

SQLI DIGITAL EXPERIENCE

| MARCH 10, 2021
| 2020 ANNUAL RESULTS

SPEAKERS



Philippe DONCHE-GAY
CHAIRMAN & CEO



Olivier STÉPHAN
CFO

SQLI

OVERVIEW

WE ARE SQI!

A EUROPEAN DIGITAL SERVICES COMPANY

1990

Founded

2000

Listed on Euronext Paris

€214m

2020 Revenue

2,080

Digital Experts

14

countries

FRANCE – SWITZERLAND – BELGIUM – LUXEMBURG – THE NETHERLANDS – SWEDEN – DENMARK
THE UNITED KINGDOM – GERMANY – SPAIN – MOROCCO – DUBAI – MAURITIUS – SOUTH AFRICA

WHAT WE DO

BUILDING AND GROWING THE DIGITAL BUSINESS VALUE OF OUR CLIENTS

SQLI Digital Experience helps define and exceed your digital success. We are e-business builders and thinkers, eager to understand what makes your business move forward



WHAT WE DO

SQLI - 2021



BESIDE GROUP / DIESEL

E-COMMERCE BTOC FOR DIESEL MIDDLE-EAST

CHALLENGES

- ✗ Launching the Diesel's online store in the UAE and Saudi Arabia, followed by Bahrain, Qatar, Kuwait and Egypt, giving customers in the Middle East the opportunity to shop online the Italian label's apparel and accessories.
- ✗ Building a flexible solution to incorporate a back-end infrastructure with new front ends

RESULTS

- ✗ An e-Commerce platform on Magento Commerce Cloud
- ✗ Customer journey on Web & Mobile
- ✗ A solution which allows to create e-Commerce websites for its other premium brands at a lower cost and to a quicker timescale



CDISCOUNT

DEPLOYMENT OF DESIGN SPRINT @SCALE

CHALLENGES

- ✗ Innovate more efficiently and rapidly within an extremely competitive and constantly changing market
- ✗ Enhance B2B offerings, with the aim of acquiring and retaining sellers
- ✗ Gain long-lasting Design Sprint skills
- ✗ Deploy a personalized program including skills development and team acculturation

RESULTS

- ✗ A B2B platform concept in only **5 days**
- ✗ The most critical journeys of the Seller Zone redesigned in only **2 weeks**
- ✗ **9 priority areas identified and qualified**, in terms of both the business and internal organization



AUTODISTRIBUTION

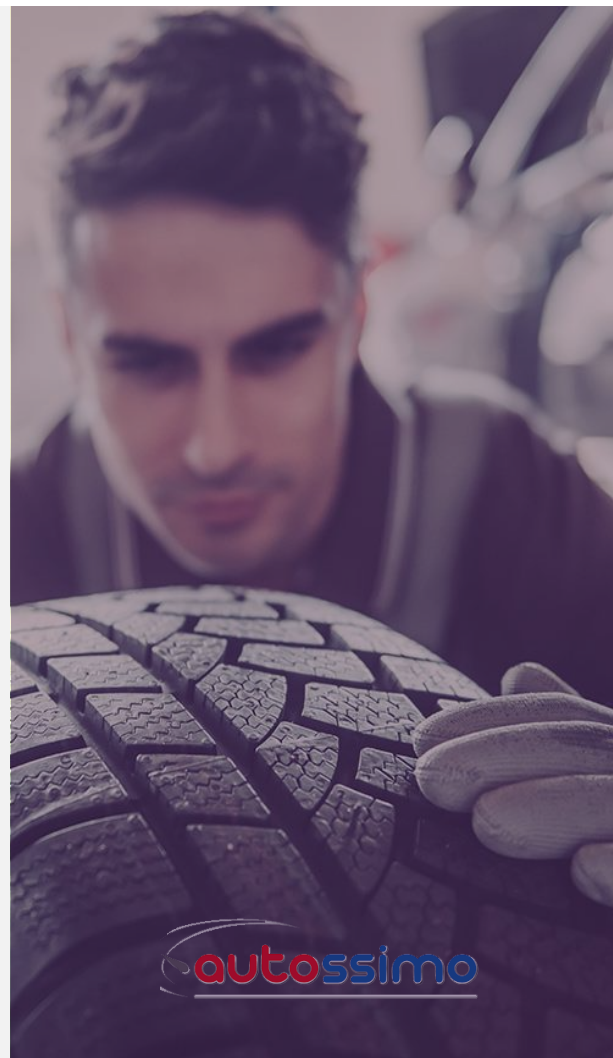
E-COMMERCE B2B & B2C & EXPERIENCE PLATFORMS

CHALLENGES

- ✗ Manage and develop the group's digital assets
- ✗ Redesign websites: ad.fr, autodistribution.com
- ✗ Create a B2B e-commerce platform that enables the 10,500 garage owners to order spare parts
- ✗ Ensure the platform's reliability, quality and performance with an agile approach and technology solutions

RESULTS

- ✗ A robust and secure digital solutions
- ✗ Autossimo's performance is reflected by significant sales growth (+16% vs 2019), as well as a 14% increase in the number of user clients, despite the months of lockdown due to the Covid-19 crisis.



