

Paris, November 29, 2022 – 6 p.m.

Fiscal 2022-2023 first half financial results

The SII Group Takes Full Advantage of Sectoral Momentum

Revenue up 26.8 percent
Net income after minority interests up 24.7 percent

SII Group, which specialises in engineering business, has announced its half-yearly results, which will be approved by the Management Board on December 5, 2022, and which are currently under audit.

Eric Matteucci, Chairman of the Management Board, commented: *“The SII group ended this first half-year of the financial year 2022/2023 following on from the preceding year. The work carried out by our teams in France and abroad made it possible to post excellent performances both in terms of business and results. This momentum was achieved in a favourable environment, driven by our clients’ trust and our employees’ dedication. In spite of the current macroeconomic environment, which significantly reduced our ability to anticipate the future, we are entering the second half of the year with confidence and enthusiasm.”*

in €m Period ended September 30, 2022	H1 2021-2022	H1 2022-2023	Change
Revenue	376.30	477.28	+26.8%
Gross income from operations	35.84	45.32	+26.5%
<i>Gross operating margin (% of revenue)</i>	9.52%	9.50%	-0.02 pt.
Operating income	35.22	44.52	+26.4%
<i>Operating margin (% of revenue)</i>	9.36%	9.33%	-0.03 pt.
Consolidated net income	27.84	34.85	+25.2%
Net income after minority interests	27.89	34.78	+24.7%
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Average headcount	8,976	10,475	+1,499
Headcount at the end of the period	9,348	10,741	+1,393

Outstanding Business Growth in the First Half of the Year

The SII group posted a turnover of €477.3m in the first half of 2022-2023, up 26.8%. Business activity grew faster than during the previous financial year, which marked a significant recovery to levels seen before the crisis. The group took full advantage of the strong performance of the sector.

In France, sales increased by 13% to €199.2m. The performance was driven by all sectors. Aerospace-Defence remained the leading contributor to turnover in the first half of the year, ahead of Banking-Insurance and Telecoms-Media. The group maintained its very active policy in favour of recruiting. Parallel to the opening of new premises, the SII group opened its first space solely for a client, a historical partner of the group, thus bringing more proximity and reactivity to its requests. In the course of this first half-year, 899 new employees joined the workforce in France.

Outside France, organic growth reached an exceptional level of 40.6%. Turnover for the first half of the year reached €278.1m. Poland, the largest contributor to international sales, grew by 40.1%. All countries with the exception of Spain, which is currently being restructured with the closure of some unprofitable activities, reported growth over the half-year. Germany returned to strong growth at 34.5% over the period as a result of continued synergies with the group and a rebound in activity in the industrial sectors. Other countries such as Romania, Chile, Canada and the Czech Republic experienced growth beyond expectations.

Overall, all sectors showed strong growth. The Aerospace-Space-Defence sector, which contributed 20.4% of turnover, posted a 21.4% increase in activity. The BAM sector (Banking-Insurance), driven in particular by the challenges of innovation and transformation, grew by over 17.7%. The Energy and Telecoms sectors grew by 32.6% and 9.6% respectively. Other businesses (Industries Services Health Retail Automotive and Transport) experienced very strong growth (+42.9%).

Good Profitability Level

The profitability of the SII group increased with an operating result in clear increase of 26.4% to reach a level of €44.5m. This performance was carried by the positive effects of the organisation deployed since several exercises the pooling of the working tools and management as well as by average TACE (Rate of Activity Excluded Leaves) reached optimal levels. The average TACE for France was 91.3%, up 1.2 points compared to the first half of 2021-2022. At group level, the TACE reached 90.1%.

Overall, the operating margin was 9.3%. In France, the operating margin was 5%, negatively impacted by one less working day in the first half of the year, by salary adjustments in line with inflation and by a delay in the price adjustment. The international operating margin stood at 12.5%, holding steady compared to the end of September 2021 and driven by the rebound in business in Germany and the very good performance of Poland and several subsidiaries.

After taking into account the financial result and taxes, the net result amounted to €34.9 million, i.e. a net margin of 7.3%.



At September 30, 2022, the balance sheet showed a net cash position (excluding IFRS 16) of €121m, compared with €128.6m at the end of March 2022. Shareholders' equity stood at €237.8 m, compared with €219.1 m at the end of March 2022.

Events subsequent to the end of the period: enter in exclusive negotiations with METANEXT in order to acquire 100% of its shares

SII has announced on November 21, 2022¹, that it had entered in exclusive negotiations with the shareholders of MEXTANEXT, a digital services company specialized in Cloud services. Located in Ile-de-France and Lyon, METANEXT addresses the functional and technological issues of blue-chip and mid-sizes clients thanks to an offer structured around three main divisions: Cloud Solutions, Integration of Private and/or Public Cloud Solutions and Operations Support (Expertise Centers and Managed Services). METANEXT is mainly present in the Banking & Finance, Insurance, Manufacturing and Services sectors.

This operation is in line with the strategic orientation aiming at a technological diversification for SII Group and would bring forward commercial, geographic and skill-related synergies, being a source of profitable growth for SII Group.

Outlook

The SII group benefited from a good sectoral momentum and a very high client demand during this half-year. Through dedicated teamwork, the group has achieved a good financial performance.

The group nevertheless remains attentive to the evolution of the geopolitical and economic health context on a world scale. This environment makes it more challenging to make projections. In line with the announcements made at the time of their turnover publication for the first semester, the SII group reasserts its expectation to achieve more than 15% organic growth for the third quarter of this fiscal year 2022-2023.

Next financial announcement:

Fiscal 2022-2023 third quarter revenue, Tuesday, February 7, 2023 after the close of trading

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¹ See financial release of November 21, 2022, available on:
<https://sii-group.com/sites/default/files/document/SII - Metanext UK.pdf>



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About SII Group

The SII Group is an engineering and technology consulting company and a digital services firm, founded in 1979 by Bernard HUVÉ, a trained engineer.

Currently, SII Group employs nearly 11,000 employees in 18 countries over four continents through 80 local establishments. The Group recruits an average of 4,000 consultants and engineers each year who work on a daily basis towards integrating and developing new technologies as well as improving information systems.

Always concerned about coming up with innovative and value-adding solutions, SII operates at the service of blue-chip clients in a variety of sectors such as Aerospace & Defense, Banking & Insurance, Telecommunications, Energy, Retail, and Transport & Industry. Certified by both EcoVadis Platinum and Great Place to Work, SII Group stands out thanks to its social policy in favor of a sustainable and numerical world as well as its strong corporate culture in favor of work-life quality and inclusion.

In the 2021-2022 financial year, which ended on March 31, 2022, SII Group recorded revenues of €829 million.