First Half 2017/2018 Results

Revenue growth: 16%

Profit improvement

Paris, November 27, 2017 - **Generix Group, Industrial, Logistical and Retail Ecosystems provider with leading Collaborative Software Solutions, today issued its half-year results for the period ended September 30, 2017.**

Revenue growth at 16% - EBITDA: 11% (+5 points compared to H1 a year ago)

The Group's strategic focus on its SaaS offer and international development resulted in revenue growth of 16%, corresponding to 34.3 million euros, including over 5% in traditional business (excluding North American activities).

	Six months ended September 30,		Variation	
IFRS consolidated accounts, in millions of Euros	**2017**	**2016**	**M€**	**%**
Revenues	**34,3**	**29,6**	**4,7**	**16%**
Which licenses	2,5	2,1	0,4	21%
Which maintenance	9,4	8,7	0,7	9%
Which SaaS	11,5	10,6	0,9	8%
Which Consulting Services	10,9	8,2	2,7	33%
Operational expenses / other income from operations	-32,3	-28,5	-3,8	13%
Profit (loss) from current operations	**2,0**	**1,1**	**0,9**	**85%**
Other operational income and expenses	0,0	-0,4	0,4	-93%
Profit (loss) from operations	**2,0**	**0,6**	**1,3**	**202%**
Financial expenses	-0,3	-0,1	-0,1	106%
Profit (loss) before income taxes	1,7	0,5	1,2	228%
Income taxes benefit	-0,6	-0,2	-0,5	264%
Net result after tax	**1,0**	**0,3**	**0,7**	**209%**
Net result	**0,6**	**0,3**	**0,3**	**92%**

EBITDA in millions of euros	Six months ended September 30, 2017	2016	Variation M€	%
Revenues	34,3	29,6	4,7	16%
Other income from operations	0,9	0,6	0,2	36%
Cost of goods sold	- 0,4	-0,4	0,0	9%
Other purchases and external expenses	- 10,6	-9,7	-0,9	9%
Taxes and similar payments	- 0,8	-0,7	-0,1	20%
Personnel costs	- 19,0	-16,5	-2,5	15%
Other expenses on operations	- 0,4	-0,3	0,0	16%
Reversals of used provisions during the period	-	0,0	0,0	-100%
Capitalized production	- 0,2	-0,8	0,7	-80%
EBITDA (1)	**3,9**	**1,8**	**2,1**	**117%**

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

Over the half year, the Group showed an EBITDA of 11% on revenue (or €3.9 million). The five-point EBITDA increase on revenue can be broken down as:

- Two points corresponding to return generated on traditional business, resulting from growth with a stabilized expense level for sales and marketing;
- Three points for the effect of the change in scope of consolidation following the acquisition of Sologlobe Logistique Inc. in October 2016.

On a Group level, the net impact of the costs of designing activated software and net allocations to depreciation and provisions amounts to - €1.9 million, compared to €0.7 million over a comparable period. Without impact on cash flow, the variation in these elements is mainly due to the cost of designing activated software minus depreciation (- €0.9 million). Hence, current operating income amounts to €2.0 million, an increase of 85%.

After accounting for other operational expenses (not significant for the period), financial results and taxes, net profit comes in at €1.0 million.

Improvement of free cash flow

Net debt, in millions of Euros	Six months ended September 30, 2017	2016	Variation m€	%
Cash and cash equivalents, end of period	0,2	1,6	-1,4	-91%
Short-term and long-term portions of financial obligations	-11,4	-12,5	1,1	-9%
Net debt	**-11,3**	**-10,9**	**-0,4**	**3%**

Consolidated statements of cash flows, in millions of Euros	Six months ended September 30, 2017	2016	Variation m€	%
Net income adjusted by non-cash items	3,1	1,7	1,4	78%
Change in working capital	-7,3	-8,1	0,9	-11%
Net cash by operating activities	-4,2	-6,4	2,2	-35%
Net cash used in investing activities	-0,8	-2,1	1,3	-60%
Free cash flow	**-5,0**	**-8,5**	**3,5**	**-41%**
Net cash by financing activities	-1,7	4,6	-6,4	-138%
Net increase in cash and cash equivalent	-6,8	-3,9	-2,9	75%
Cash and cash equivalent, end of period	**0,2**	**1,6**	**-1,4**	**-91%**

The cash flow statement expresses the flows between March 31 and September 30, 2017, as compared to the same period last year. Between these two dates, the working capital requirements increased due to paying for annual maintenance contracts invoiced at the start of the calendar year and accounted for as revenue over the entire year.

Primarily generated by flows tied to operational activities, the improvement in free cash flow is due to a significant increase in internal financing capacity combined with faster customer payment.

It is important to note that on September 30, 2016, cash flow was impacted by taking out a medium-term loan of €4.5 million, while the corresponding investment flow (acquisition of Sologlobe Logistique Inc.) was effective during the second half of 2016/2017. After taking this reprocessing into account, data for the latest half actually reveal a notable improvement in raw cash flow (+ €3.1 million) and a variation in cash flow for the period (+1.6 million).

Prospects

Performance in the latest half is partly accounted for by the acquisition of Sologlobe Logistique Inc. on October 3, 2016. Since this effect was not repeated in the second half, the five-point improvement in the EBITDA rate for the first half cannot be extrapolated over the fiscal year 2017/2018. Nevertheless, for this fiscal year, the Group anticipates a double-digit growth in revenue and improved profitability. Il the medium-term, the Group plans to maintain this dynamic in term of revenue and profitability.

Supplemental and non-IFRS Financial Information
Supplemental non-IFRS information (above-mentioned as EBITDA or 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.

***

The Half-Year Financial Report at September 30, 2017 is available for download at the address:
https://www.generixgroup.com/fr/rapports-financiers

Next press release: January 29, 2018 after closing of the stock exchange
Revenues for the third quarter of financial year 2017/2018

Contacts

Ludovic Luzza
Chief Financial Officer
Tel.: +33 (0)1 77 45 42 80
lluzza@generixgroup.com
www.generixgroup.com

Stéphanie Stahr
CM-CIC Market Solutions
Tel.: +33 (0)1 53 48 80 57
stephanie.stahr@cmcic.fr
www.cmcicms.fr

About Generix Group

Generix Group, a Software as a Service Company, helps its customers to face the challenges of the digital enterprise: facilitating buying journeys, building a digital supply chain and dematerializing all data flows. By building differentiating services, our mission is keeping our customers' promise to their customers.

Generix Group is present in France, Russia, Brazil, Italy, Spain, Portugal, Benelux and North America as well as in nearly 50 countries through its partners. Over 5000 international clients have established Generix Group as a leader in digital transformation, on a unique cloud offer that brings together the informational and execution sides of the Supply Chain.

To know more: generixgroup.com