

SQLI
DIGITAL
EXPERIENCE

**SQLI
DIGITAL
EXPERIENCE**

H1 2023 RESULTS

21 SEPTEMBER 2023



PARTICIPANTS



Philippe Donche-Gay
Chairman & Chief Executive Officer



Olivier Stéphan
Deputy Managing Director for Finance

WE ARE SQLI!

A EUROPEAN DIGITAL SERVICES COMPANY

2,300

EMPLOYEES

€246m

TURNOVER

>47%

INTERNATIONAL

13

COUNTRIES

73/100

ETHIFINANCE ESG RATING

TOP 25

ECOVADIS RANKING

93/100

GENDER PARITY

4.13/5

HAPPY TRAINEES

€213m

MARKET CAPITALISATION

>82%

CONTROL DBAY ADVISORS

2000

LISTING ON EURONEXT

1990

CREATION





AGENDA

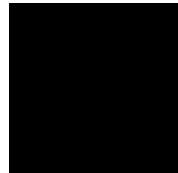
- **H1 2023 HIGHLIGHTS**
- **FIRST HALF FINANCIAL PERFORMANCE**
- **CONCLUSION/Q&A**

HIGHLIGHTS

PHILIPPE DONCHE-GAY

CHAIRMAN & CHIEF EXECUTIVE OFFICER

**A MORE
CHALLENGING
START OF THE
YEAR THAN
IN 2022**



**MARKET
TRENDS**

“POST COVID”
SOFTENING DEMAND
FOR DIGITAL SERVICES

&

EVOLVING PORTFOLIO
OF **E-COMMERCE**
PLATFORM SOLUTIONS

**SQLI
DIGITAL
EXPERIENCE**

5TH CONSECUTIVE HALF-
YEAR OF **GROWTH** IN
CONSOLIDATED TURNOVER
(**UP 3%**)

&

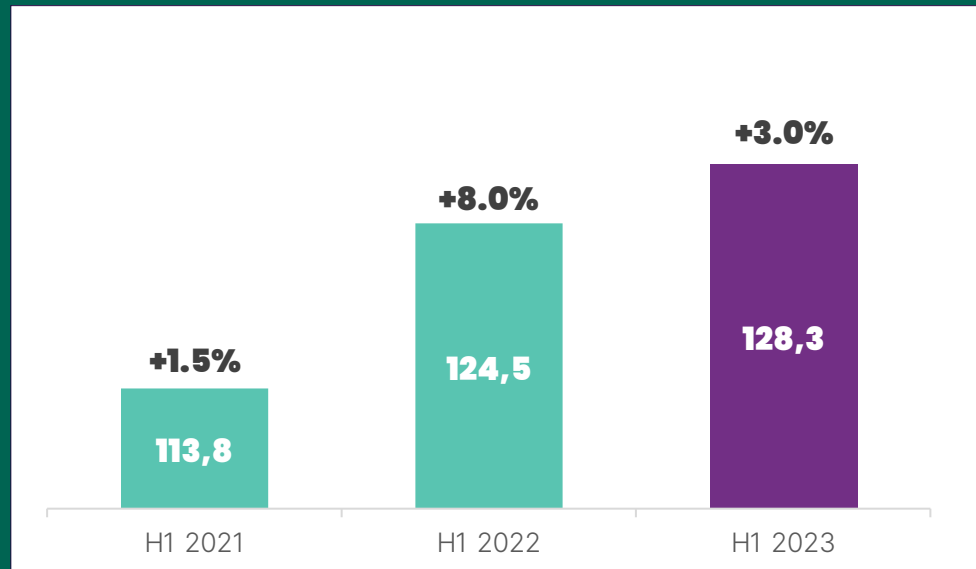
IMPLEMENTATION OF
TRANSFORMATION
INITIATIVES AND
INVESTMENTS FOR THE
FUTURE





REVENUE GROWTH

CONSOLIDATED TURNOVER



AUDITED CONSOLIDATED DATA (€M)
GROWTH AT CONSTANT CONSOLIDATION SCOPE AND EXCHANGE RATES

➤ CONSOLIDATED GROWTH

- +3.0%

➤ SUSTAINED REVENUE GROWTH WITHIN “STRATEGIC ACCOUNTS” IN FRANCE & INTERNATIONAL

➤ NEW PROJECT SALES AFFECTED BY TRANSITION OF THE E-COMMERCE SOLUTIONS MARKET



MARKETPLACE

ARCELORMITTAL DISTRIBUTION SOLUTIONS



SQLI LAUNCHED THE FIRST MARKETPLACE FOR GLOBAL LEADER ARCELORMITTAL

PROJECT OBJECTIVES

- After an initial project in 2017 for the creation of an e-commerce platform, ArcelorMittal e-steel, ArcelorMittal Group's Distribution Solutions subsidiary, is stepping up its ambitions with the goal to transform its website into a leading BtoB marketplace for the steel industry.
- As a marketplace operator, ArcelorMittal Distribution Solutions must now provide a two-pronged value proposition targeting both end customers and vendors wishing to use its platform to distribute their products.

PROJECT OVERVIEW AND RESULTS

- On the ArcelorMittal e-steel platform, SQLI has integrated the Izberg marketplace solution into SAP Commerce. The teams also integrated solutions for payment (Lemonway) and credit insurance (Allianz).
- The successful technical go-live in February 2023 led to an initial commercial go-live in France in June. The roll-out will continue across other European countries alongside the integration of new products from ArcelorMittal Distribution Solutions' trading partners.

CO-PUBLIC





11 YEARS OF COLLABORATION WITH A LONG-STANDING CUSTOMER

RTE (RÉSEAU DE TRANSPORT D'ÉLECTRICITÉ)

2 NEW PROJECTS INITIATED IN 2023 FOLLOWING THE RENEWAL OF THE MIMS12 CONTRACT IN DECEMBER 2022 :

INFOTER PROJECT

- INFOTER is a digital portal that ensures the relationship between RTE and citizens. It enables landowners, service providers and local residents to stay informed and exchange information about RTE's activities.
- RTE has launched a call for tenders to overhaul the platform in order to strengthen its proximity to territories while improving operational efficiency..
- Created by our teams in 2013, this portal is coming back under the responsibility of SQLI for a complete overhaul. All of SQLI's skills will be involved (UX / UI, technical, functional). The build phase is scheduled to last from 2023 to 2026.