ZUNY

WEB PLATFORM & PROGRESSIVE WEB APP

CHALLENGES

- ✗ Launch Belgium's newest Telco brand that operates entirely online and offers contract-free and commitment-free plans
- ✗ It required a solid e-Commerce system that matches both its complex Information System and the specificities of the Telco sector
- ✗ Creation of a Progressive Web App in addition to a web platform

RESULTS

- ✗ Zuny operates through a web platform using SAP Commerce Cloud, and a PWA developed with React
- ✗ Successful project in a very short time-to-market (4 months)
- ✗ Benefits are expected to raise the brand's profile and acquire customers.



ZUNY

Tes Séries

Accès illimité



LEGRAND

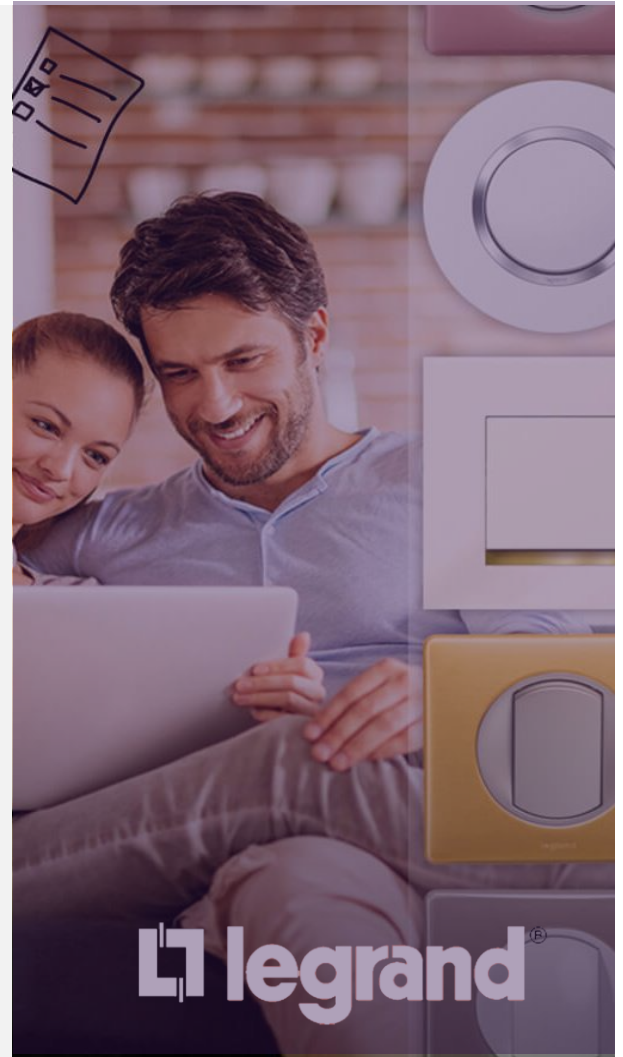
DIGITAL STRATEGY & WEB FACTORY

CHALLENGES

- ✗ Support business in multiple areas: Asia-Pacific, Middle East, Africa, South America
- ✗ Centralize the IT foundation, while leaving subsidiaries free to create and manage content according to local requirements and challenges

RESULTS

- ✗ A Web Factory based on Acquia that allows the local teams to focus on content production and marketing actions
- ✗ Functional innovations provided simultaneously for all subsidiaries, through common website enhancements
- ✗ Additional layer of IT security
- ✗ Integration of value-added services offered by Legrand to its partner distributors in the Web factory



2020

KEY FACTS

Health context
Governance
Brands' integration
Financial achievement

COVID-19 COPING WITH A DISRUPTED ENVIRONMENT

- × Implemented a **Business Continuity** Plan (employee & customer relations)
- × Enabled widespread use of **remote work**
- × Focused on Securing **Cash**
- × Monitored **employment rate daily**



CHANGE IN GOVERNANCE

- × **ON SEPTEMBER 22ND, THE BOARD OF DIRECTORS** has asked Philippe Donche-Gay, Chairman of SQLI, to take over as CEO of the Group and to combine the two roles

