# Half-year results for 2013/2014

## A 35% improvement in EBITDA

*Paris, November 25, 2013 – **Generix Group, a collaborative software vendor for Retail ecosystems, today issued its interim financial statements for the six-month period ended September 30, 2013.***

## A 35% IMPROVEMENT IN EBITDA

For the first half of the 2013/2014 financial year, Generix Group recorded 2.4 million euros in EBITDA, up by 35% over the same half-year period of the previous year.

The continuous improvement in the profitability of its business combined with good cost control has enabled the Group to improve its current operating income compared with the same period of the previous year, reaching 1.4 million euros.

| | Six months ended September 30 | | Change | |
|---|---|---|---|---|
| **IFRS consolidated accounts, in millions of Euros** | **2013** | **2012** | **m€** | **%** |
| **Revenues** | **29,9** | **30,2** | **- 0,3** | **-1%** |
| *Which licenses* | *2,7* | *3,0* | *- 0,3* | *-9%* |
| *Which maintenance* | *11,5* | *11,7* | *- 0,2* | *-2%* |
| *Which SaaS* | *6,0* | *5,5* | *0,5* | *8%* |
| *Which Consulting Services* | *9,7* | *9,9* | *- 0,3* | *-3%* |
| Operational expenses / other income from operations | - 28,5 | - 29,7 | 1,2 | -4% |
| **Profit / Loss from current operations** | **1,4** | **0,5** | **0,9** | **185%** |
| Other operational income and expenses | - 0,3 | - 1,3 | 1,0 | -77% |
| **Loss from operations** | **1,1** | **- 0,8** | **1,9** | **N/A** |
| Financial expenses | - 0,2 | - 0,2 | - 0,0 | 6% |
| Loss before income taxes | 0,9 | - 1,0 | 1,9 | N/A |
| Income taxes benefit | - 0,5 | - 0,3 | - 0,3 | 105% |
| **Net result** | **0,3** | **- 1,3** | **1,6** | **N/A** |

| EBITDA in millions of euros | Six months ended September 30 | | Change | |
|---|---|---|---|---|
| | 2013 | 2012 | m€ | % |
| Revenues | 29,9 | 30,2 | - 0,3 | -1% |
| Other income from operations | 1,0 | 0,3 | 0,7 | 209% |
| Cost of goods sold | - 0,8 | - 0,9 | 0,0 | -4% |
| Other purchases and external expenses | - 7,9 | - 8,5 | 0,6 | -7% |
| Taxes and similar payments | - 0,9 | - 0,8 | - 0,1 | 8% |
| Personnel costs | - 18,2 | - 18,2 | - 0,0 | 0% |
| Other expenses on operations | - 0,2 | - 0,2 | - 0,0 | 19% |
| Reversals of used provisions during the half year period | - 0,1 | - | - 0,1 | N/A |
| Capialized production | - 0,3 | - 0,2 | - 0,1 | 45% |
| **EBITDA (1)** | **2,4** | **1,7** | **0,6** | **35%** |

*(1) EBITDA = current operating income + net provisions on current assets + net provisions for risks and charges + depreciation on fixed assets - capitalized production costs.*

Sales for the first half of 2013/2014 remained stable compared with the same half-year period the previous year. The period was marked by an 8% growth in SaaS income and the number of new contracts signed was multiplied by 2.2, which confirmed the success of this model, notably internationally. It should be pointed out that signing new SaaS contracts will produce effects on sales during the coming quarters and will enable the Group to increase its share of recurring revenue.

The improvement in operating expenses and other business income mainly comes from a better control of costs and an increase in the research tax credit over the comparable period and method.

Other operating expenses and income, for –0.3 million euros, isolated in the income statement due to their non-recurring nature, correspond to expenses related to the tax audit carried out during this half-year period, which has now been completed (cf. the financial press release of 14 November 2013), whereas for the same half-year period of the previous year, the –1.3 million euros corresponded to a provision for litigation.