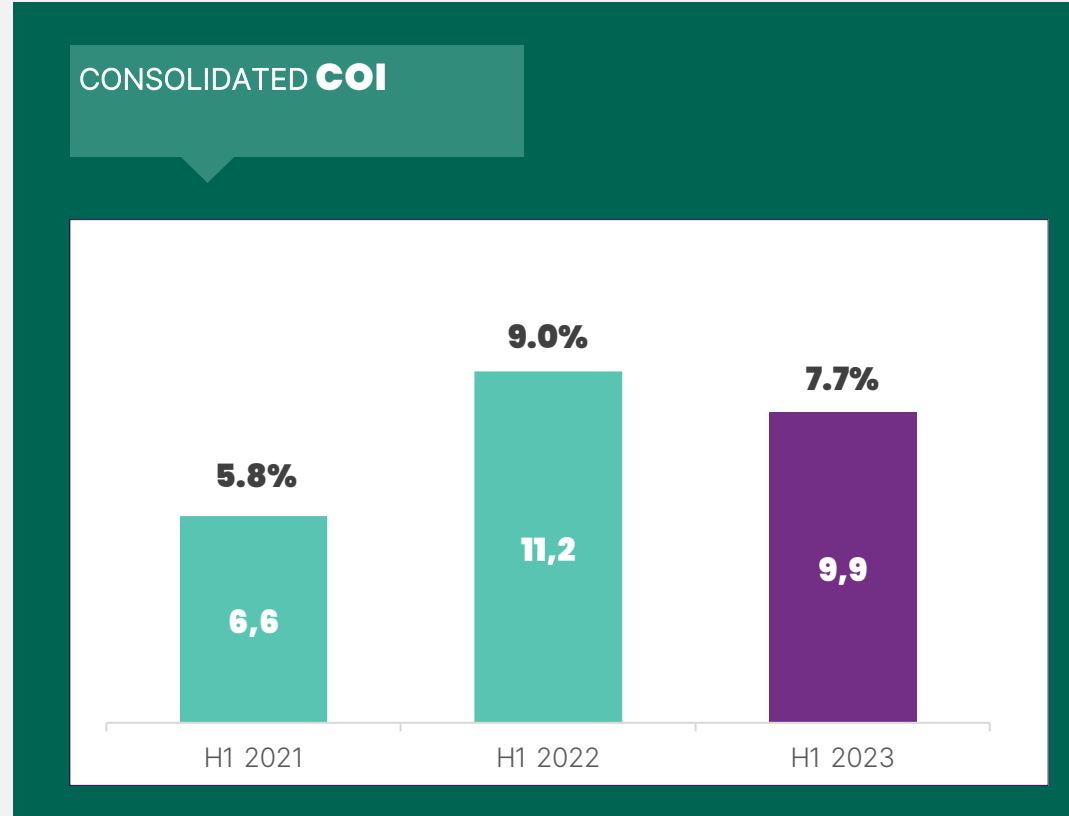
SMART DATA PROJECT

- RTE collects, analyzes and communicate a wide range of data covering the electricity market, consumption and energy forecasts. Complex and varied, this data feeds the studies published by RTE to enlighten the general public and the authorities on the challenges of the electricity market.
- RTE relies on a statistical information system, Smart Data, to gather data and make it available. The reliability and smooth running of this tool represent a major challenge for RTE.
- SQLI France has been entrusted with a new 7-year project to manage, maintain and develop the tool and meet RTE's specific needs.





CONSOLIDATION OF CURRENT OPERATING MARGIN



AUDITED CONSOLIDATED DATA (€M)
CURRENT OPERATING MARGIN

➤ CURRENT OPERATING MARGIN

- -1.3 pp

➤ TRANSFORMATION IN FRANCE

- New organisation by area of expertise in France

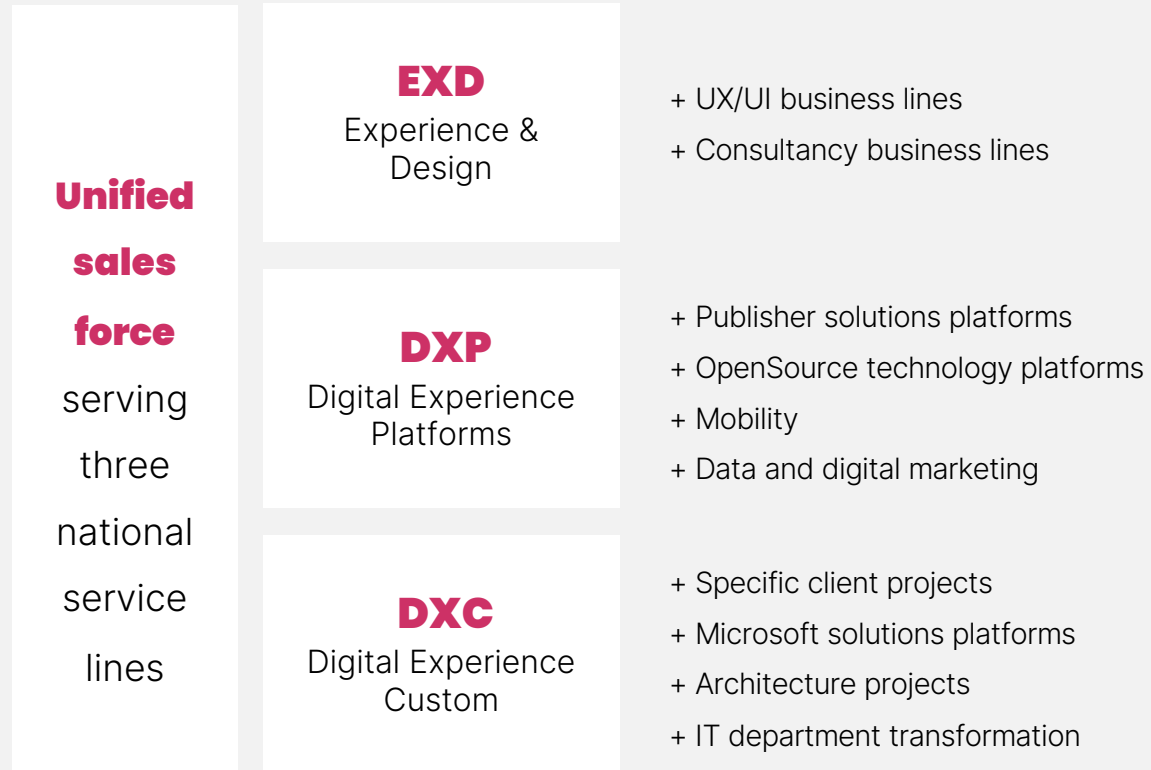
➤ PROGRAMME OF INVESTMENT FOR THE FUTURE

