

“cancel and replace: further to a typo on the original press release (2017/2016 was written on the table instead of 2018/2017), please find the new version of the Prodware press release”

## Growth in EBITDA and operating income in 2018

- Revenue: + 4.9%
- EBITDA: + 8.4%
- Operating income: + 12.1%

IFRS Audited - in €M	2018	2017	Change
Consolidated revenue	175.9	167.7	+4.9%*
EBITDA	33.3	30.7	+8.4%
As % of revenue	18.9%	18.3%	+ 0.6 pt
Current operating income	16.8	17.4	-3.5%
As % of revenue	9.6%	10.3%	- 0.8 pt
Operating profit	17.2	15.4	+12.1%
As % of revenue	9.8%	9.2%	+ 0.6 pt
Net income, Group share	9.1	11.6	-21.2%
As % of revenue	5.2%	6.9%	- 1.7 pts

\* on a comparable basis, the change is +3.8%

## Growth in consolidated sales in 2018

In 2018, Prodware's business amounted to € 175.9 million compared with € 167.7 million in 2017, a gain of 4.9%. On a like-for-like basis, revenue grew by 4.1%.

Prodware benefits from the dynamics of its international sales, which grew by 17%, driven by Germany, Spain and Belux. International sales of € 106.6 million now represent 60.6% of the annual total.

Up 12.1%, the recurring business (maintenance, hosting and SaaS) reached € 67.6m, or 38% of the Group's business.

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ISIN FR0010313486 - ALPRO - FTSE 972 IT services  
Prodware is FCPI eligible - A responsible company, Prodware is a member of the Global Compact.



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## Increase in EBITDA margin

In 2018, EBITDA grew by 8.4%, driven by higher Group sales and good control of operating expenses. A special effort was made to reduce subcontracting costs and improve productivity related to the development of nearshore resources, which represent 17% of the workforce in 2018. At the same time, Prodware continued to invest in its human capital, including key recruitments in management positions and in areas related to new technologies (artificial intelligence, internet of things, etc.). In this perspective, the share of personnel expenses relative to income increases by one point.

With a R&D tax credit level equivalent to that of 2017, EBITDA would have grown by 17.9% on a like-to-like basis to € 36.2 million (20.6% of sales in 2018).

Operating Profit is up 12.1%. It includes an unfavourable base effect related to reversals of litigation provisions in 2017 for € 2.7 million and also a significant reduction in non-current operating expenses of € 2.5 million, which corresponded to the disposal expenses of € 2.5 million of non-core business activity.

Financial result stood at € -8.3 million in 2018, compared with € -4.4 million in 2017. It takes into account € 3.3 million of extraordinary charges related, first, to the refinancing cost in August 2018 of the mid and long-term debt of Prodware for € 1.7 million, and secondly, the depreciation of certain financial investments for € 1.6 million. These non-recurring expenses include the costs related to the setting up of the new debt as well as prepayment penalties on the old bond debt.

Consequently net income attributable to equity holders of the parent amounted to € 9.1 million, down 21.2% on the previous year. Restated for the exceptional financial items explained above, this net would have been € 12.4 million, an increase of 6.9%.

## A strengthened balance sheet structure

At December 31, 2018, Prodware's balance sheet structure shows shareholders' equity of € 138.2 million, up 6.0% compared to December 31, 2017.

At the same time, Prodware has improved its financial structure by increasing the nominal amount of its term debt to € 92.5m (not fully drawn at the end of 2018), extending the maturity to 6 and 7 years and reducing the interest rate, allowing the Group to grow organically and through external growth on a confident manner.

## Outlook

Prodware will continue to grow its business by focusing on high value-added opportunities, such as sales of SaaS solutions and consulting, thanks to the contribution of its strategic partnerships and the expertise of its 1325 talented employees. The numerous opportunities offered by the digital transformation of its customers, to which the Prodware Group responds perfectly with its Innovative Solutions department, enable it to develop a robust, sustainable and profitable business model.

**Next publication:** Revenues for 1<sup>st</sup> quarter 2019: 14 May 2019 after close of trading.

## About Prodware

Emboldened by three decades of solid experience and know-how in the field of IT innovation we have always thrived on delivering value and expertise to our customers worldwide. Whether enabling ambitious Cloud strategies, artificial intelligence driven decision-making tools or IoT applications. Prodware keeps paving the way to innovation.

Prodware has embraced technology advances and breakthroughs helping companies step into the future by building the business models of tomorrow across the manufacturing, retail & distribution, professional services and finance verticals.

The Prodware group is a global company with regional offices in 15 countries with more than 1300 employees generating €176 m in annual revenue in 2018. Prodware SA is listed on Euronext Growth and is eligible for the FCPI investment fund and the PEA/PME share savings plan.

More information: [www.prodware-group.com](http://www.prodware-group.com)

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