

Press Release

27 September 2023



Half year results 2023

Revenues: €186.8m +11.7% (organic growth* +4.8%)

Current operating profit: €7.9m

Operating profit: €6.2m

Net profit: €3.0m

In millions of euros	H1 2023	H1 2022
Revenues	186.8	167.2
Current operating profit	7.9	5.3
Operating profit	6.2	4.3
Net profit	3.0	3.1
Net profit (Group share)	2.9	1.8

Levallois-Perret, 27 September 2023: The **Keyrus** Board of Directors met on 27 September 2023 and approved the consolidated accounts for the first half of 2023.

Operating performance

The **Keyrus** Group recorded consolidated revenues of €186.8m for the first half of 2023, an 11.7% increase on the first half of 2022 (+4.8% at a constant scope and exchange rate). According to published data, revenues for the Key Accounts segment grew 10.8% and Mid-Market segment revenues grew 14.5%.

Growth in **Key Accounts business**, up €14.0m (+2.5% organic growth), was achieved despite the uncertain macroeconomic climate marked by drop in demand overall. Nonetheless, **Keyrus** demonstrated resilience by preserving its profit margins while achieving slight growth.

Organic growth in Key Accounts business is primarily driven by the United Kingdom and Belgium, which have recorded new business successes. The decline in France continues, however, mainly due to a significant decrease in the activities of the strategy consulting subsidiary, Lynx partners.

The decrease in demand during the first half of the year, particularly pronounced in North and South American markets, is affecting EPM activities in these regions, as well as South American digital operations. The South American digital market is undergoing significant changes, with a near halt in e-commerce projects. These projects had been a major driver of regional growth for **Keyrus** over the past 5 years.

The scope of Keyrus's Life Science business is growing slightly but remains below expectations.

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Mid-Market activities, driven by subsidiary Absys Cyborg, recorded an organic growth of 13.3% in the first half of 2023, with an order intake increase of 6.5% compared to the first half of 2022.

The share of contractual recurring revenues, representing 55.0% of revenues, continues to grow at a faster rate than non-recurring revenues.

Apart from the increase in recurring revenue, Absys Cyborg has seen a boost in its HR activities due to the acquisition of Iprogest (an integrator of SILAE software) in 2022 and the accelerated growth of its consulting services for SMEs.

The Group's current operating profit stands at €7.9m against €5.3m on 30 June 2022. This increase was driven mainly by the growth of the Mid-Markets business.

Operating profit and net profit increased to €6.2m and €3.0m respectively, against €4.3m and €3.1m in 2022. The drop in net profit is due to the increased cost of debt and the drop in financial income:

- (i) The Group's average interest rate increased by nearly 4 percentage points compared to the first half of 2022, driven by the rise in Euribor 3M and the refinancing of the Group's medium-term debt, which was completed at the end of 2022.
- (ii) The financial result for the first half of 2022 also included the revaluation at fair value of the Group's equity investments in Rivery for a gross amount of €1.5m (or a net amount of €1.2m after tax charges).

Net debt stands at €45.2m on 30 June 2023 against €42.8m one year earlier, and €32.7m on 31 December 2022. This increase in the first half of 2023 is largely explained by the recurring seasonality of the Group's working capital needs.

The Group's net cash** position stands at €49.3m against €62.1m at the end of the 2022 financial year.

On 30 June 2023, cash flow forecasts show no financing difficulties, and the Group complies with its banking "covenants".

Operating profit and loss account summary by operating sector

M€	Key Accounts		Mid-Market		Total	
	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
Revenues	143.5	129.5	43.3	37.7	186.8	167.2
Current operating profit	4.3	4.1	3.6	1.2	7.9	5.3
Operating profit	2.8	2.9	3.5	1.4	6.2	4.3

Outlook

The Group does not foresee a resurgence in demand for the second half and continues to operate in an uncertain macroeconomic context. Management is closely focused on effectively integrating its recent acquisitions across all regions. Restoring satisfactory profitability in the French market remains a top priority for the Group.

The first-half 2023 results of the **Key Accounts activities** confirm the segment's capacity to grow despite a challenging economic environment. Keyrus will continue to leverage its increasingly verticalized

offerings, tailored to specific industries, functions, and business processes, to provide innovative and effective solutions that meet the data and digital transformation needs of businesses and organizations.

The **Mid-Market segment**, driven by the subsidiary Absys Cyborg, anticipates a strong second half, building on its performance in the first half, thanks to an effective strategy of organic growth and an increased share of recurring revenues in the overall income.

Absys Cyborg will continue to make investments around its offers to publish innovative solutions and host its clients on the Private Cloud.

Eric Cohen, Chief Executive Officer, says: *“Our performance in the first half of 2023 demonstrates our resilience and ability to maintain our profit margins in an inflationary and demand-reducing environment, while also successfully strengthening growth dynamics in most of our regions. In addition, our Mid-Market operations have experienced remarkable growth, as a result of the strategies we have pursued in recent years. Our Group will maintain a prudent approach in managing its investments and operations, with a strong emphasis on retaining both employees and clients.*”

*** DEFINITION OF THE CONCEPT OF ORGANIC REVENUE GROWTH**

The concept of organic revenue growth consists of presenting the revenues for the previous year (N-1, here the 2021 financial year), reprocessed in a way that uses the exchange rate and scope of consolidation for the current year (N, here the 2022 financial year), The Group then calculates organic N-1 revenues by:

- Using the exchange rate for the year N to calculate the revenues published by companies outside the eurozone in the year N-1;
- Adding to the revenues published for the year N-1 the N-1 revenues for companies that have come within the scope of consolidation for the year N;
- Deducting from the revenues published for the year N-1 the N-1 revenues for companies that have left the scope of consolidation for the year N;

In 2022, the reprocessing that takes us from the published 2021 revenues to the organic 2021 revenues is presented as follows:



**** NET CASH POSITION**

Cash and cash equivalents, entered in the balance sheet under assets, minus bank overdrafts.

ABOUT KEYRUS

As a global consultancy and technology player, **Keyrus's** mission is to give meaning to data by revealing its full scope, particularly from a human-oriented perspective.

Because it is not only the data itself that matters, but the opportunities we can develop by truly leveraging it, we constantly strive to understand the goals our clients want to achieve. We explore and measure behaviours, understand them and translate them into actionable results. We make sense of the realities inherent in data to help our clients make more impactful decisions.

Data, whether big, small, human, complex, historical or forward-looking, only makes sense when it is used to develop experiences, hone our understanding of everyday life and make smarter decisions.

Our value proposition is based on five major service groups, each with multiple offerings:

. **Automation and Artificial Intelligence**

. **Human-Centric Digital Experience**

. **Data Implementation and Analysis**

. **Cloud and Security**

. **Transformation and Innovation**

Building on the combined expertise of more than 3,500 employees active across 27 countries and 4 continents, **Keyrus** is one of the leading international experts in data, consulting, and technology.

Keyrus is listed on Euronext Growth Paris.

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Further information at: www.keyrus.fr