- Technological know-how
- Sales efficiency
- Development of Morocco service centre

ORGANISATIONAL STRUCTURE IN PLACE ON 1 JANUARY

**NEW SKILLS-BASED
STRUCTURE DEPLOYED IN
FRANCE**

**SKILLS MAP SHARED BY
SQLI MOROCCO AND
INTERNATIONAL**





COMPOSABLE

FIBA – INTERNATIONAL BASKETBALL FEDERATION

OVERHAUL OF THE FEDERATION'S DIGITAL ECOSYSTEM

PROJECT OBJECTIVES

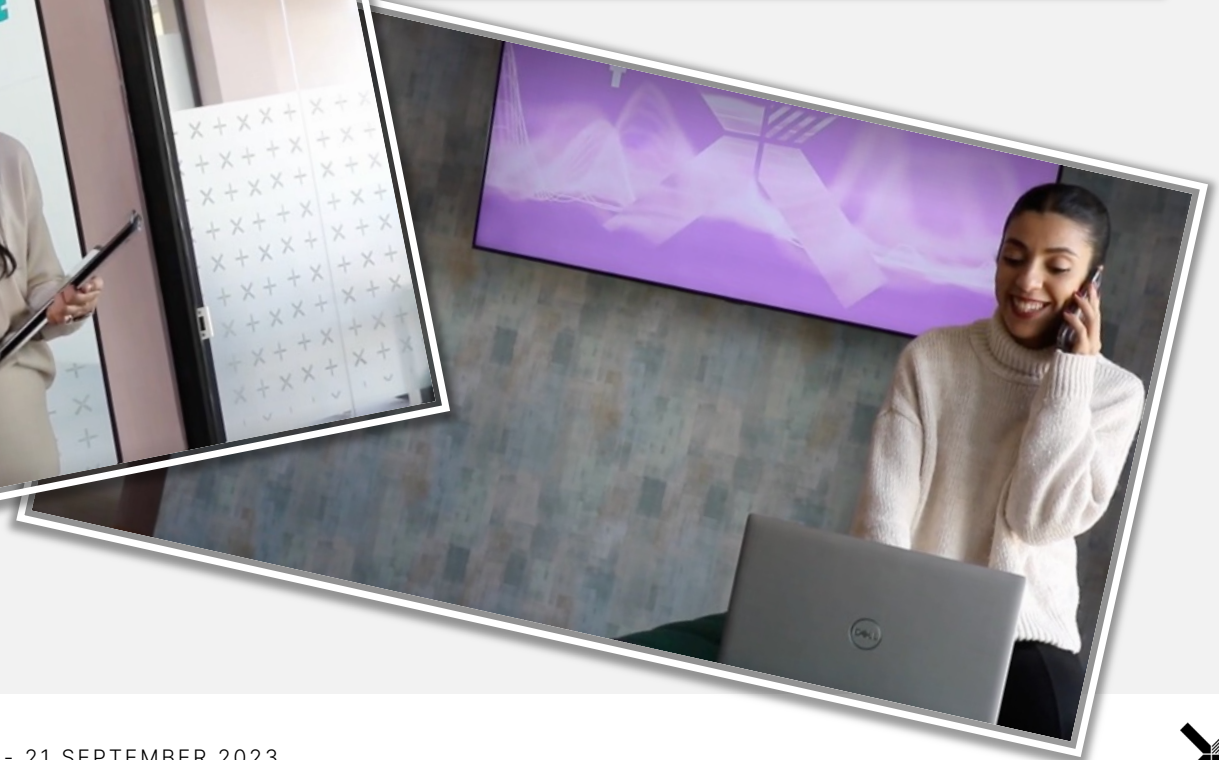
- Adapting FIBA's digital ecosystem to the latest technological standards
- Offering a cutting-edge user experience to all basketball fans
- Providing an impeccable service to FIBA stakeholders and staff
- Opening up new business opportunities for the Federation

PROJECT OVERVIEW AND RESULTS

- SQLI is responsible for designing, developing and maintaining FIBA's new digital ecosystem (corporate website, event platform, website factory dedicated to international competitions, etc.).
- SQLI will provide FIBA with advice on global marketing strategy, from leveraging fan data to creating monetisation opportunities.



