

## 2017 revenues: €167.7 M

- Strong increase in recurring revenues (SaaS): +24.3%
- Expected growth in margin and net income in 2017

Revenues unaudited IFRS standards (in € million)	2017	2016 Published	Change Published	Variation on a like-for-like basis (*)
1ST HALF	43.3	42.5	+1.8%	+ 2.2%
2 <sup>nd</sup> quarter	43.9	42.0	+4.6%	+2.5%
3 <sup>rd</sup> quarter	33.7	32.2	+4.4%	+3.0%
4 <sup>th</sup> quarter	46.8	59.1	-20.7%	-16.7%
<b>TOTAL</b>	<b>167.7</b>	<b>175.8</b>	<b>-4.6%</b>	<b>-3.6%</b>

(\*) On a like-for-like basis: restated for acquisitions and non-strategic activities sold

### Activity in the 4<sup>th</sup> quarter: Acceleration of subscription sales (SaaS) driven by the Group's Microsoft Dynamics 365 expertise

In the 4<sup>th</sup> quarter 2017, Prodware generated revenues of € 46.8 million compared to € 59.1 million in the final quarter of 2016, a decrease of 20.7%. On a like-for-like basis, quarterly business was down 16.7%.

The contraction in turnover is related to:

- the strong acceleration of subscription sales (SaaS) in the 4<sup>th</sup> quarter, generating recurring activity and increased margins, replacing the immediate, full invoicing previously a very strong component of the Group's 4th quarter business;
- to some significant projects being carried over to the 1st half 2018, even if the order book is still strong;
- a rate of recruitment of production teams penalized by the scarcity of some resources in a promising market, resulting in Services turnover falling below expectations.

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In the final quarter, the Group recorded SaaS sales up 21.9% to € 5.6 million, 11.9% of total sales versus 7.8% in the 4th quarter of 2016.

### **Increasing share of sales in SaaS mode in 2017**

For the full year 2017, Prodware's business amounted to € 167.7 million versus € 175.8 million in 2016, a decline of 4.6%. On a like-for-like basis, the decline in revenues is limited to 3.6%.

Subscription sales (SaaS) grew 24.3% in 2017 and now represent 13.7% of total sales versus 10.5% in 2016, or € 23.0 million in 2017 versus € 18.5 million in 2016.

Revenues from publishing activity (33.9% of total sales) amounted to € 56.8 million in 2017, down 7.5% compared to 2016. This decrease is also related to growth of SaaS subscriptions, to the detriment of traditional license sales.

Activity in French-speaking countries accounts for € 76.6 million. Outside France, sales amounted to € 91.1 million, 54.3% of the Group's business.

During the year, Prodware sold non-strategic businesses (2016 revenue: € 4.7 million) and completed the acquisition of Nerea Consulting (2017 revenue: € 2.8 million), which was integrated seamlessly.

### **Outlook: Expected 2017 earnings growth**

Thanks to its repositioning in the most profitable markets, the growth of recurring services with strong added value centering around the digital market, and the finalization of its reorganization, the Group anticipates growth of its margin and of its net result for the 2017 financial year. In addition, the gradual launch of new offers produced by Prodware in SaaS mode should generate incremental revenues from the 2nd quarter 2018 on.

### **Next publication:**

2017 annual results: Monday, 5<sup>th</sup> of March, 2018, after close of trading.

2017 SFAF annual results meeting: Tuesday, 6<sup>th</sup> of March, 2018.

### **About Prodware**

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Prodware ([www.prodware.fr](http://www.prodware.fr)) is an international group specializing in the integration, publishing and hosting of industry and role-tailored IT solutions.

The Group provides its customers with its technological know-how and expertise in new practices and professions, accompanying them in their digital transformation process.

Key partnerships with Microsoft and Sage in particular mean that Prodware is one of a small number of players able to accompany businesses with all their Information Systems, both in France and internationally.

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The Prodware Group has more than 1,260 employees in 15 countries and 4 continents. Revenues of € 167.7 million were generated in 2017.

Listed on Euronext Growth, Prodware SA is a recognized innovator and eligible for SME funding schemes.

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