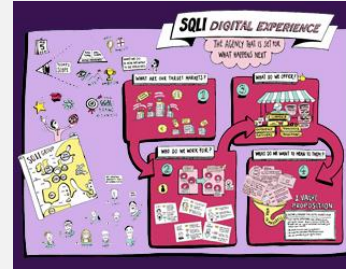


RELAUNCHED SQLI AS ONE

× Redefined operational **Governance**



× Harmonized **Value Proposition**

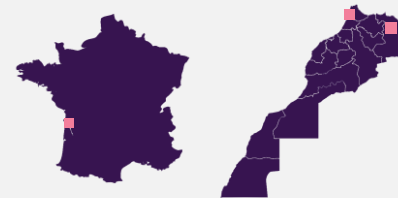


- International workshops

× Launched a formal **Integration** plan



× Reinforced **ISCs** as strategic assets



FRANCE
Bordeaux

MOROCCO
Rabat - Oujda

- ~ **700** headcount
- > **90%** utilization

FINANCIAL FORECAST ACHIEVED

SQ11 - 2021

REVENUE

Guidance : > €210M



€213.7M

RECURRING OPERATING INCOME

Guidance : > €6M



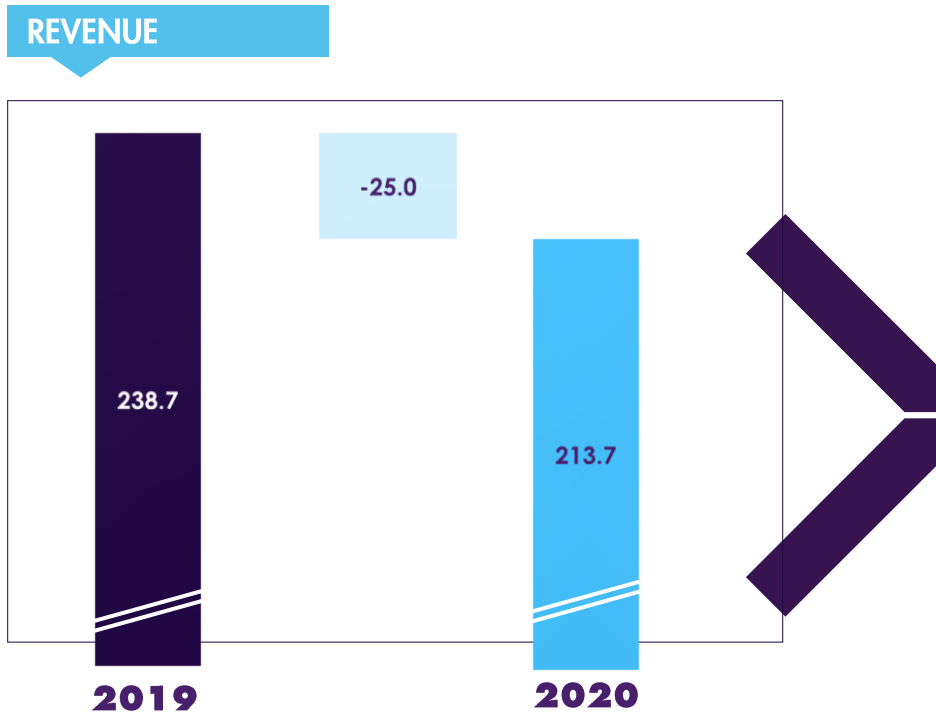
€7.2M

2020

ANNUAL RESULTS

REVENUE EVOLUTION

SQ1 - 2021



× Decrease of **10.5%*** with **contrasted performance**

× **SERVICE LINES**

- Commerce & Experience: **+8.3%**
- Digital & Technology: **-24.7%**

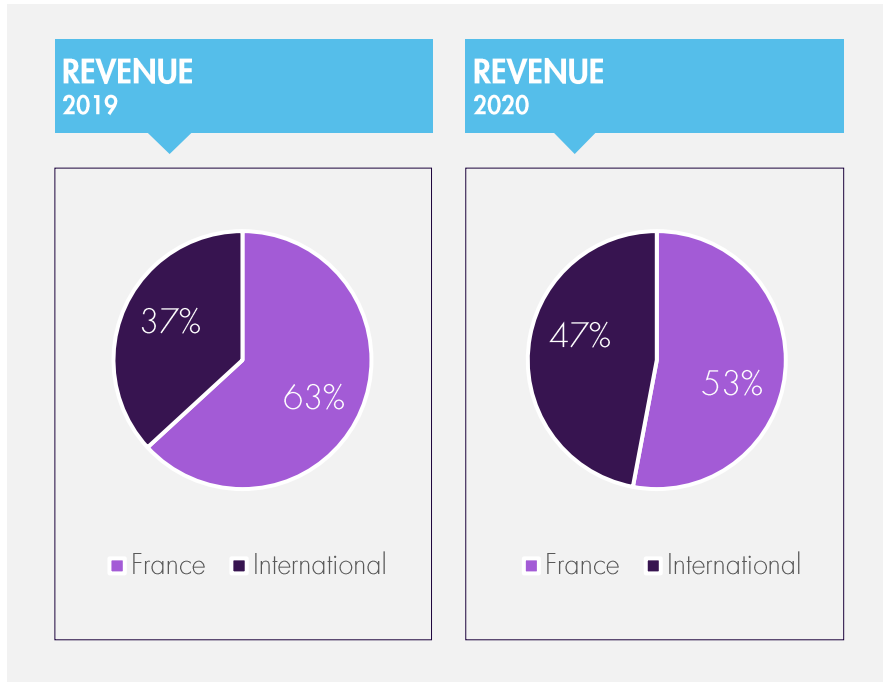
× **GEOGRAPHIES**

- International: **+12.8%**
- France: **-24.3%**

*-13,1% like for like

REVENUE BY GEOGRAPHY

SQ11 - 2021



✗ FRANCE

- Very challenging market due to COVID impact, particularly in the Aerospace / Financial sectors

