Solutions30
Solutions for New Technologies

PRESS RELEASE
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FULL 2019 ANNUAL RESULTS AND Q1 2020 REVENUE

Solid operating performance in 2019

- Revenue grew by 51% to €682.2 million
- Adjusted EBITDA grew 63%, reaching 13.4% of revenue

Revenue for the 1st quarter of 2020 was up by 17.5%

Solutions 30 SE publishes today its consolidated annual results for fiscal year 2019, as well as its revenue figures for Q1 2020, prepared in accordance with IFRS Standards[(1)].

In millions of euros	**12/31/2019**	12/31/2018	Change	Released 12/31/2018 (Lux Gaap)
Revenue	**682.2**	451.8	+51%	441.8
Adjusted EBITDA	**91.1**	55.7	+63%	41.1
As a % of revenue	***13.4%***	*12.3%*		*9.3%*
Adjusted EBIT	**53.6**	32.3	+66%	33.2
As a % of revenue	***7.9%***	*7.2%*		*7.5%*
Consolidated net income	**38.9**	31.9	+22%	20.4
As a % of revenue	***5.7%***	*7.1%*		*4.6%*
Net income – group share	**38.7**	32.7	+18%	20.0
As a % of revenue	***5.7%***	*7.2%*		*4.5%*
Financial structure figures	**12/31/2019**	12/31/2018	Change	
Equity	**139.8**	99.3	+40.5	
Net debt	**91.8**	95.8	-4.0	
Net bank debt	**3.0**	12.4	-9.4	

The group adopted IFRS Standard 16 for Leases on January 1, 2018. In accordance with this standard, all leases are now recorded in the balance sheet. This results in the recognition of a fixed asset (rights of use) on the assets side of the balance sheet, with a financial liability as a counterpart calculated by discounting the future rental payments provided for in the lease agreements. These rights of use are subject to amortization and the liabilities lead to the recognition of a financial expense.

51% revenue growth

For the fiscal year 2019, the Solutions 30 group posted revenue of €682.2 million, up 51.0% compared to 2018 (28.9% organic).

As expected, the transition to IFRS standards had a very limited impact on the 2019 revenue figures published on January 28 using Luxembourg GAAP standards, resulting in an accounting restatement of -€3.7million.

For 2018, revenue amounted to €451.8 million under IFRS standards, compared to €441.8 million under Luxembourg GAAP standards. This is mainly due to the integration methods used for companies with divided ownership:

- A 50% ownership stake in the Janssens Group company was held between January 1 and June 1, 2018 and underwent proportional consolidation during this period. Under IFRS standards, the company is consolidated using the equity method during this period, which reduced 2018 revenue by €7.2 million. Since June 1, 2018, Janssens Group has been fully consolidated into the group' accounts.
- A 48% ownership stake in the CPCP company was held between January 1 and August 1, 2018, which was consolidated using the equity method. Solutions 30 had an option to increase its stake in CPCP, a right that it has waited to exercise depending on the results of the restructuring operations to be carried out within this loss-making company. Contrary to Luxembourg GAAP standards, IFRS standards consider that this call option makes it necessary to consolidate CPCP through full consolidation, even before a takeover of operational control, on the date of transition to IFRS, i.e. January 1, 2018. This decision had a +€15.8 million impact on the group's 2018 revenues. Since August 1, 2018, CPCP has been fully consolidated into the group's accounts.

Thus, in France, 2019 revenue was €434.4 million, compared to €296.4 million, an increase of 46.5% (24.3% in organic terms). This performance is based on the solid momentum recorded in the telecom (deployment of fiber optics) and energy sectors (installation of electricity smart meters).

In the Benelux countries, growth over the fiscal year was driven by the ramp-up of the outsourcing contract signed with Telenet in Belgium. Revenue increased by 111.2% (+77.3% on a like-for-like basis) to reach €125.9 million in 2019, compared to €59.6 million in 2018.

In other countries, the group's revenue stood at €121.9 million for 2019, an increase of 27.2% (+13.3% in organic terms). The main drivers of growth are the sustained momentum of the telecom business in Spain, solid performance in Germany that returned to double-digit growth in the last quarter, and the launch of the group's activities in Poland.

63% adjusted EBITDA growth

Solutions 30 recorded a strong increase in profitability based on the favorable effect of higher volumes at the group level, the improvement of profitability at CPCP compared to 2018, and a limited increase in structural costs, which amounted to 10.3% of sales, compared to 10.8% the previous year. At €520.9 million, operating costs make up 76.4% of sales, compared to 76.9% a year earlier.