SQLI MOROCCO: **NEW AGENCY IN CASABLANCA**



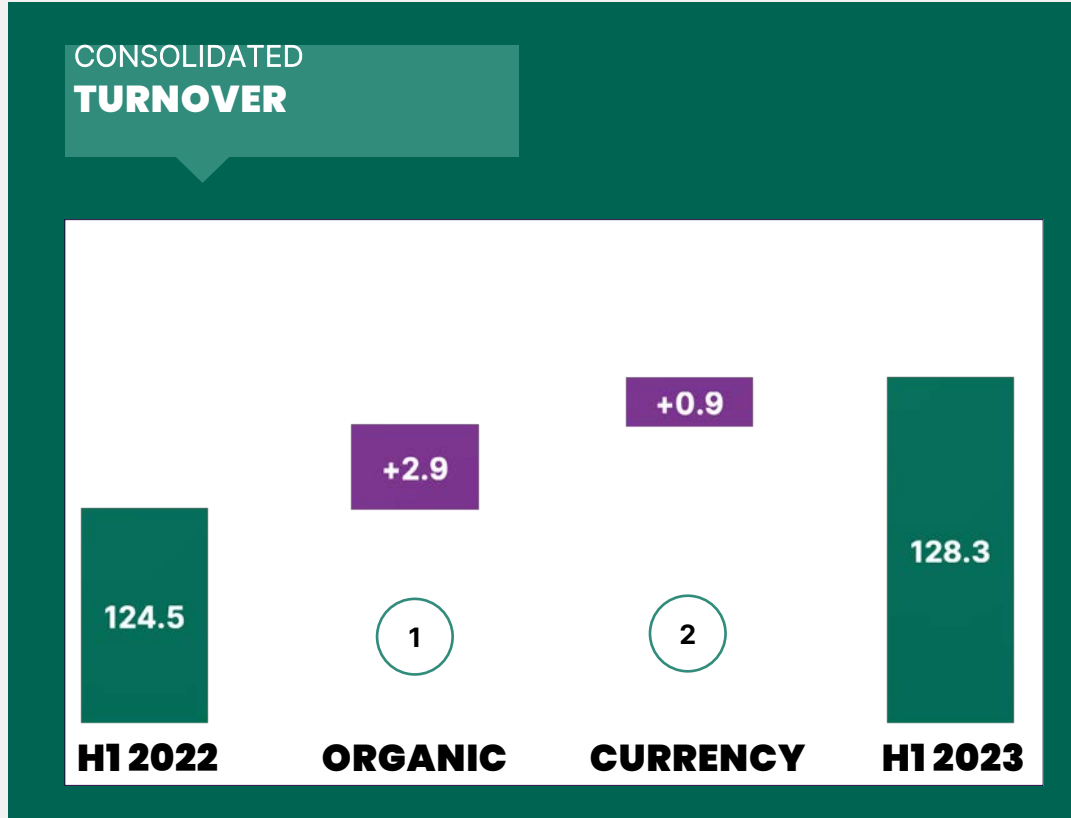
FINANCIAL PERFORMANCE

OLIVIER STEPHAN

DEPUTY MANAGING DIRECTOR FOR FINANCE



REVENUE ANALYSIS



AUDITED CONSOLIDATED DATA (€M)

> **CONSOLIDATED GROWTH**

- +3.0%

> ① → **“ORGANIC” GROWTH**

- +2.3%
- Mainly due to price hikes (higher on the international market) to offset pay rises

> ② → **CURRENCY EFFECT**

- +0.7%
- Mainly (CHF/€)

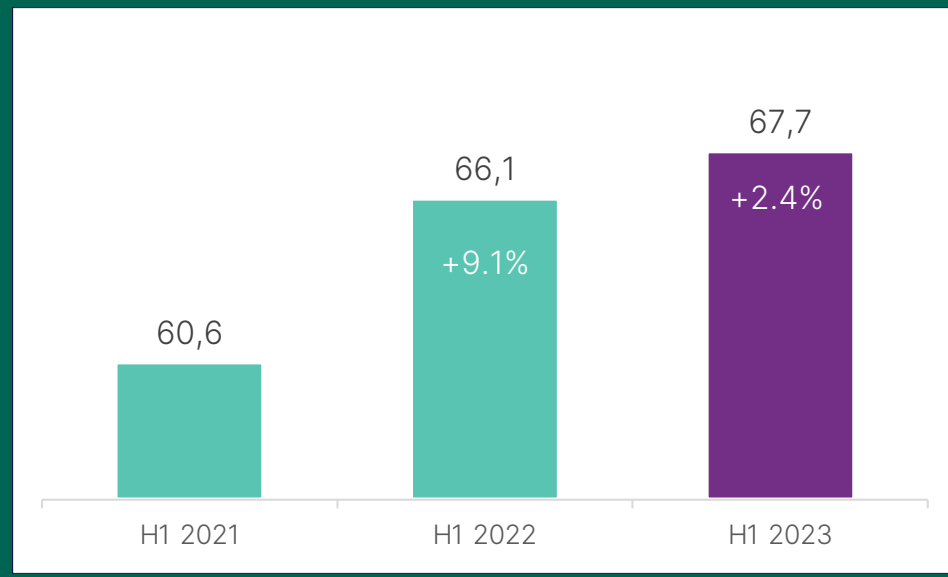


PERFORMANCE BREAKDOWN BY REGION

SQ LI H1 2023 RESULTS - 21 SEPTEMBER 2023

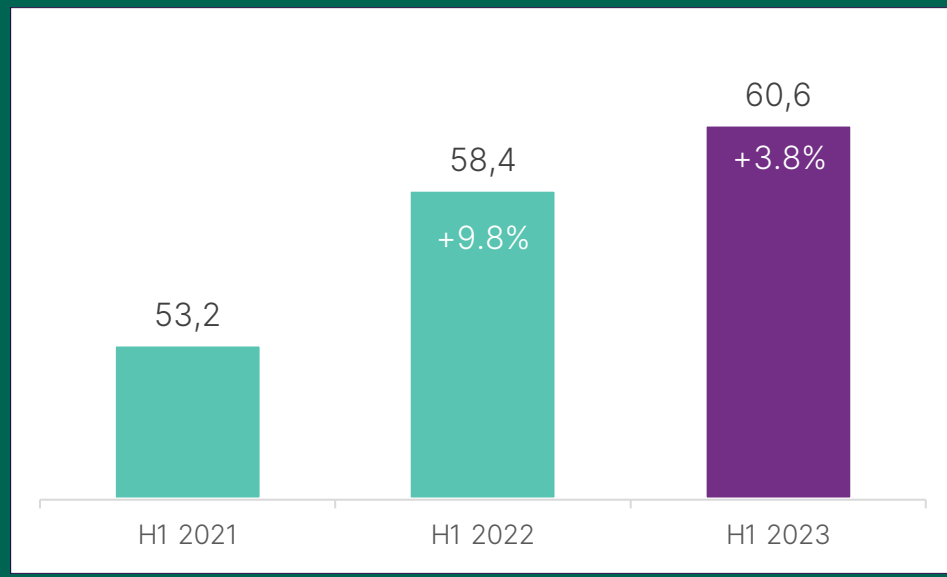
FRANCE TURNOVER

(€M)



INTERNATIONAL TURNOVER

(€M)