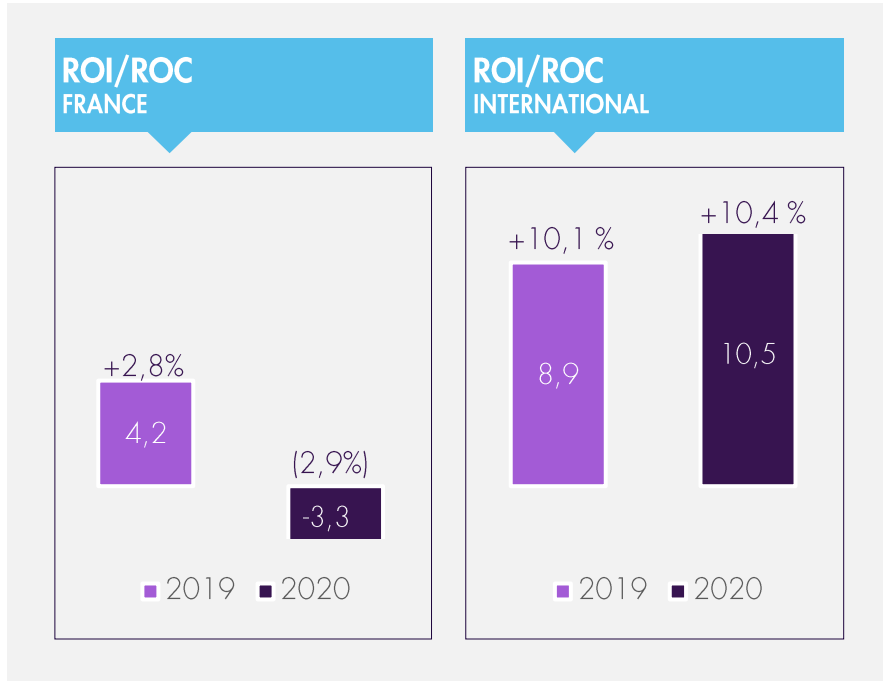
✗ INTERNATIONAL

- Acquisition & integration of Redbox
- Retained strategic Customers
- Leveraged global partnerships

ROI BY GEOGRAPHY

RECURRING OPERATING INCOME(*)

SQII - 2021



✗ FRANCE

- Streamlining workforce: **-22%** ie. **730** employees*
- Reduction in subcontracting
- Adapting teams & skills
- Annual utilization rate of **67%** (**76%** in Q4)

