



PRESS RELEASE

2018 yearly results:

Solid growth in operating performance

- Revenues: 31% growth, up 10% like-for-like
- EBITDA up 46%; EBITDA margin 8.0%
- 2019 targets: revenues of over €200 million and further improvement in profit margins

Lyon, 19 March 2019 – 6.00 pm. Visiativ Group, a publisher and integrator of collaborative software platforms and provider of innovation consulting, is listed on Euronext Growth in Paris (FR0004029478, ALVIV). Visiativ's Board of Directors met on 15 March 2019 and approved the 2018 audited financial statements.

Over 2018, Visiativ continued its strategy of profitable growth, as illustrated by:

- Strong organic¹ (up 10%) and external growth, with 6 acquisitions finalised during the year;
- Further improvement in Group profit margins: EBITDA margin 8.0%;
- The maintenance of a healthy financial structure to support this growth, with €35 million of available cash and gearing only 35% of equity at 2018 year-end.

Visiativ's ambition for 2019 is to hit the €200 million revenue mark one year ahead of the Next100 plan whilst recording steady improvement in profit margins.

Audited figures at 31 December (in € million) French accounting standards	2017	2018	Change
Revenues	124.4	163.2	+31%
EBITDA²	9.0	13.1	+46%
<i>EBITDA margin %</i>	7.2%	8.0%	+0.8 pp
EBIT	6.4	8.9	+39%
<i>Operating margin %</i>	5.2%	5.4%	+0.2 pp
Net income Group share	4.8	3.3	-31%

¹ Like-for-like revenue growth adjusting for the consolidation of Numvision and Spread as of 1 July 2017, c+e forum as of 1 December 2017, ABGI and Valla as of 1 April 2018, Innova Systems and Audros Technology as of 1 July 2018 and Dimensions Group as of 1 December 2018.

² EBIT + depreciation and amortisation

Outstanding business performance in 2018

Visiativ posted consolidated revenues of €163.2 million, up 31% (up 10% like-for-like), far exceeding its target raised to €155 million in September 2018.

All three business lines contributed strongly to this excellent performance:

- The **Integration division** achieved growth of 15%, including 8% like-for-like, with strong performances from both SOLIDWORKS (up 7%) and 3DEXPERIENCE (up 9%). As a result of the latest acquisitions in Switzerland (c+e forum early 2017), in UK (Innova Systems mid-2018), and in the Benelux region (Dimensions Group late 2018), the share of sales generated abroad rose 5 percentage points and now accounts for 13% of the division's revenues;
- The **Software division** saw growth of 32% over the full year, including 19% like-for-like, driven by the success of the Moovapps offering and the ramp-up of acquisitions over recent years. With around €29 million in annual revenues from the Software business, Visiativ has become one of the top 50 french software companies;
- Revenues from the **Consulting division**, resulting from the acquisition of ABGI Group consolidated since 1 April 2018, came to €16.1 million, up 26% pro-forma year-on-year (ABGI Group was not consolidated in 2017). This performance is a strong reflection of the sales drivers contributed by the Visiativ ecosystem.

The share of recurring revenues (maintenance, SaaS, subscriptions) remained high at 60% in 2018 vs. 59% the previous year.

Operating profitability strong across all business lines

The sharp growth acceleration in 2018 enabled the Group to continue to improve profit margins whilst investing significantly in development in order to capture market share and in structuring to support growth. **Accordingly, EBITDA rose 46% to €13.1 million, representing 8.0% of revenues (up 80 bp).** EBIT rose 39% and gave an EBIT margin of 5.4% (up 20 bp).

These results include:

- Increased investment in marketing, particularly for the Entreprise DU FUTUR initiative in order to stimulate sales;
- Increased costs arising from the new Group size and development stage (IT, Finance) and performance (profit-sharing and incentive schemes).

Integration posted an EBITDA margin of 5.3% (versus 6.0% in 2017). The margin remained stable in Dassault Systèmes, but suffered a slight decline in SOLIDWORKS due to the product mix and business development investments. For 3DEXPERIENCE, gaining market share remained the priority in 2018 and its convergence with SOLIDWORKS is moving ahead. The **Business Development** segment (cloud, rapid manufacturing), currently in the investment phase, curbed the division's results by €1 million.

Software EBITDA increased 29% year-on-year to €3.9 million, giving a high EBITDA margin of 13.6%, in a year of sustained growth with solid investments in R&D and the sales force in order to continue building and developing the Moovapps offering.

During its first year of consolidation (9-month consolidated), the **Consulting division** posted EBITDA of €4.0 million, giving an EBITDA margin of 24.9%. Strong business development contributed to these results whilst maintaining particularly high profit margins.

After a net financial expense of €1.2 million (versus €0.3 million in 2017) including the costs of new financing arrangements set up during the year, pre-tax income from ordinary activities was up 26%.

The increase in the tax charge due to the distribution of earnings between subsidiaries and the increase in the minority interests share, primarily in relation to ABGI Group, resulted in net income Group share of €3.3 million in 2018, compared to €4.8 million in 2017.

Efficient conversion of earnings into cash and solid financial structure

Free cash flow increased significantly in 2018, up 38% to €10.1 million, the result of a marked increase in operating income. The change in working capital was impacted by the increase in trade receivables as a result of acquisitions and the year-end sales surge. After a €2.5 million reduction due to the change in working capital, operating cash flow totalled €7.6 million.

The Group financed its investments (around €32 million), primarily the five acquisitions made during the year (Jumpstart in UK being closed in early 2019), without reducing its cash position thanks to the success of the €20 million Euro PP bond issue and the grant of a €5 million capex facility.

At 2018 year-end the Group had available cash and cash equivalents of €35.3 million. Borrowings amounted to €16.7 million, representing a **satisfactory gearing ratio of 35% at 31 December 2018.**

Visiativ thus maintains strong financial leeway, a necessary condition for the success of its Next100 strategic plan in 2019.

2019 outlook

In 2019, the Group is targeting consolidated revenues of over €200 million, i.e. total growth of more than 20% combining organic growth and the full-year consolidation impact of the acquisitions carried out in 2018 and early 2019.

This performance will enable Visiativ to hit the target initially set for 2020 one year ahead of schedule under the Next100 strategic plan.

In line with its virtuous strategy, the continuation of this business momentum should lead to a further rise in profit margins in 2019.

2019 financial calendar

- Q1 2019 revenues: **23 April 2019**
- General Meeting: **23 May 2019**
- H1 2019 revenues: **25 July 2019**
- First-half 2019 results: **17 September 2019**
- Q3 2019 revenues: **22 October 2019**
- FY 2019 revenues: **28 January 2020**

These dates have yet to be confirmed and may be subject to change if necessary. All publications will be issued after close of trading on Euronext Paris.

**PRESS RELEASE****ABOUT VISIATIV**

Integrator of innovative software solutions, Visiativ steps up the digital transformation of companies via its collaborative and social business platform and innovation consultancy offer. Working with mid-caps since its foundation in 1987, the Visiativ Group posted 2018 revenues of €163m and boasts a diverse portfolio of over 18,000 customers. Covering every economic sector in France and with operations in international (Belgium, Brazil, Canada, Luxembourg, Morocco, the Netherlands, UK, USA and Switzerland), Visiativ has nearly 1,000 employees. The Visiativ share (ISIN code FR0004029478, ALVIV) is listed on Euronext Growth Paris. The share is eligible for the PEA and PEA-PME personal equity plans and FCPI/FIP investments funds, thanks to its status as an “innovative business” recognised by Bpifrance.

For further information, visit www.visiativ.com

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