

## HALF-YEAR RESULTS 2020

### Operational performance remains resilient

- Half-year revenue up by 14.1% to €363.7 million
- EBITDA margin at 11.4%
- Net cash position of €45.9 million, the result of careful cash management during an unprecedented pandemic

### Return to sustained growth as from June 2020

- Dynamic organic growth expected in H2 with a solid 3<sup>rd</sup> quarter
- Stronger long-term prospects, with the health crisis acting as a catalyst for digital transformation and energy transition

Solutions 30 SE today announces its consolidated results for the first six months of 2020, prepared in accordance with IFRS<sup>(1)</sup>.

### Key figures<sup>(2)</sup>

<i>In millions of euros</i>	<b>06/30/2020</b>	06/30/2019	Change
Revenue	<b>363.7</b>	318.8	+14.1%
Adjusted EBITDA	<b>41.5</b>	40.6	+2.4%
<i>As a % of revenue</i>	<b>11.4%</b>	12.7%	
Adjusted EBIT	<b>21.8</b>	24.5	-11.0%
<i>As a % of revenue</i>	<b>6.0%</b>	7.7%	
Consolidated net income	<b>10.5</b>	15.3	-31.4%
<i>As a % of revenue</i>	<b>2.9%</b>	4.8%	
Net income, group share	<b>10.5</b>	15.5	-32.0%
<i>As a % of revenue</i>	<b>2.9%</b>	4.9%	
<i>Financial structure data</i>	<b>06/30/2020</b>	12/31/2019	Change
<i>In millions of euro</i>			
Equity	<b>148.8</b>	<b>138.3</b>	+10.5
Net debt	<b>26.7</b>	<b>91.8</b>	-65.1
Net bank debt	<b>-45.9</b>	<b>3.0</b>	-48.9

### 14% revenue growth

After a strong start to the year, lockdown measures, travel restrictions, and the closure of some businesses disrupted Solutions 30's activities from mid-March to mid-May. Over these two months, revenue was 35% lower than pre-Covid levels. As soon as the lockdown ended, most of the group's markets quickly bounced back to their pre-crisis levels and Solutions 30 returned to sustainable growth by June.

For the first six months of the year, revenue was up 14.1% (+6.9% organic growth) compared to the same period in 2019. Maintenance activities, which are recurrent by nature, acted as a buffer against the decline, or even temporary interruption, of installations and roll-outs.

In France, revenue grew by 10.4% (9.2% organic growth) in the first six months of 2020 to reach €224.3 million, compared with €203.3 million for the same period in 2019. This performance is a result of excellent momentum in the Telecom business, up 37% over the first six months, while the group's other business sectors suffered as a result of the coronavirus containment measures.

In the Benelux countries, revenue for the half-year was up 13.2% (2.04% organic growth) to €66.2 million, compared with €58.5 million for the same period in 2019, largely due to resilience in the Telecom business.

In other countries, revenue for the first half of 2020 was up by 28.2% (3.9% organic growth) to €73.1 million, compared with €57.0 million one year ago. The impact of pandemic-related restrictions has varied from country to country. Germany and Poland were relatively unscathed, while Italy and Spain were hit hard.

### **An agile and solid business model**

Despite the sudden drop in activity followed by a sharp rebound, Solutions 30 has proven the effectiveness of its business model, as well as its ability to adapt quickly. From the outset of the lockdown, all measures were taken to protect the health of employees, while guaranteeing business continuity and adapting the group's cost structure to preserve its future capacity to capture structural growth in its markets.

Thanks to a highly variable cost structure and the implementation of partial activity measures, adjusted EBITDA was €41.5 million at the end of June 2020, or 11.4% of revenue, compared to €40.6 million, or 12.7% of revenue one year earlier. Operating costs represented 78.2% of revenue, compared to 81.4% a year earlier, while structural costs amounted to 10.4% of revenue (10.2% excluding costs related to the adoption of IFRS standards and transfer to Euronext), compared with 9.4% in the first half of 2019.

In step with the limited decline in the adjusted EBITDA margin, adjusted EBIT was €21.8 million, or 6.0% of revenue. It includes €8.6 million of depreciation and operating provisions tied to the increase in IT platform investments over the last two years, and €11.1 million of depreciation for right-of-use leased assets (IFRS 16).