Reflecting the efficiency of the group's business model, adjusted EBITDA amounted to €91.1 million, i.e. 13.4% of sales, up by 1,1 point. Excluding IFRS 16, adjusted EBITDA amounted to €67.8 million, i.e. 9.9% of sales, up by 1.3 points.

After accounting for a depreciation and operating provision charge of €14.8 million, and for the €22.7 million amortization of the right to use leased assets (IFRS16), adjusted EBIT was €53.6 million, an increase of 66% compared to the previous year.

Amortization of client relationships amounted to €10.8 million in 2019, compared to €6.0 million in 2018. The non-recurring income of €5.6 million in 2019 comes mainly from badwill related to the acquisition of a 51% stake in Byon. In 2018, the group recorded a non-recurring income of €13.3 million, which notably included a profit related to the revaluation of Janssens Group' shares when Solutions 30 took a majority stake in this Company on June 1st, 2018.

Net financial income, consisting mainly of financial expenses, represented an expense of €2.9 million, compared with €1.9 million for 2018. Financial expenses related to IFRS16 amounted to €0.6 million in 2019 and €0.3 million in 2018. Taxes amounted to €6.6 million, compared to €5.8 million the previous year.

Taking these factors into account, net income (group share) reached €38.7 million, compared to €32.7 million in 2018.

A solid financial structure

As of December 31, 2019, the group's equity amounted to €139.8 million, compared with €99.3 million on December 31, 2018. The group's gross cash position was €84.2 million, an increase of €14.3 million compared to the end of December 2018. Gross bank debt increased by €4.9 million compared to December 31, 2018, to €87.2 million. The group therefore has €3.0 million of net bank debt at the end of December 2019, compared to net bank debt of €12.4 million at the end of December 2018.

Total net debt, including €61.6 million of leasing debt and €27.1 million of potential financial debt on earnouts and purchase options, stood at €91.8 million. Despite the impact of IFRS 16, the group maintains a solid financial structure, with an EBITDA to net debt ratio of 1 and a net debt to equity ratio of 66%.

Outstanding receivables under the group's deconsolidating factoring program amounted to €64 million on December 31, 2019, compared with €51 million at the end of 2018.

Q1 2020 revenue up 17.5%

In millions of euros	Q1		
	2020	2019	***% change***
Total	**188.5**	160.4	**+17.5%**
From France	116.4	101.3	+14.8%
From Benelux	34.8	30.9	+13.0%
From other countries	37.3	28.2	+32.0%

For the first quarter of 2020, the group's revenue was €188.5 million, up 17.5% (10,5% on an organic basis) compared to the same period in 2019.

After a good start to the year following a solid last quarter of 2019, the Covid-19 outbreak which has led to quarantine measures, travel restrictions and business closures, had an impact on the group's business.

Because it operates in so-called "essential" activity sectors, the group has continued its activities wherever it is present, including in areas with the strictest quarantine measures. In Q1, the group thus maintained double-digit growth levels, with disparities between different territories and markets. Overall, the impact of the health crisis on group revenue in the first quarter is estimated at approximately 7%.

In France, revenue reached €116.4 million, up by 14.8% (13.3% on an organic basis) compared to Q1 2018. Telecom activity (69% of revenue in France) was up by 35%, while Energy activity (17% of sales) was down by 22% due to the suspension of smart meter installations starting on March 17. IT activity, which represents 9% of revenue in France, was down by 16%, impacted by the temporary closure of several customer sites. The group's other activities (5% of revenue in France) grew by 54%.

In the Benelux countries, the group generated revenues of €34.8 million, up by 13% (1.6% organic growth) compared to 2018. In this territory, the 10% decline in IT activities (7% of revenue) reduced overall performance for the quarter. Telecom activity (77% of revenue) was up by 7% and Energy activity (7% of revenue) increased by 176% thanks to the ramp-up of charging station deployment for electric vehicles and the integration of the Dutch company i-Project.

In other countries, activity was dynamic in Germany, with a revenue growing by 12% to reach €15.5 million. In Spain, sales reached €9.5 million, an increase of 44%, but remaining stable on a like-for-like basis due to the impact of quarantine measures on ongoing projects. In Italy, business grew very slightly on a like-for-like basis, but the sale of subsidiaries dedicated to DXC impacted revenue by €2.4 million, for a decrease of 16%. In Poland, the effects of the Covid-19 outbreak are less pronounced, and activity has continued as normal. For the quarter, Poland recorded sales of €5.7 million.

