

Press Release

12 May 2020



1st quarter 2020 revenues: €70.6m Q1 growth: -4.7% (-5.5% in organic* terms)

Consolidated revenues (€m)	2020	2019	Growth
1 st quarter	70.6	74.1	-4.7%

Levallois, 12 May 2020 – The **Keyrus Group** recorded revenues of 70.6 million euros in the first quarter of 2020, a decrease of 4.7% in comparison with the first quarter of 2019. At constant scope and exchange rates, the reduction was 5.5%, and it concerns solely the Large Account segment.

This fall in revenues was due mainly to a business slowdown in Europe and South America, combined with a significant exchange rate impact in Brazil.

Large Account activities were down by 6.8% compared to the first quarter of 2019 (-7.8% at constant scope and exchange rates). Whilst the slowdown continues on the French market, as well as in Europe and Brazil, there is strong momentum in the Group's other regions, especially in North America.

Revenues from Mid-Market activities were 17.6 million euros, an increase of 2.3% compared to the first quarter of 2019.

Up to the time of the lockdown, these activities continued to look promising for the 2020 financial year, with orders having increased by 27% in the first 10 weeks of the year.

Going forward in this financial year, **Eric Cohen**, President & CEO, comments:

"Due to the Covid-19 crisis, 2020 will be a one-off financial year that will put companies' resilience severely to the test. Even though it will take some time to return to pre-crisis levels of activity, companies are today having to face up to challenges that the post-crisis economy will bring. To meet those challenges, enterprises will need to invest in the areas of Data Intelligence, the digitalization of processes, migration to the Cloud, and acceleration of decision-making. We are perfectly placed to advise our clients on how to adapt their strategic digital transformation plans to this new situation, and to assist them with these projects. This is all the more so given that remote working, which is becoming the new norm, is particularly well suited to our sector of activity."

In view of our first-quarter performance, and taking current forecasts into consideration, we are of the view that our ability to continue trading is not in question."

Keyrus will hold its Annual General Meeting on 25 June 2020 and publish its second-quarter revenues on 28 July 2020 after market close.

Breakdown of revenues by operational sector

Consolidated revenues (€m)	Large Accounts		Mid-Market		Total	
	2020	2019	2020	2019	2020	2019
1 st quarter	53.0	56.9	17.6	17.2	70.6	74.1

The COVID-19 crisis : its management and impact

In organizational terms, the Group has created a Crisis Unit headed up by its CEO and Executive Directors. This Unit has put in place both the necessary health-related procedures to protect all the Group's employees, and business continuity plans for all its subsidiaries.

On the financial front, the Group has implemented weekly business and cashflow monitoring. It uses various management tools, and is designed to formalize, and assess, required procedures, the optimization of the income statement and new budgets, collection of client receivables, and all cashflow management optimization plans.

The key measures implemented include :

- deferring non-essential investment and reducing structural costs
- negotiating special payment arrangements with real estate lessors and/or vehicle-leasing companies
- implementing partial unemployment schemes - or equivalent measures under the government provisions of the various countries concerned – for those employees facing a reduced workload due to the health crisis
- deferring the payment of taxes and social security contributions under the government rules of the various countries,
- applying to its French banks for a government-backed loan, ...

Keyrus recognizes that this health crisis is having a significant impact on its business. It has therefore put itself in a position where it can best adapt its organization to its level of activity, notably when business picks up in the future.

As of now, the decline in activity, since March, due to the crisis varies from one region to another, ranging from the modest impact seen in the United States, to a drop in business of 30% in France, and 50% in countries like Spain and Israel. Moreover, sales activity is at a much slower pace in the various countries, and this will adversely affect our consultants' work schedules over the summer, and then upon their return to work after the summer holidays.

All these measures, together with the plan put in place by the Company under the direction of its President & CEO, were reviewed by the Company's governance bodies, namely the Audit Committee and the Board of Directors.

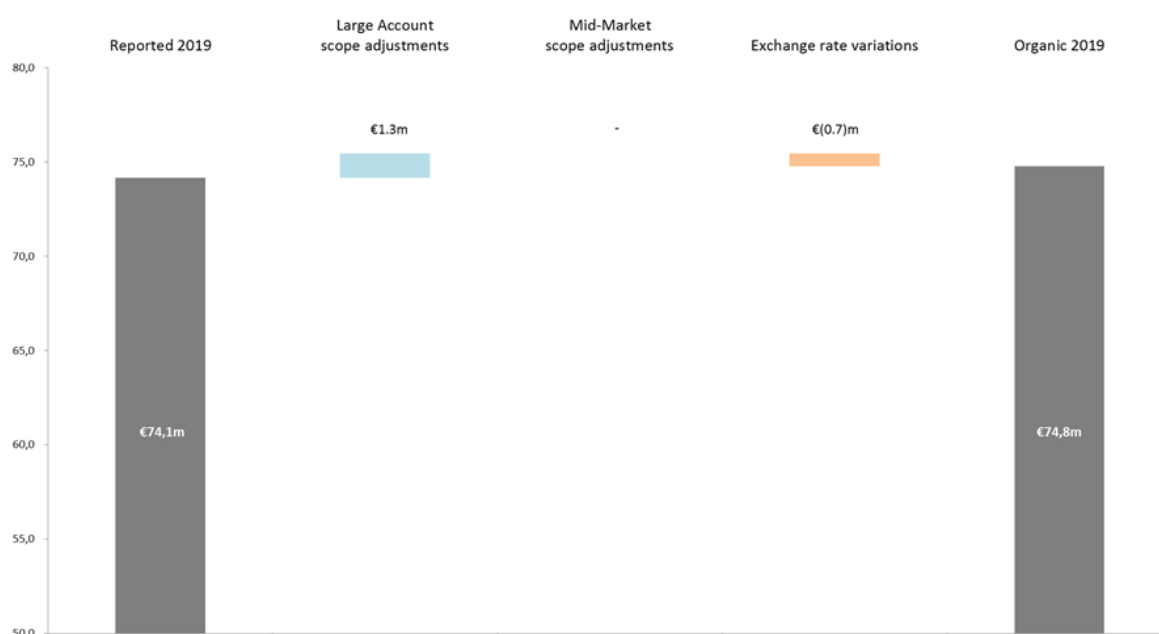
In this context, and in view of current forecasts and the measures that have been taken, **Keyrus** confirms that it is able to continue trading for the current financial year.

* 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:



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 19 countries on 4 continents, the **Keyrus** Group has 3,200 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