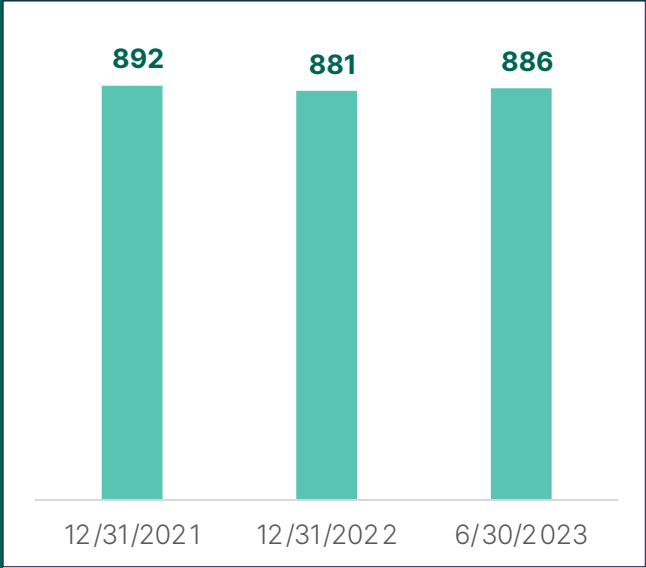
AUDITED CONSOLIDATED DATA



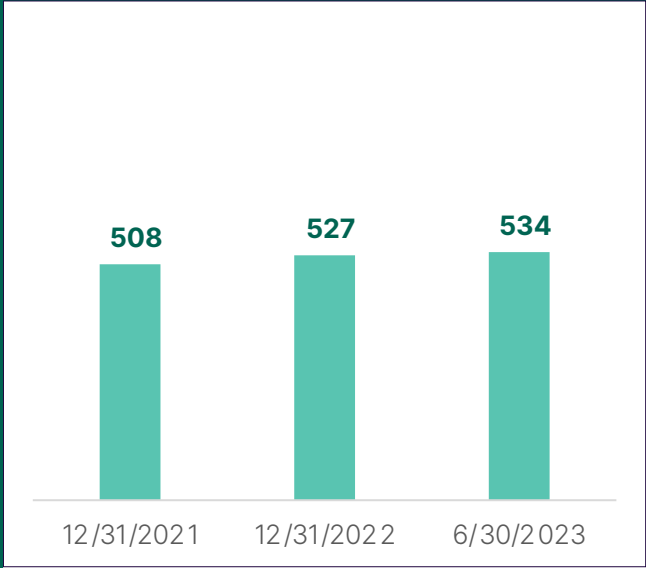
MEASURED APPROACH TO RECRUITMENT

SQLI H1 2023 RESULTS - 21 SEPTEMBER 2023

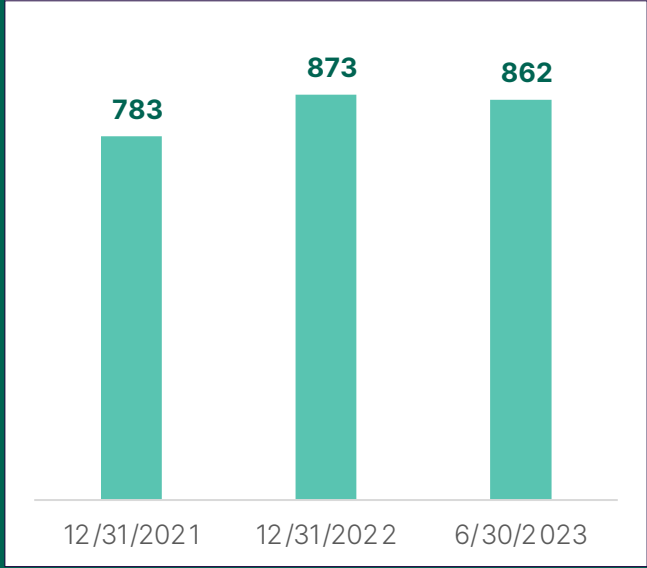
FRANCE



INTERNATIONAL



ISC*



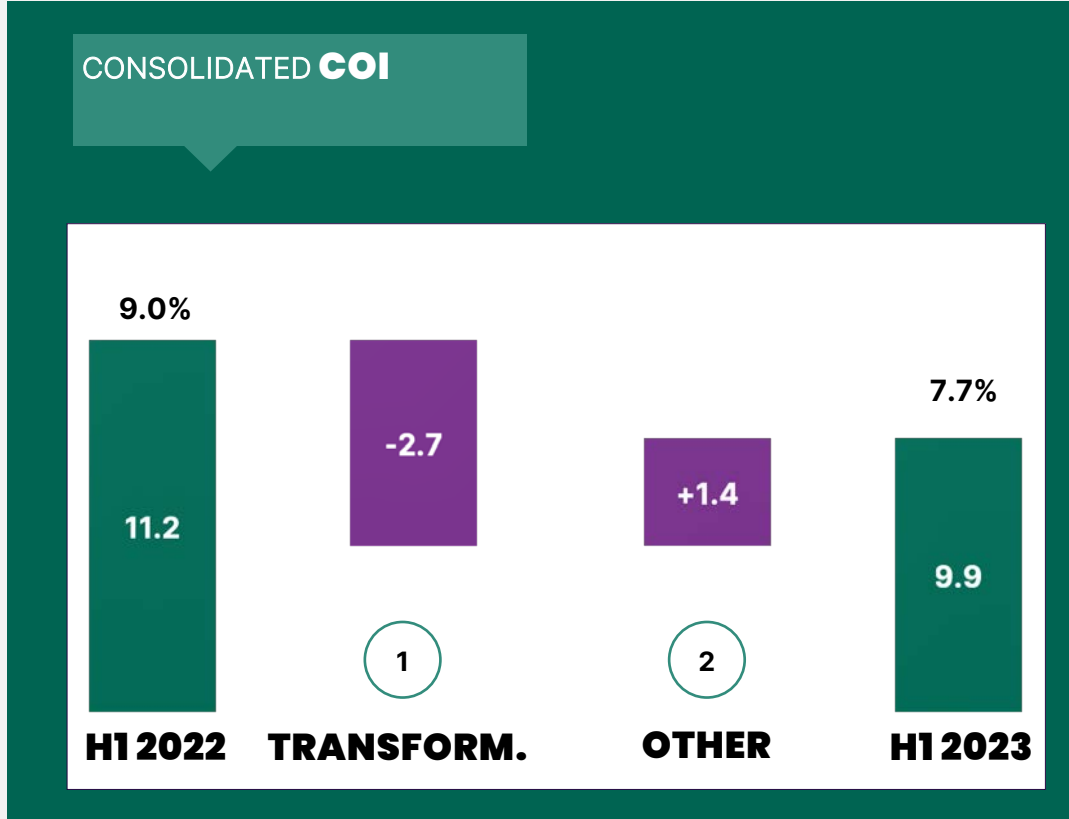
* Including temporary employees

SQLI H1 2023 RESULTS - 21 SEPTEMBER 2023



COI ANALYSIS

RECURRING EBIT



AUDITED CONSOLIDATED DATA (€M)
CURRENT OPERATING INCOME

> **CURRENT OPERATING MARGIN**

- -1.3 pp

> **① → “TRANSFORMATION” EFFECT**

- Impact of France transformation on business levels
- Investment for the future (tech. /sales/ISC)

