

Sword Group

Results for the Second Quarter of 2020

Start of Negotiations with Argos with a View to Selling the Business Activities in France

RESULTS

SECOND QUARTER 2020

Consolidated Revenue: **€55.0m**
Consolidated Growth: + 2.6%
Organic Growth on a like-for-like basis: + 1.9%
Profitability (EBITDA margin): 14.4%

SECOND QUARTER ACCOUNTS 2020

	Q2	
€million	2020 ⁽¹⁾ ⁽²⁾	2019
Revenue	55.0	53.6
EBITDA	7.9	7.1
EBITDA margin	14.4%	13.3%

Organic Growth + 1.9%

FIRST HALF OF 2020

Consolidated Revenue: **€112.1m**
Consolidated Growth: + 7.7%
Organic Growth on a like-for-like basis: + 6.0%
Profitability (EBITDA margin): 13.1%

ACCOUNTS FOR THE FIRST HALF OF 2020

	H1	
€million	2020 ⁽¹⁾ ⁽²⁾	2019
Revenue	112.1	104.1
EBITDA	14.7	13.9
EBITDA margin	13.1%	13.4%

Organic Growth + 6.0%

⁽¹⁾ non audited figures

⁽²⁾ with application of the IFRS 16 standard

[...]

Consolidated Revenue: **€112.1m** EBITDA margin: **13.1%**

H1 - 2020

Organic Growth on a like-for-like basis: **+6.0%**

non audited figures



Agenda

08/09/20

H1 2020 Results presentation meeting at 10 am, in Paris, Centre Arpège Trocadéro

22/10/20

2020 Third Quarter Revenue



[Methodological Note]

Regarding the definition of the alternative performance indicators mentioned above, their justification and their calculation methods, please refer to the relevant methodological note (paragraph 2 page 15 of the Annual Financial Report for 2019) as published in the Annual Report ending on 31st December 2019. To access the Annual Report, please click [HERE](#).

The press release will be published on the web sites here after: Thomson Reuters and Sword Group. It was also sent to the "Commission de Surveillance du Secteur Financier (CSSF)" and saved on the Luxembourg Stock Exchange's website.

Market
Euronext Paris
Compartment B

ICB 9530
Software &
Computer Services

ISIN Code
FR0004180578

Indices
CAC® Small
CAC® Mid & Small

CAC® All-Tradable
CAC® All-Share

sword-group.com

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ANALYSIS

The + **6% organic growth** for the **1st half of 2020** at constant exchange rates on a like-for-like basis can be broken down as follows:

- Software: - 9.1%
- Services: + 7.9%

The **Software division** shows a **decrease**, mainly due to **the postponement of licence revenue** that was budgeted for the first half-year.

The **Services division** reacted to the crisis **with different trends** depending on the countries.

Two countries stood out in particular:

- **BeLux** (-0.4%) that did not show growth due to the Tipik subsidiary, in charge of the development of information systems linked to the organisation of events within the European Union.
- **The UK** (+ 18.9%) whose business activity was energised by the Oil market.

2020 OUTLOOK

Sword Group plans **organic growth of 5%+** (versus 12% budgeted) associated with an **EBITDA margin of 13%** (no change in relation to the initial budget).

PROJECT TO SELL THE BUSINESS ACTIVITIES IN FRANCE

Argos Wityu and **Sword Group** have entered into **negotiations** with a view to **the acquisition** by Argos Wityu of the **French business activities** of Sword Group.

The **perimeter concerned** by the operation envisaged includes:

- **The Services business activities** currently managed by **the French subsidiaries in France**,
- **The international Software activities** with the **National Trademark and Patent Offices**.

This **perimeter**, the **profitability of which is in line with the Group standards**, generates a revenue trend of **€60 million** for 2020.

Argos Wityu is a **European Fund** whose **investment strategy** favours **company growth**, and **who invests** in particular in the **new technologies sector**. **While preserving the assets and expertise developed by the Group** in France, **Argos Wityu and the current management team** of Sword France **have an ambitious development project**.

Sword Group will focus on:

- **In France**, the **Software activities** generally speaking,
- **In the GRC sector** (Risk Management and Compliance), **acquisitions** that provide **products** that are **complementary** to those already managed by this division,
- **In the UK**, **Services** through **aggressive mainly organic growth** but also supported by **targeted acquisitions**,
- **In the other countries**, the pursuit of its **organic growth** accompanied by potential acquisitions.

[The operation remains subject to information and consultation of the staff representatives and to approval of the anti-trust authorities.]

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Sword Group

Sword has 2,300+ IT/Digital & Software specialists present over 5 continents to accompany you in the growth of your organisation in the digital age. As a leader in technological and digital transformation, Sword has since 2000 acquired a solid reputation in software publishing and in complex IT & business project management. With Sword you have the guarantee of strong close and qualified local commitment, the aim of which is to optimise your processes and data.



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