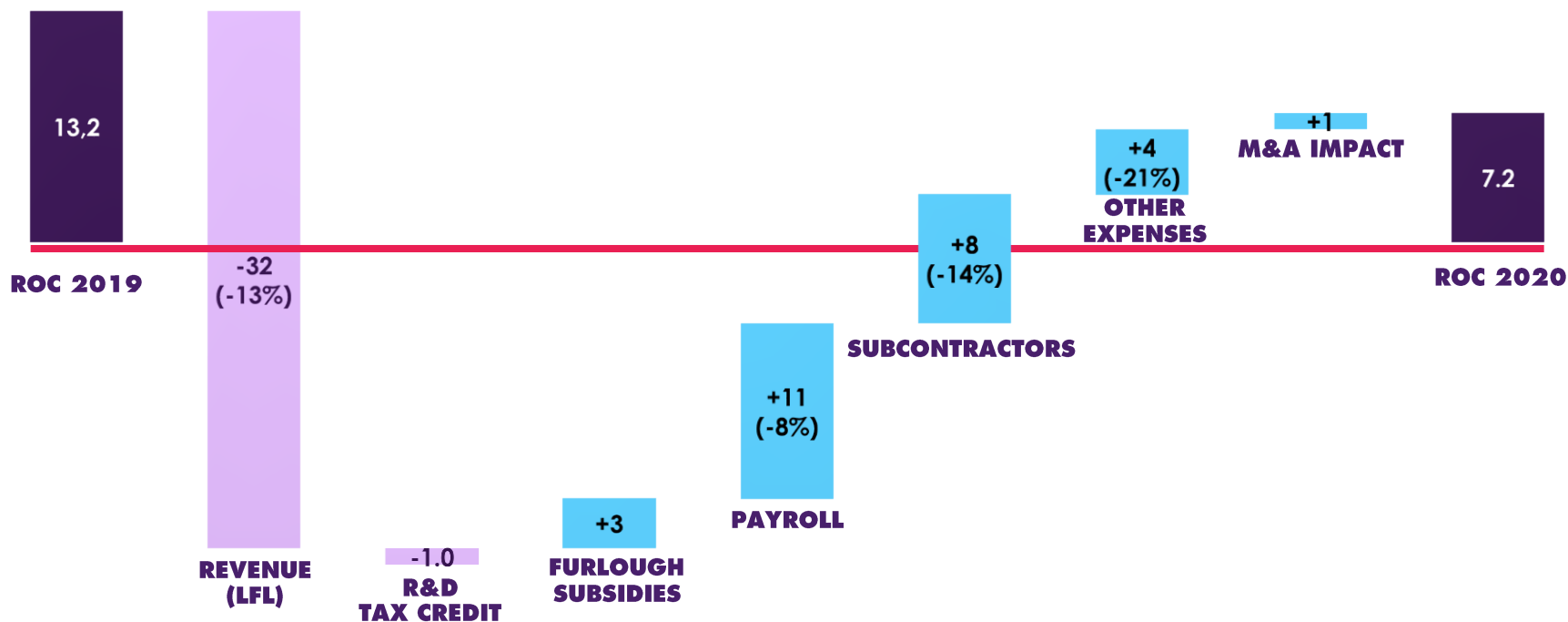
✗ INTERNATIONAL

- Increase in headcount: **+5%** ie. **560** employees**
- Annual utilization rate of **84%**

ROI EVOLUTION

RECURRING OPERATING INCOME

SQII - 2021

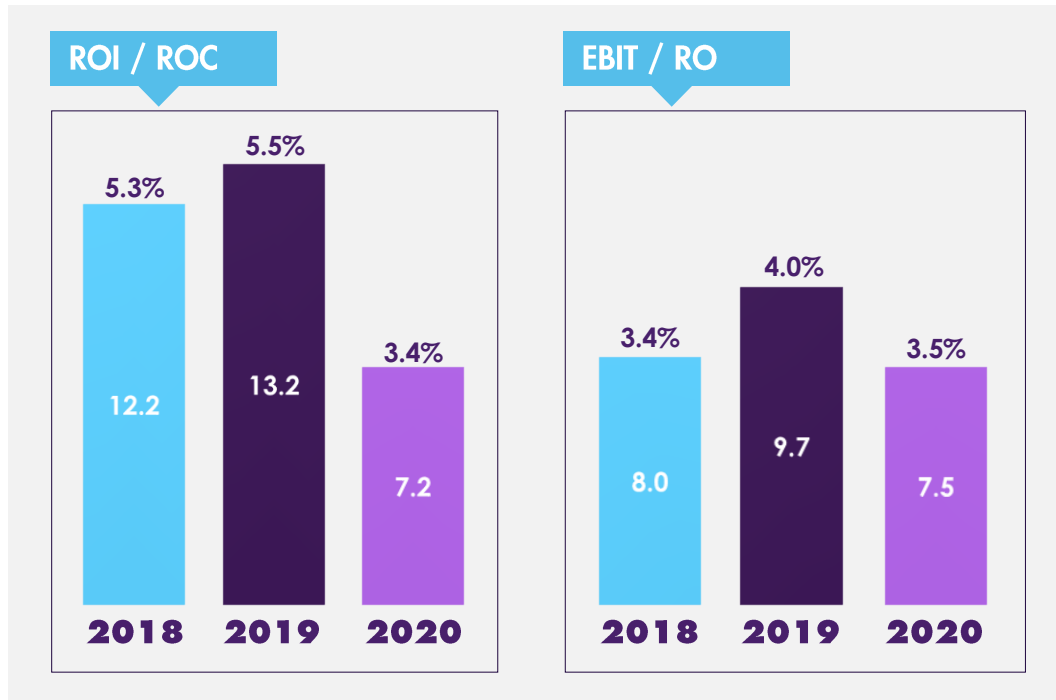


AUDITED CONSOLIDATED DATA (€ MILLIONS)

NB: ROI = ROC (Résultat Opérationnel Courant)

FROM ROI TO EBIT

SQII - 2021



2020 NON-RECURRING INCOME: €0.3M

- ✗ + €3M : M&A provisions reversal
- ✗ + €2M : CIR risk provision release
- ✗ - €4M : Reorganization
- ✗ - €1M : Miscellaneous

- ROI = ROC (Résultat Opérationnel Courant)
- EBIT = RO (Résultat Opérationnel)

SQLI INCOME STATEMENT

SQLI - 2021

€M - IFRS	2019	2020
REVENUE	238.7	213.7
Net charges in respect of IFRS 16	8.1	8.6
EBITDA*	15.1	9.0
Other net depreciation, amortisation and provisions	(1.9)	(1.8)
RECUR. OPERATING INCOME / ROC	13.2	7.2
Non-recurring result	(3.5)	0.3
EBIT / RO	9.7	7.5
Net cost of debt	(2.2)	(2.3)
Other financial income and expenses	0.5	(0.1)
Tax expense	(3.3)	(4.9)
NET INCOME	4.7	0.2

