



2021 results

European digital services group SQLI today announces its results for the year 2020, which were approved by the Board of Directors at its meeting on 8 March 2021, chaired by Philippe Donche-Gay. The statutory auditors have conducted the audit procedures.

Results are in line with management's targets, with a return to growth in activity (+5.4%) and an increase of more than 2 points in the current operating margin (+2.4 points).

| In €m – IFRS – Audited data | 2019 | 2020 | 2021 |
|-----------------------------|-------|-------|-------|
| REVENUES | 238.7 | 213.7 | 225.4 |
| EBITDA ¹ | 15.1 | 9.0 | 15.2 |
| CURRENT OPERATING INCOME | 13.2 | 7.2 | 13.1 |
| OPERATING INCOME (EBIT) | 9.7 | 7.5 | 11.7 |
| NET INCOME | 4.7 | 0.2 | 5.3 |

RETURN TO GROWTH IN ACTIVITY

SQLI returned to organic growth in Q2 2021 and ended the year with consolidated revenues of €225.4m, an increase of 5.4% in reported data and +4.8% at constant scope and exchange rates².

Sales momentum gradually improved in France (+3.9% to €119.1m, 53% of the Group's total), and remained solid internationally (+5.9% at constant scope and exchange rates at €106.2m, 47% of the total).

RECOVERY IN PROFITABILITY UNDERWAY

This renewed growth in activity, combined with a gradual improvement in operating indicators (utilisation rate, industrialisation of offers via Service Centres and optimisation of structural costs), enabled a recovery in margins. EBITDA thus came out at €15.2m (6.7% of revenues) and current operating income €13.1m (5.8% of revenues), a level comparable to that generated in 2019 before the health crisis.

After taking into account net other operating income and expenses (-€1.4m), operating income (EBIT) came in at €11.7m versus €7.5m in 2020 and €9.7m in 2019.

Annual net profit was €5.3m, incorporating the cost of net financial debt (€2.3m) and a tax charge of €3.7m (of which €1m related to the cancellation of deferred taxes).

¹ EBITDA = earnings before interest, tax, depreciation and amortisation (excl. IFRS 16).

² Redbox Digital, an e-commerce agency based in the UK and the Middle East, was incorporated in March 2020

NET FINANCIAL DEBT UNDER CONTROL AND POST-CLOSING REFINANCING

SQLI generated a solid gross cash flow margin (€14.2m before the impact of IFRS 16), well above the increase in the working capital requirement (€4.5m) due to year-end growth. Net financial debt was €16.4m at the end of 2021, or 16% of equity (€100.9m) and 1.1x annual EBITDA.

In February 2022, SQLI fully refinanced, giving it a financial capacity in line with its development strategy. The company issued a seven-year bullet bond worth €28m, repaid all of its financial debt (including the state-guaranteed loan (PGE) of €25m) and negotiated two additional lines (CAPEX credit and 36-month RCF line) for a total amount of €30m. These operations, combined with factoring capacities, provide overall fire power of around €50m. The implementation cost as well as the costs of the takeover bid amount of around €5m will be recorded in the accounts for H1 2022.

SQLI will announce its Q3 2022 revenues figure on 22 September 2022 after close of trading.

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About SQLI: Founded in 1990, SQLI is a European digital services group that supports major international brands in creating value through Digital.

Its creative and technical teams are committed to providing customers, consumers and users with new and engaging experiences based on the best technologies and methodologies, as well as their skills and convictions. They design, develop and deploy strong and effective architectures that improve companies' agility, increase their efficiency and promote their growth.

SQLI's 2,000 employees are spread over 13 countries: France, Switzerland, Luxembourg, Belgium, the United Kingdom, Germany, Sweden, the Netherlands, Denmark, Spain, Morocco, Mauritius and Dubai. In 2021, the SQLI Group generated revenues of €225m.

SQLI has been listed on Euronext Paris (SQI) since 21 July 2000.

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