4

Levallois-Perret, 24 September 2020 : the consolidated accounts for the first half of 2020 have been approved by the Board of Directors, which met on 24 September 2020.

A limited review of the accounts has been conducted by the Auditors, whose reports are in the process of being issued.

Operating performance

Large-Account and Mid-Market activities

In the unusual economic context resulting from the Covid-19 crisis, the **Keyrus** Group recorded revenues of 134.0 million euros in the first half of 2020, down by 7.9% (-10.1% at constant scope and exchange rates) as compared with the first half of 2019.

In spite of this context and its repercussions on business activity, both of the **Keyrus** Group's segments are profitable, thanks to the reorganisation initiated in the second half of the 2019 financial year.

The Large Account segment suffered a significant decrease in revenues in the first half of the year, amounting to -10.0% (-12.7% at constant scope and exchange rates) as compared with

the first half of 2019. This decrease was primarily concentrated in France and the rest of Europe, where, to date, the health crisis has had the greatest impact on the economy.

While Latin America has not yet been severely affected in economic terms, and has thus been able to limit the drop in its activity, North America remains the Group's geographical zone posting the strongest organic growth.

Keyrus's acquisition of Impetus, a company providing consulting services focused on performance management and supported by the Anaplan solution, has not only bolstered **Keyrus's** presence in North America, but has also supplemented it with business expertise in the field of simulation and planning. This company has been integrated into the scope of consolidation since 1 March 2020, and it recorded revenues of €2.8m.

The Mid-Market segment, of which the activities are conducted by our Absys-Cyborg subsidiary, experienced a resilient first half of 2020, with revenues remaining almost unchanged as compared with the first half of 2019 (-1.0% at constant scope and exchange rates).

The proportion of contractual recurring business - accounting for 45% of revenues - continued to increase (+14%), partially absorbing the decline in service provision business in the second quarter of 2020 caused by the health crisis.

Main financial indicators

Current Operating Income from the Large Accounts segment, which stood at +€1.2m as against -€5.8m in the first half of 2019, showed a clear improvement.

- *The Covid-19 crisis placed severe pressure on revenues. However, the process to reorganize the Group that was initiated at the start of the second half of 2019, and which notably enabled staff costs to be optimized and external expenses rationalized, also helped us manage the impact of the crisis on the capacity utilization rate.*

Current Operating Income from the Mid-Market segment stood at +€1.5m, almost unchanged as compared to that of the first half of 2019.

- *This result is notably down to the initiative, launched 2 years ago, to develop the solution portfolio around Cloud offerings, both for software publishing and managed services. Recurring revenues have been bolstered and are partially mitigating the impact of the current recession.*

Operating income for the first half of 2020 was €2.0m, as compared with -€4.9m for the first half of 2019. It included a number of one-off cost items connected with the adaptation and necessary renewal of management functions (€1.0m).

The net income Group share was -€2.5m and incorporated net financial charges of -€0.5m and a tax charge of -€3.7m, as compared with -€1.2m and -€2.1m respectively in the first half of 2019.

The net debt stood at €33.9m as at 30 June 2020. As at 31 December 2019 it amounted to €46.8m. This fall is mainly down to the reduction in the working capital requirement, which was a consequence of the economic repercussions and the government measures resulting from the health crisis (a drop in activity and the deferral of deadlines for tax and social security payments).

Eric Cohen, the President and CEO of the **Keyrus** Group, comments:

"This first half of the year, marked by the need to manage an unprecedented health crisis, will have demonstrated the Keyrus Group's capacity for resilience. In what is still an uncertain environment, the focus will be on close client relationships, our employees' expertise, and the effectiveness of our organizations, so as to be ready for the next phase of economic recovery."

Measures & Impact relating to the Covid-19 crisis

On the financial front, in July 2020 the Group obtained the agreement of its financial partners to the granting of a State-backed loan of €10m, which, when added to available cash, will bolster Keyrus's financial ability to face up to 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 August 2020, the company's levels of cash and net debt are comparable with those in the balance sheet as at 30 June 2020. Cashflow forecasts do not reveal any financing difficulties.