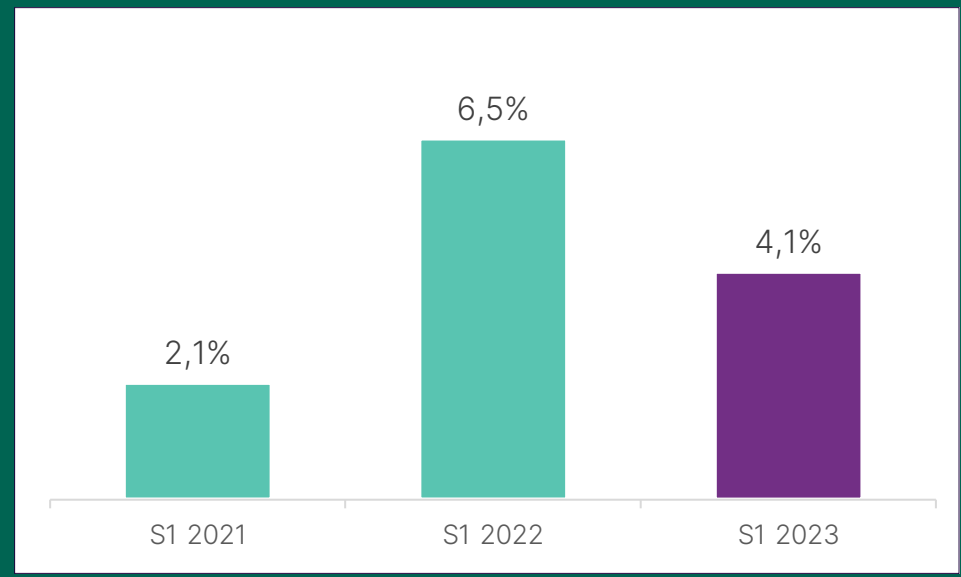
> **② → OTHER**



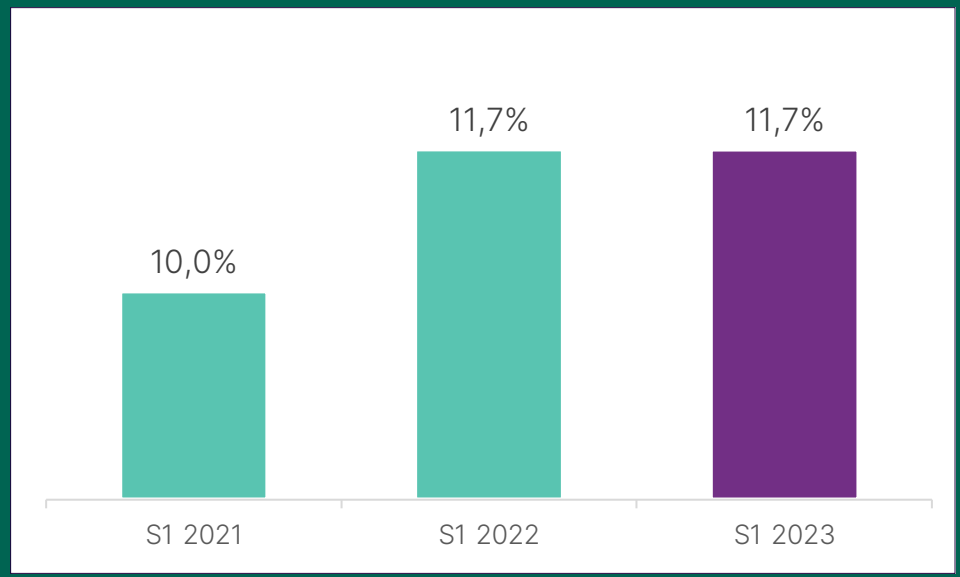
PERFORMANCE BREAKDOWN BY REGION

SQ LI H1 2023 RESULTS - 21 SEPTEMBER 2023

FRANCE COM (% TURNOVER)



INTERNATIONAL COM % TURNOVER



AUDITED CONSOLIDATED DATA

SQLI

INCOME STATEMENT



FROM ROI TO NET INCOME

- **NON-RECURRING ITEMS IMPACTED BY 2022 TAKEOVER COSTS AND THE IMPLEMENTATION OF THE 2022 LTIP TOTALLING €1.4M IN H1 2023**
- **NORMALISED COST OF DEBT IN 2023 (€28M SINGLE-TRANCHE FINANCING)**

€M - IFRS	H1 2022	H1 2023
TURNOVER	124.5	128.3
CURRENT OPERATING INCOME (COI)	11.2	9.9
Non-recurring items	(3.3)	(3.2)
OPERATING INCOME (EBIT)	7.9	6.7
Net cost of debt	(2.3)	(1.6)
Other financial income and expenses	(0.7)	(0.0)
Tax expense	(2.3)	(1.7)
NET INCOME	2.6	3.4