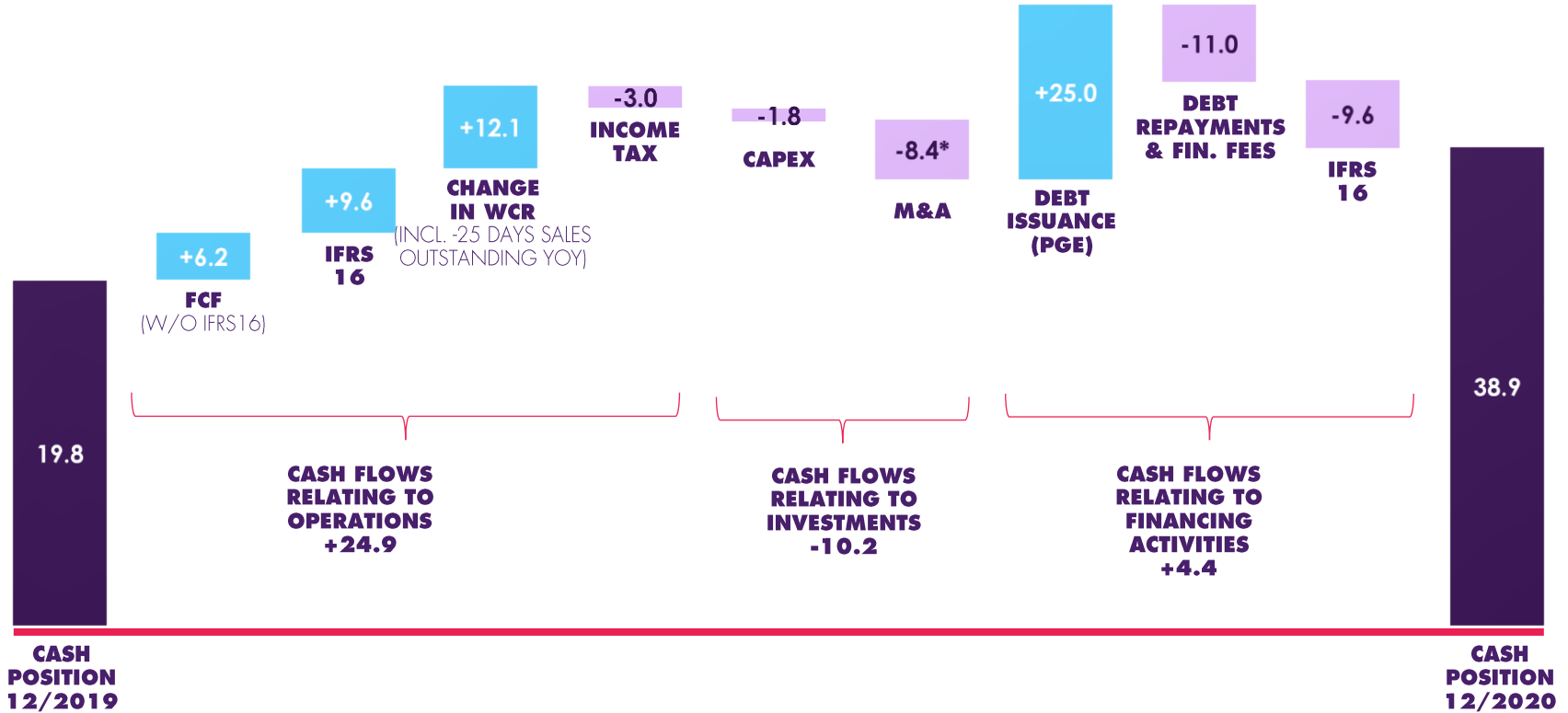
From ROI to Net Income

- ✗ Stable net financial debt
- ✗ Write-off deferred tax assets for -€1,4M

EBITDA = earnings before interest, tax, depreciation and amortisation (excl. IFRS 16)

CASH FLOW

SQLI - 2021



BALANCE SHEET - ASSETS

SQI - 2021

€M - IFRS	31/12/2019	31/12/2020
Goodwill	85.8	90.7
Deferred tax assets	3.7	2.0
Tax assets (CIR, CICE tax credits)	5.9	1.9
Lease assets (IFRS 16)	33.7	23.5
Other non-current assets	18.8	20.2
NON-CURRENT ASSETS	147.9	138.3
Accounts receivable	75.2	63.4
Other current assets	22.2	16.8
Cash and cash equivalents	20.1	39.8
CURRENT ASSETS	117.5	120.0
TOTAL ASSETS	265.4	258.3

- ✗ Goodwill : Impact of Redbox (UK) acquisition (March 2020)
- ✗ R&D Subsidy (CIR) financed 2017/2019
- ✗ Lease assets : reevaluation of rights of use of Paris Offices
- ✗ DSO Improvement