On an operational level, as early as 15 March 2020 the **Keyrus** Group put in place a crisis unit headed up by its President & CEO. This unit implemented organizational arrangements for health-related, technical, economic and social measures to best manage the impact of the crisis. Moreover, specific procedures were set up to enable us to honour our commitments to all our clients around the world. Finally, by putting in place an internal governance model tailored to this crisis, we have been able to implement, monitor, and optimise the relevant measures across the Group.

The provisions of this operating plan are detailed in the management report included in the 2019 Universal Registration Document (URD) filed with the French *Autorité des Marchés Financiers* (French financial markets regulatory authority) on 29 May 2020 under the number D.20-0507.

Keyrus will publish its revenues for the third quarter of 2020 on 10 November 2020 after the market close.

Breakdown of revenues by operational sector

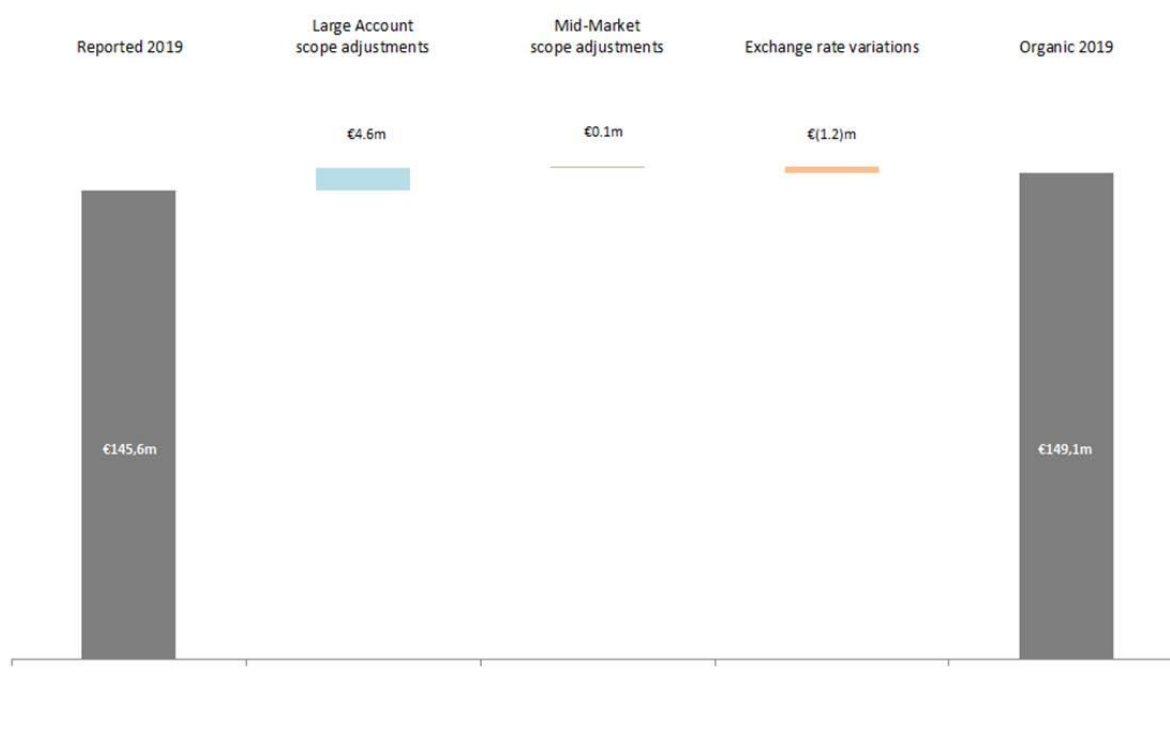
In €m	Large Accounts		Mid-Market		Total	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
Revenues	101.6	113.0	32.4	32.6	134.0	145.6
Current operating income	1.2	-5.8	1.5	1.4	2.6	-4.3
Operating income	0.7	-6.2	1.3	1.3	2.0	-4.9

* 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 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:



ABOUT THE KEYRUS GROUP

Keyrus – Large Account Activities

An international player in consulting and technologies and a 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 over 3,000 employees.

Keyrus is quoted in compartment C of the Eurolist of Euronext Paris
(Compartment C/Small caps – ISIN Code: FR0004029411 – Reuters: KEYR.PA – Bloomberg: KEY:FP)
Further information at: www.keyrus.com