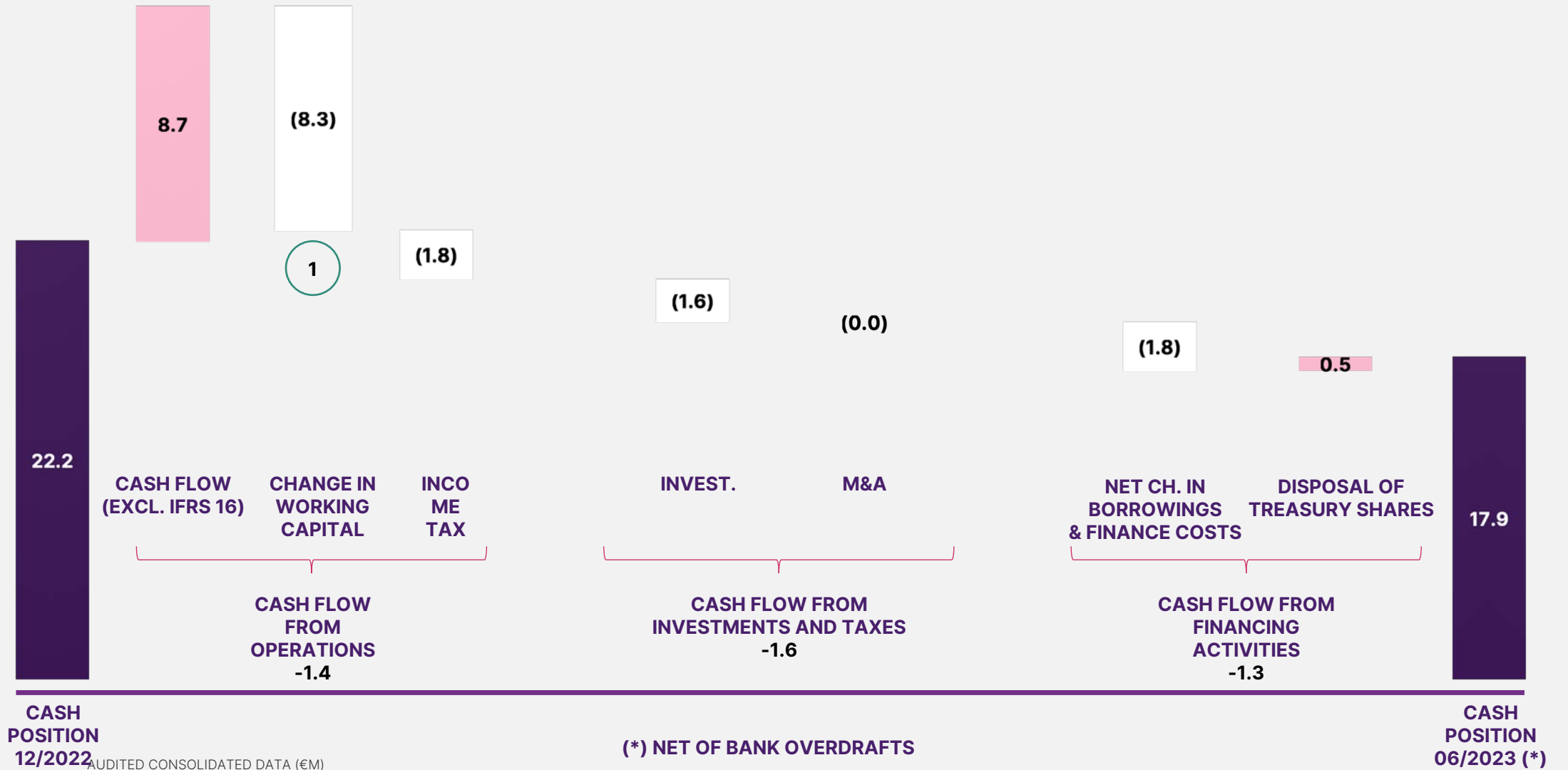
AUDITED CONSOLIDATED DATA (€M)





CASH FLOW

> ① → SEASONAL REDUCTION IN OFF-BALANCE SHEET FACTORING (-€2.3M) AND DEFERRED INCOME (-€3M) + INCREASE IN TRADE RECEIVABLES/DECREASE IN TRADE PAYABLES (+€2.5M)



NET FINANCIAL DEBT

- **HIGHLY FAVOURABLE LEVERAGE**
- **REDUCTION OF OFF-BALANCE SHEET FACTORING IN FINANCING: €4.2M VS €6.5M AT END 2022**
- **FURTHER CAPACITY AVAILABLE FOR USE**
 - CAPEX loan: €20m
 - Revolving credit: €10m
 - Factoring reserve: €14m

€M – IFRS	30/06/2022	31/12/2022	30/06/2023
SHAREHOLDERS' EQUITY	105.2	110.6	116.3
GROSS DEBT	26.3	27.7	27.1
Cash and cash equivalents*	16.9	22.2	17.9
NET DEBT	9.4	5.5	9.2
NET DEBT TO EQUITY RATIO	9%	5%	8%
LEVERAGE RATIO	0.5	0.2	0.5

AUDITED CONSOLIDATED DATA (€M)
 (*) NET OF BANK OVERDRAFTS



BALANCE SHEET ASSETS



➤ NO CUSTOMER RISK IN H1 2023

€M - IFRS	30/06/2022	31/12/2022	30/06/2023
Goodwill	89.2	89.2	89.2
Deferred tax assets	0.1	0.1	0.0
Tax assets (CIR tax credits)	3.3	2.6	3.6
Leased assets (IFRS 16)	19.6	16.1	16.5
Other non-current assets	17.6	18.0	18.7
NON-CURRENT ASSETS	129.7	126.0	128.1
Trade receivables	73.0	70.5	73.0
Other current assets	19.5	20.4	24.7
Cash and cash equivalents	21.1	22.7	22.1
CURRENT ASSETS	113.5	113.7	119.7
TOTAL ASSETS	243.3	239.6	247.8

AUDITED CONSOLIDATED DATA (€M)



BALANCE SHEET LIABILITIES

- **STEADY INCREASE IN SHAREHOLDERS' EQUITY**
- **IFRS 16: IMPACT OF ANTICIPATING CHANGE OF HEAD OFFICE AT YEAR-END 2023**

€M - IFRS	30/06/2022	31/12/2022	30/06/2023
SHAREHOLDERS' EQUITY	105.2	110.6	116.3
Long-term borrowings	26.3	26.3	26.3
Lease liabilities due in > 1 yr (IFRS 16)	13.9	10.3	11.2
Other non-current liabilities	4.3	3.8	3.2
NON-CURRENT LIABILITIES	44.5	40.5	40.7
Short-term borrowings	4.1	1.4	5.0
Lease liabilities due in < 1 yr (IFRS 16)	8.4	8.1	6.5
Trade payables	21.5	19.6	20.1
Other current liabilities	59.5	59.5	59.1
CURRENT LIABILITIES	93.6	88.6	90.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	243.3	239.6	247.8

AUDITED CONSOLIDATED DATA (€M)