Customer relationship amortization amounted to €5.7 million in 2020, compared to €4.7 million a year earlier. Net financial income, consisting mainly of financial expenses, represented an expense of €2.0 million, compared with €1.0 million for 2019. This variation is explained by the change in bank debt and by FX exchange losses of €0.7 million recorded on loans in local currency granted by the group to its Polish subsidiary (acquisition of Elmo assets) and on transactions with its Tunisian subsidiary, while the euro appreciated. Taxes amounted to €3.8 million, compared to €3.5 million the previous year.

Taking these factors into account, the group share of net income reached €10.5 million, compared to €15.5 million in the first half of 2019.

### **Financial structure bolstered by diligently managing working capital requirements**

Throughout the crisis, Solutions 30 took care to protect its cash flow. As the crisis came to an end, and to support strong growth in volumes, some customers accelerated their settlement times, which helped to reduce working capital requirements and strengthen the group's financial balances.

At the end of June 2020, the group's equity amounted to €148.8 million, compared with €138.3 million at December 31, 2019. The group's gross cash position reached €151.8 million, compared to €84.2 million at the end of December 2019. Gross bank debt was €106.0 million compared with €87.1 million six months earlier. The group posted a net cash position (excluding IFRS 16) of €45.9 million at the end of June 2020, compared to a net debt of €3.0 million at the end of December 2019.

Total net debt, including €57.8 million in leasing liabilities and €14.8 million of potential financial debt on future call options and earnouts, amounted to €26.7 million.

Outstanding receivables transferred under the group's deconsolidating factoring program amounted to €43 million, compared with €54 million at the end of 2019.

## Outlook

On the back of strong performance during the first six months of the year, Solutions 30 confirms that organic growth will be sustained in the 3<sup>rd</sup> quarter. At this stage, as long as the situation does not worsen further, the group is confident in its ability to combine both double-digit growth and profitability for the full year.

Solutions 30 has a confident outlook for the coming months and years ahead. The group's business model has demonstrated its effectiveness during a crisis that was unprecedented in terms of its nature but also its speed and scale. The health crisis is acting as a catalyst for economic change. In this context, the group is stronger than ever, having asserted its competitive positioning and consolidated its relationships with its customers. The digital transformation and the energy transition are accelerating under the combined effect of necessity and economic stimulus plans being approved by the main European countries.

In markets driven by positive long-term trends, the group intends to pursue its strategy of balancing organic growth and acquisitions, while relying on its solid foundation of recurring activities to position itself in new markets and duplicate its French model throughout Europe.

## Webcast

A webcast in English will take place on Thursday, September 24<sup>th</sup> at 2:30 pm (CET).

## Upcoming event

- 2020 Q3 revenue, November 4, 2020

- (1) The Solutions 30 Supervisory Board, which met on September 23<sup>rd</sup>, reviewed and validated the financial results for the first half of 2020, as approved by the Group Management Board. Limited account review procedures are in progress. The half-year financial report will be made available no later than September 30<sup>th</sup>.
- (2) The group adopted IFRS 16 for Leases on January 1, 2018. As a result, the 2019 and 2020 data are fully comparable. In accordance with this standard, all leases are now recognized on 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.

## Glossary

<b>EBITDA</b>	Earnings before interest, taxes, depreciation, and amortization, as well as non-recurring income and expenses
<b>Adjusted EBIT</b>	Operating income before amortization of intangible assets, including customer relationships, and non-recurring income and expenses.
<b>Non-recurring transactions</b>	Income and expenses that are infrequent, unusual in nature, and significant in amount are considered non-recurring transactions.
<b>Customer relationships</b>	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 flowing to the company.
<b>Net debt</b>	Net debt includes loans from credit institutions, bank overdrafts, lease liabilities, and future liabilities from earnouts and put options, less cash and cash equivalents.
<b>Net bank debt</b>	Net bank debt includes loans from credit institutions and bank overdrafts, less cash and cash equivalents. This represents net debt excluding the impact of IFRS 16. Net bank debt is used as a reference in calculating the covenants included in the group's debt contracts.

## **About Solutions 30 SE**

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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 S.E. is listed on the Euronext Paris exchange (ISIN FR0013379484- code S30). Indexes: MSCI Europe Small Cap | Tech40 | CAC PME | SBF120 | CAC Mid 60. Visit our website for more information: [www.solutions30.com](http://www.solutions30.com)

## **Contact**

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Analysts/investors: Nathalie Boumendil | Tel: +33 (0)6 85 82 41 95 | [nathalie.boumendil@solutions30.com](mailto:nathalie.boumendil@solutions30.com)

Press: Samuel Beaupain | Tel: + 352 2 777 4210 | [media.relations@solutions30.com](mailto:media.relations@solutions30.com)