BALANCE SHEET - LIABILITIES

SQI - 2021

€M - IFRS	31/12/2019	31/12/2020
SHAREHOLDERS' EQUITY	94.7	94.3
Long-term borrowings	28.4	47.8
Lease liabilities > 1 year (IFRS 16)	29.5	19.0
Other non-current liabilities	10.6	7.5
NON-CURRENT LIABILITIES	68.5	74.3
Short-term borrowings	6.2	7.7
Lease liabilities < 1 year (IFRS 16)	7.8	8.3
Trade payables	23.3	16.0
Other current liabilities	64.9	57.7
CURRENT LIABILITIES	102.2	89.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	265.4	258.3

× State-guaranteed loan (PGE) of €25M

× Total Factor reimbursement for €12M

NET FINANCIAL DEBT STABILIZED

SQII - 2021

€M - IFRS	31/12/2019	31/12/2020
SHAREHOLDERS' EQUITY	94.7	94.3
Long-term borrowings	28.4	47.8
Short-term borrowings	6.2	7.7
GROSS DEBT	34.6	55.5
Cash and cash equivalents	20.1	39.8
NET DEBT	14.5	15.7
NET DEBT TO EQUITY RATIO	15%	17%
EBITDA	15.1	9.0
NET DEBT TO EBITDA RATIO	1.0	1.7

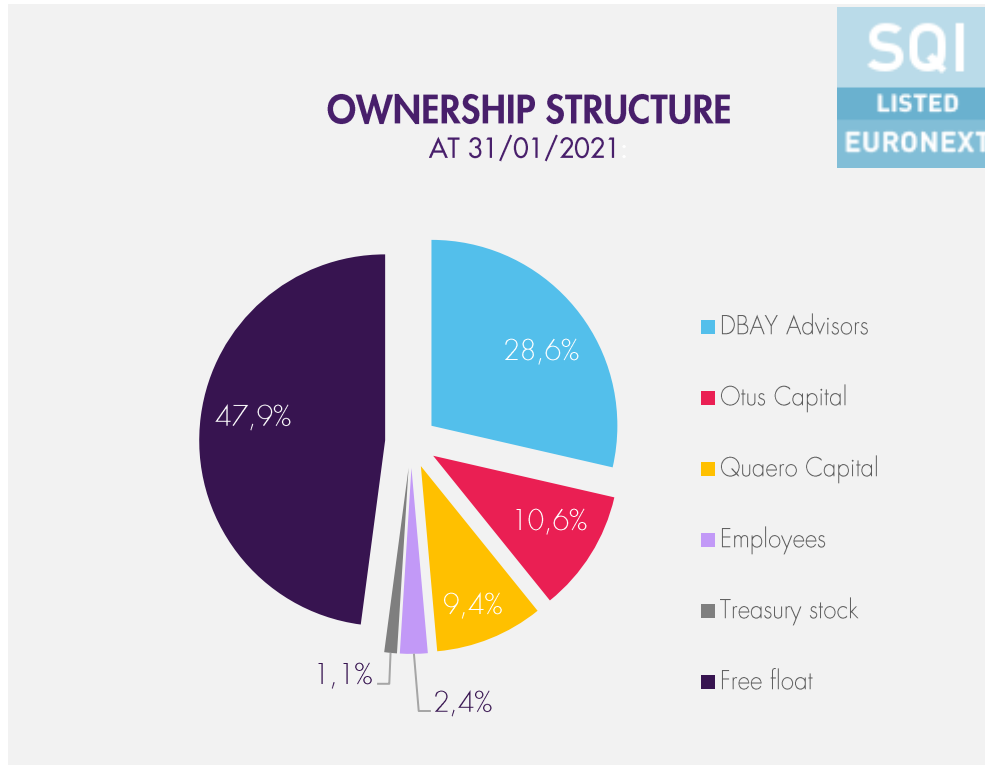
- ✗ €25M state-guaranteed loan secured with bank pool (BNP, Caisse d'Epargne, Palatine & SG) + LCL
- ✗ Conversion into mid-term debt (5 years including 1 year deferred)
- ✗ No Factoring used end of 2020 Invoice factoring reserves of €12M (France)
- ✗ Debt to equity ratio (gearing) compliant with its bank covenants (leverage bank ratio 3,5)

SQLI

STAKEHOLDERS RELATIONS

SHAREHOLDER STRUCTURE

SQI - 2021



- ✗ Price (08.03.2021): **€22.50**
- ✗ Numer of shares: **4,613,975**
- ✗ Market cap.: **€104M**
- ✗ Index: CAC Small, EuroNext Tech Croissance, EnterNext PEA-PME 150, Gaia Index
- ✗ Trading information: PEA, PEA-PME, SRD Long only
- ✗ Analyst coverage: Oddo BHF, Portzamparc, Genesta

BOARD OF DIRECTORS

FAIR BALANCE BETWEEN INDEPENDENT DIRECTORS...