CONCLUSION

PHILIPPE DONCHE-GAY

CHAIRMAN & CHIEF EXECUTIVE OFFICER



2023 GUIDANCE

1

**MARKET GROWTH BELOW
2022 LEVELS**

2

**RETURN TO USUAL RESOURCES
RECRUITMENT AND RETENTION LEVELS**

3

**CONTINUED ANALYSIS OF ACQUISITION
OPPORTUNITIES**



**GROWTH IN
TURNOVER AND
PRESERVING OF
PROFITABILITY**

Q&A

Questions & Answers

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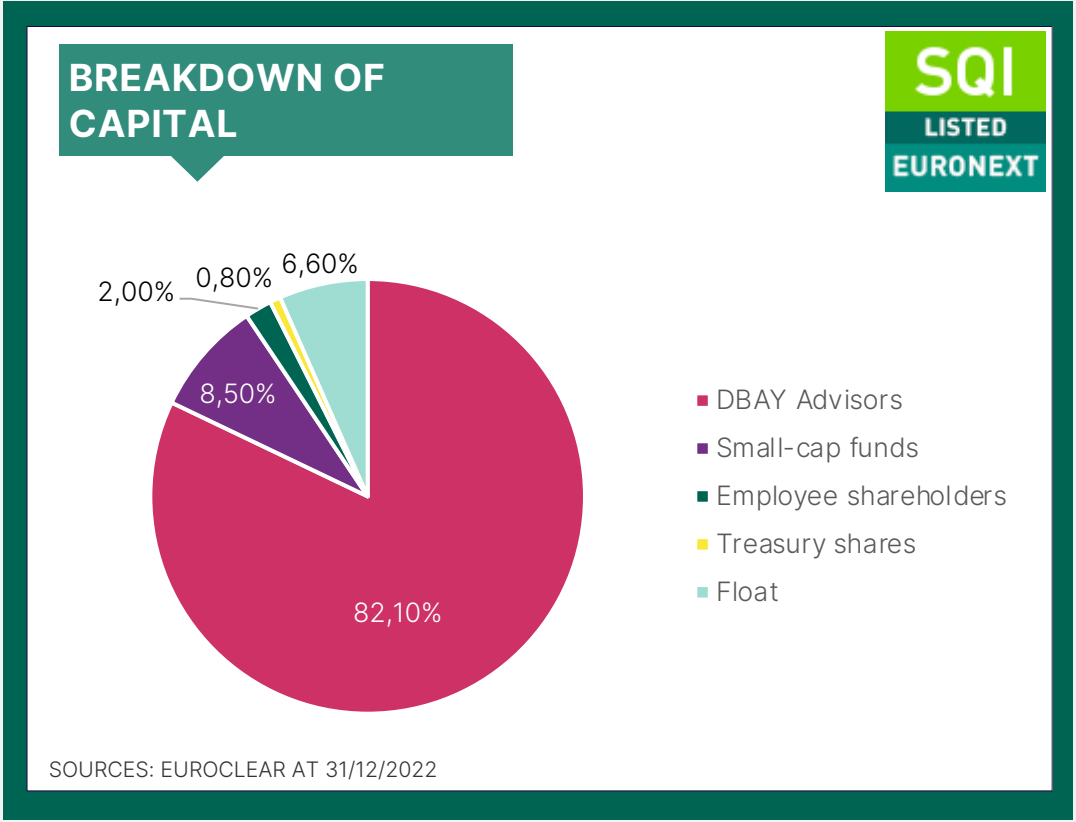




SHAREHOLDER INFORMATION

Shareholder structure

2023 stock market performance: +5%



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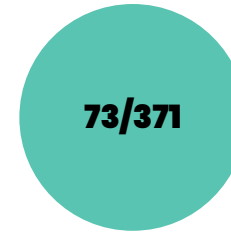
- Share price (20/09/2023): €46.00
- Number of shares: 4,633,995
- Market capitalisation: €213m

- CAC Technology: +10%
- CAC Small: -5%
- Euronext Tech Croissance: -6%
- Euronext PEA-PME 150: -7%

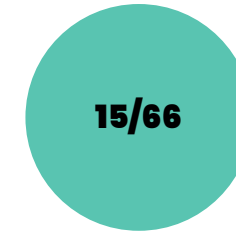
NON-FINANCIAL RATING



OUR RANKING



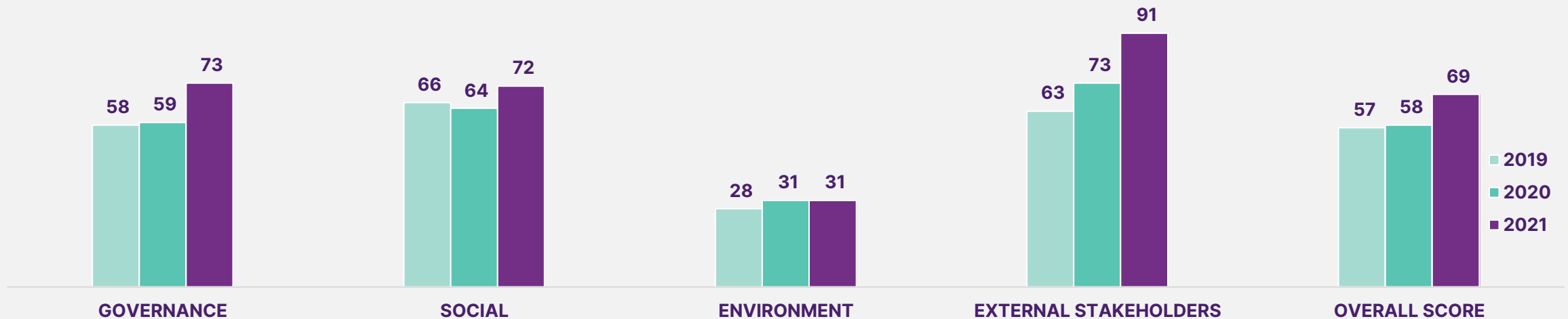
NATIONAL



SECTOR-SPECIFIC



COMPANY SIZE



SOURCE: GAIA RESEARCH BY ETHIFINANCE/2022 CAMPAIGN



SQLI CASH FLOW STATEMENT

FROM INCOME TO CASH

> DIP IN CASH FLOW:

- Less non-recurring “cash” (2022 takeover costs)

> CHANGE IN WORKING CAPITAL DUE TO:

- Reverse impact of factoring (+€5m in 2022 and -€2m in 2023)

€M - IFRS	H1 2022	H1 2023
Cash flow (gross operating cash flow)	13.8	13.0
Change in working capital	2.3	(7.5)
Income tax	(1.3)	(1.8)
CASH FLOW FROM OPERATIONS	14.8	3.7
Investments	(1.2)	(2.3)
Change in consolidation scope	0.0	0.0
CASH FLOW FROM INVESTMENTS	(1.2)	(2.3)
New borrowings	(24.2)	(1.4)
Net disposal of treasury shares	0.0	0.4
Repayment of borrowings and finance costs	(4.8)	(4.9)
Impact of IFRS 16	0.2	0.1
CASH FLOW FROM FINANCING ACTIVITIES	(28.8)	(5.8)
CHANGE IN CASH (SHORT-TERM NET DEBT)	(15.1)	(4.3)

AUDITED CONSOLIDATED DATA (€M)





FINANCIAL GLOSSARY

ROI: recurring EBIT

Cash flow: gross operating cash flow before change in WC and tax

LTIP: long-term incentive plan

Free cash flow: cash flow from operations - cash flow from investments + impact of IFRS 16 on cash flow from financing activities

Leverage: Net debt/EBITDA

**THANK
YOU**

Thank you

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