## A €5.1M REDUCTION IN NET DEBT AND A €6.7M INCREASE IN FREE CASH FLOW

The company’s net debt decreased by 5.1 million euros at 30 September 2013 compared with 30 September 2012.

| Net debt, in millions of euros | Six months ended September 30 | | Change | |
|---|---|---|---|---|
| | 2013 | 2012 | m€ | % |
| Cash and cash equivalents, end of period | 2,8 | 3,3 | - 0,4 | -13% |
| Short-term and long-term portions of financial obligations | - 6,4 | - 12,0 | 5,6 | -46% |
| **Net debt** | **- 3,6** | **- 8,7** | **5,1** | -59% |

| Consolidated statements of cash flows, in millions of Euros | Six months ended September 30 | | Change | |
|---|---|---|---|---|
| | 2013 | 2012 | m€ | % |
| Net income adjusted by non-cash items | 2,3 | 1,3 | 1,0 | 79% |
| Change in working capital | - 3,8 | - 9,2 | 5,4 | -59% |
| Net cash by operating activities | - 1,5 | - 7,9 | 6,5 | -81% |
| Net cash used in investing activities | - 0,4 | - 0,7 | 0,3 | -41% |
| **Free Cash Flow** | **- 1,9** | **- 8,6** | **6,7** | **-78%** |
| Net cash by financing activities | - 2,6 | 2,7 | - 5,3 | -197% |
| Net decrease in cash and cash equivalent | - 4,5 | - 5,9 | 1,4 | -24% |
| **Cash and cash equivalent, end of period** | **2,8** | **3,2** | **- 0,4** | **-13%** |

The cash flow table shows the flows between 31 March and 30 September 2013 compared with the same period of the previous year. Between these two dates, the working capital requirement increased due to payments for annual maintenance contracts invoiced at the start of the calendar year and entered in sales throughout the year.

The Group's improved financial situation can be seen in a sharp increase in the free cash flow (+6.7 million euros) generated during the period and a decrease in net debt (-5.1 million euros) compared with 30 September 2012. The improvement in these indicators was based on the combined effect of the increase in the Group's profitability (self-financing capacity up by 79%) and the improvement in its Working Capital Requirement (WCR).

## OUTLOOK FOR THE REST OF THE YEAR

The amount of business in the software sector is structurally greater at the end of the calendar year, i.e. during the second half of the year. The Group therefore expects the improvement in its results to continue throughout the rest of the year.

**Supplemental and non-IFRS Financial Information**
Supplemental non-IFRS information (hereinabove mentioned as EBITDA and Net Debt) presented in this press release are subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies.

**Information related to goodwill depreciation risk**
In accordance with the AMF No. 2011-18 recommendation, we call attention to our goodwill depreciation risk as described in our annual financial report of 31 March 2013 (refer to section 1.8.2 "Goodwill depreciation risk").

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**The Half-Year Financial Report at September 30, 2013 is available for download at the address: http://www.generixgroup.com/fr/investisseurs/information-reglementee/rapports-financiers.htm.**

**Next press release: January 27, 2014**
**Revenues for the third quarter of financial year 2013/2014**

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## About Generix Group

Generix Group provides the rapidly evolving Retail Ecosystem with leading Collaborative Software Solutions to operate profitably, adjust effectively, and grow sustainably. Generix Group helps retailers, third party logistics providers and manufacturers, in managing, sharing and optimizing their data flows. The Generix Collaborative Business portfolio relies on strong business expertise encompassing ERP, Supply Chain and Cross-Channel management, and uniquely leverages A2A/B2B Gateway and Portal solutions.
Carrefour, Cdiscount, DHL, Gefco, Kuehne + Nagel, Leclerc, Leroy Merlin, Louis Vuitton, Metro, Nestlé, Sara Lee, Sodiaal, Unilever... more than 1,500 international companies trust "Generix Collaborative Business" solutions to profitably run their business, establishing Generix Group as a European leader with over €63M in revenue.
www.generixgroup.com