In this context, and as explained in the March 30 press release, the group has taken all necessary steps to protect the health of its employees and limit the impact of this crisis on its financial situation in order to protect its ability to accelerate its operations when the time comes. In addition to these measures, the supervisory board meeting on April 27th approved the management board's proposal, which aimed to show solidarity with the teams by reducing its members' remuneration by 25% as long as the exceptional measures implemented by the group in 2020 remain in place, in particular the temporary unemployment measures.

Outlook

Today, the group is working with its customers to prepare for the ramp-up of the activities and has already started to plan for a catch-up effect. At this stage, the group is confident in its ability to combine growth and profitability for 2020.

Over the longer term, the group will benefit from solid growth opportunities in markets driven by structural trends, led by the digitalization of the economy and the energy transition. As the undisputed leader in a highly fragmented market, Solutions 30 has a very sound financial structure, a proven business model, and solid assets for pursuing an aggressive and profitable growth strategy over the long term.

On the stock market front, the group is preparing for its transition to the Euronext regulated market, which is expected to take place in the first half of the year.

Webcast

An English-language webcast will be held on Wednesday, April 29 at 2:30 pm Paris time (CET).

Upcoming events

- HY1 2020 revenue, July 28, 2020

(1) The supervisory board of Solutions 30, meeting on April 27, examined and approved the financial results for 2019, as validated by the management board. The audit procedures are ongoing. The preparation of complete financial statements and audit procedures has been more difficult in the light of the Covid-19 outbreak. The complete consolidated financial statements, including any notes, will be made available as soon as possible. The financial presentation of the accounts will be available on the company's website at 2 pm on April 29.

Glossary

Adjusted EBITDA	Earnings before interest, taxes, depreciation, and amortization, as well as non-recurring income and expenses
Adjusted EBIT	Operating income before amortization of intangible assets, including customer relationships, and non-recurring income and expenses.
Non-recurring transactions	Income and expenses that are infrequent, unusual in nature, and significant in amount are considered non-recurring transactions.
Customer Relationships	Intangible assets related to the fair value measurement of acquired companies at the time of consolidation. The amortization period of 3 to 11 years is the estimated time for the consumption of the majority of economic benefits to the company.
Organic growth	Organic growth includes:

1. Outsourcing operations from 2018, namely local service activities from DXC Technology in Italy in 2019 and from Unit-T, the new group subsidiary created to fulfill the service provision contract signed with Telenet.
2. Organic growth for acquired companies after they are purchased, which Solutions 30 assumes they would not have experienced had they remained independent.

The group's growth is detailed in the table below:

	12 months 2018	12 months 2019			
	Total	Organic growth of existing subsidiaries	Organic growth from acquired companies	Acquisitions	**Total**
Total	451.8	111.8	18.9	99.6	**682.2**
From France	296.4	58.6	13.4	66.0	**434.4**
From Benelux	59.6	44.9	1.1	20.2	**125.9**
From other countries	95.8	8.2	4.4	13.4	**121.9**

	Q1 2019	Q1 2020			
	Total	Organic growth of existing subsidiaries	Organic growth from acquired companies	Acquisitions	**Total**
Total	160.4	15.1	1.7	11.2	**188.5**
From France	101.3	13.5	-	1.5	**116.4**
From benelux	30.9	0.6	0.1	3.3	**34.8**
From other countries	28.2	1.1	1.6	6.4	**37.3**

These figures have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers may not conform exactly to the total figure.

About Solutions 30 SE

The Solutions 30 Group is the European leader in solutions for new technologies. Its mission is to make the technological developments that are transforming our daily lives accessible to everyone, individuals and businesses alike. Yesterday, it was computers and the Internet. Today, it's digital technology. Tomorrow, it will be technologies that make the world even more interconnected in real time. With more than 30 million call-outs carried out since it was founded and a network of more than 10,000 local technicians, Solutions 30 currently covers all of France, Italy, Germany, the Netherlands, Belgium, Luxembourg, the Iberian Peninsula, and Poland. The share capital of Solutions 30 SE consists of 107,127,984 shares, equal to the number of theoretical votes that can be exercised.
Solutions 30 SE is listed on Euronext Growth (ISIN FR0013379484 – code ALS30) as well as the Frankfurt Stock Exchange on the XETRA e-listing system (FR0013379484 – code 30L3). Indexes: MSCI Europe Small Cap | Tech40 | CAC PME Visit our website for more information: www.solutions30.com

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