StreamWIDE

SHAPING INNOVATION

Communiqué de presse

2013 RESULTS HOLD UP WELL WITHIN A DIFFICULT SECTORIAL CONTEXT
OPERATING MARGIN BEFORE AMORTIZATION STABLE AT 30%
ACCELERATION IN TECHNOLOGICAL INVESTMENTS

Paris, March 24, 2014 – StreamWIDE (FR0010528059 – ALSTW), the specialist in next generation, value-added telephony solutions for telecom carriers, announces a 2013 core operating profit of €0.2m and net loss of €0.4m. Despite a €3.8m decrease in annual revenue (including €1.5m relating to third-party sales alone), there was a core operating profit and the operating margin before amortization was stable at 30%. There was a net loss as a result of non-recurrent expenses and a negative forex impact over the second half of the year.

SIMPLIFIED IFRS INCOME STATEMENT (*)

In € thousands	FY 2013	% revenue	FY 2012	% revenue	Δ (€ '000)	Δ %
License revenue	**5 472**	*51%*	**8 213**	*56%*	**-2 741**	-33%
Maintenance revenue	**3 198**	*29%*	**2 689**	*18%*	**509**	19%
Service revenue	**1 584**	*15%*	**1 646**	*11%*	**-62**	-4%
Third-party sales revenue	**546**	*5%*	**2 014**	*15%*	**-1 468**	-73%
TOTAL REVENUE	**10 800**		**14 562**		**-3 762**	**-26%**
Operating profit before amortization	**3 220**		**4 469**		**-1 249**	**-28%**
OPERATING PROFIT	**187**		**2 252**		**-2 065**	
Other operating costs / income	-448		-355		-93	
Financial costs / income	-206		-73		-133	
Tax	27		-487		514	
NET PROFIT/LOSS	**-440**		**1 337**		**-1 777**	

(*) Audit procedures are currently being carried out on the Group's consolidated accounts

2013 REVENUE

The Group's annual revenue fell by €3.8m, following a very difficult sectorial economic situation in 2013 (with operators favoring investments in networks to investments in services) and a negative base effect regarding License sales (major sale for a South American client in 2012) and Third-party sales (+153% en 2012). The Group's recurrent revenue (Maintenance) was up 19% over the period, whilst revenue from Services was stable.

RESULTS AND MARGIN BEFORE AMORTIZATION HOLD UP

There was an operating profit before amortization (equivalent to EBITDA) of €3.2m in 2013, giving a stable margin of 29.6% (30.1% in 2012).

Core operating profit came to €0.2m, down €2.1m on the previous year. This decrease can essentially be explained by the impact on the Group's fixed cost structure of the net change in revenue, excluding third-party sales because, by their very nature, the latter have lower margins and contribute less to the Group's results.

Once non-recurrent expenses of €0.4m over the period (specific wage costs and fees), a financial loss of €0.2m, impacted by negative forex effects over the second half of 2013, and a neutral tax result are all taken into account, there was a net loss of €0.4m. The reduction in tax is firstly due to the increase in the amortization of R&D costs, thus limiting the Group's results and the related tax charge, and secondly due to the capitalization of tax losses in 2013. Readers are reminded that the Group has tax loss carryforwards in France and the United States that have yet to be fully consumed, limiting future tax impacts in terms of cash.

SUSTAINED PRODUCT INVESTMENTS

The Group's Research & Development investments accelerated in 2013, with investments in existing products maintained and substantial investments in the new "SmartMS" technology incorporated in the underlying B2C and B2B solutions (Bzoo Messenger and TeamOnTheRun).

The gross amount capitalized in 2013 was €3.5m, compared with €2.6m in 2012. The net impact on operating profit, once amortization (€2.8m in 2013 versus €2.0m in 2012) and Research Tax Credit are taken into account, was +€1.5m in 2013 compared with +€1.2m in 2012, an increase of €0.3m between the two periods.

The Group's investment momentum was thus maintained in 2013, despite a difficult economic context. In order to finance these various investments and cope with the slowdown in its historical activity, the Group carried out a bond issue (€1.6m net) in July 2013 and a capital increase (€3.5m) via a private placement at end-October 2013.

SOLID FINANCIAL STRUCTURE

At December 31, 2013, the total balance sheet stood at €23.2m, compared with €22.0m at December 31, 2012. This €1.2m increase was essentially the result of the capitalization of R&D costs (+€0.8m in net value), of the financial operations described above (increase in shareholders' equity, financial liabilities and cash position) and of the reduction in client receivables (-€3.4m) directly correlated with the decrease in revenue.

The Group had a net cash position of €6.8m at December 31, 2013, compared with €2.5m at end-2012. This increase can essentially be explained by +€4.4m in net financing cash flow, which takes into account the funds raised in 2013 and the dividends paid out in July 2013. Operating cash flow (+€2.6m) helped finance investments in product R&D (-€2.7m net once early repayments of Research Tax Credit are taken into account).

The Group's financial structure thus remained solid at the end of 2013, providing it with the means to ensure its future development.

OUTLOOK: PROMISING AND EFFECTIVE STRATEGIC REPOSITIONING

The very difficult economic context in 2013 led the Group to redeploy and reorganize its R&D resources, notably reallocating them to its "SmartMS" technology, an innovation with high value added and substantial sales prospects. This reorganization at technical level was accompanied by tighter control and optimization of its costs, allowing the Group's results to hold up in 2013 despite the decrease in revenue.

The "Bzoo Messenger" application has been available online in app stores since mid-February 2014, without there having been any specific promotion. The Group is continuing to develop the "enterprise" version (TeamOnTheRun) so that, in the coming weeks, it can provide an innovative and high-value-added solution that is in keeping with the current expectations of the sector and clients' habits and uses. These solutions, which can be marketed via new channels, in other words which are not aimed exclusively at telecom operators, and new models (Saas), represent real medium-term growth opportunities for the Group.

At the same time, the Group remains cautious regarding its historical activity, as the sector currently remains complex, conservative and relatively static. Nevertheless, some major commercial prospects seem to be emerging, albeit without this yet resulting in improved visibility on the order book.

With a solid financial structure, an appropriate cost structure effective since the end of 2013 and new marketable innovative products, the Group has given itself the means to fully benefit from any existing growth opportunities. The coming months should see these efforts bear fruit and the Group return to a buoyant growth dynamic.

About StreamWIDE (Alternext Paris: ALSTW)

An established leader for value-added telephony services, StreamWIDE assists worldwide operators and service providers in shaping their telephony multimedia services innovation.

From core network solutions to mobile and web apps, StreamWIDE delivers on-premise or cloud-based, end-to-end, carrier-grade, IP-based VAS solutions in the areas of voice messaging, virtual numbers and telephony for social networks, convergent charging, conferencing, call center services, ringback tones and IVR.

Operating from France, the USA, China, Romania, Tunisia, Austria, Argentina, Indonesia and South Africa, StreamWIDE is listed on Alternext Paris (NYSE Euronext) - FR0010528059 – ALSTW.

For further information, go to www.streamwide.com or visit our Twitter and LinkedIn pages.

Next financial press release: H1 2014 revenue on July 21, 2014

Listed on Alternext Paris, a NYSE Euronext Group market
ISIN: FR0010528059 - Ticker: ALSTW
StreamWIDE is an OSEO-Anvar "innovative company",
and is eligible for inclusion in "FCPI" (venture capital trusts dedicated to innovation)

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