- ✗ **PHILIPPE DONCHE-GAY** – CHAIRMAN & CEO
IBM, Capgemini, Bureau Veritas
- ✗ **HERVÉ DE BEUBLAIN**
French Ministry of Industry, Baring Brothers, FD5, NextStage
- ✗ **NATHALIE MESNY**
Partner at Brand & Retail
Unilever, Carrefour, Oxybul, Rueducommerce.com, Monoprix, Carmignac, Damartex
- ✗ **VÉRONIQUE REILLE SOULT DE DALMATIE**
Dentsu Consulting, Elan Edelman, Agence 910 Hopscotch
- ✗ **ARIEL STEINMANN**
Bouygues Telecom, ING Direct France, BNP Paribas, Hello bank!

...AND STAKEHOLDERS

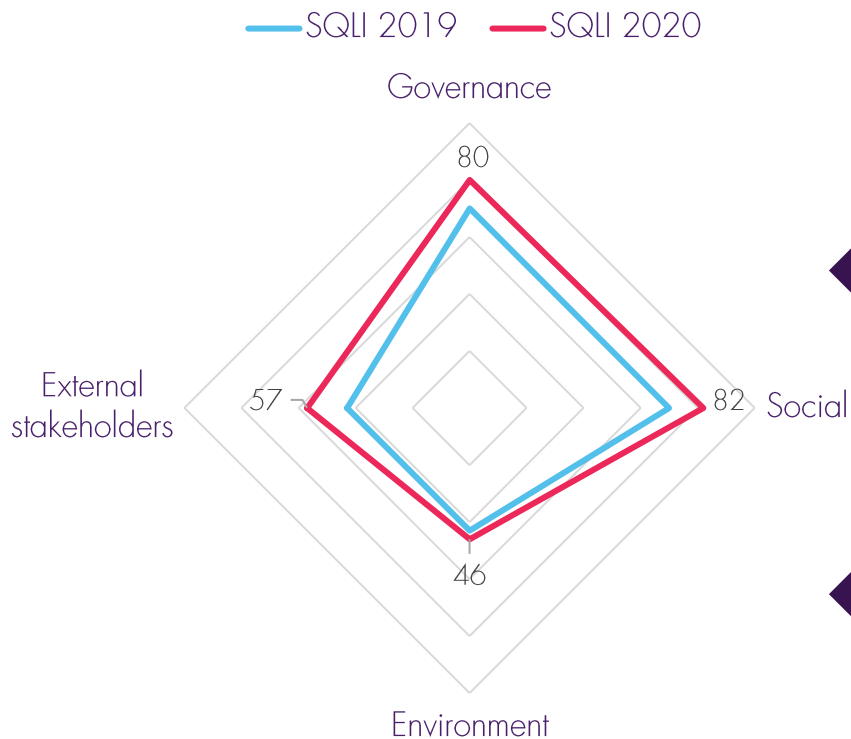
- ✗ **DIEDERIK VOS** – DBAY ADVISORS REPRESENTATIVE
SQS, AT&T, Lucent Technologies, AVAYA, International Network Services
- ✗ **ILTAY SENSAGIR** – DBAY ADVISORS REPRESENTATIVE
Goldman Sachs, Kartesia Advisor
- ✗ **JÉRÔME ABERGEL** – DIRECTOR REPRESENTING EMPLOYEES

3 AD-HOC COMMITTEES

- ✗ Audit & Risks Committee (ARC)
- ✗ Appointment and Compensation Committee (ACC)
- ✗ Strategy & Acquisitions Committee (SAC)

FOCUS ON CSR

SQLI - 2021



• CSR : Corporate Social Responsibility



- ✗ OVERALL SCORE: **72 / 100**
- ✗ CHANGE OVER 12 MONTHS: **+11 PTS**
- ✗ SINCE DECEMBER 2020: INTRODUCING INTO **GAÏA INDEX**

SQLI



OUTLOOK

2021 PRIORITIES

SQII - 2021

1

SUSTAIN OUR **LEADERSHIP** IN EUROPE IN THE DIGITAL EXPERIENCE & E-COMMERCE MARKET

2

REPOSITION FRANCE BACK ON A JOURNEY OF SUSTAINABLE **PROFITABLE GROWTH**

3

RESET THE CONDITIONS FOR A **LONG-TERM EXPANSION**



2021 PERSPECTIVE

- × As a consequence of the Covid crisis, SQLI core markets will experience accelerated growth



DIGITAL EXPERIENCE PLATFORMS

- Multiplication of customer touchpoints (websites, apps, ads, physical stores, etc.), requiring unified experience



ECOMMERCE

- During lockdown, surge of eCommerce adoption, and growing share of "brick-and-mortar" / non-digital native companies



DIGITAL WORKPLACE

- Acceleration of digital workplace deployment, driven by COVID-crisis requirements on home / remote working

- × So we are aiming at an improved performance in 2021

REVENUE ORGANIC GROWTH



H1 : stable / H2 : High Single Digit

RECURRING OPERATING INCOME



+2 points



SQLI

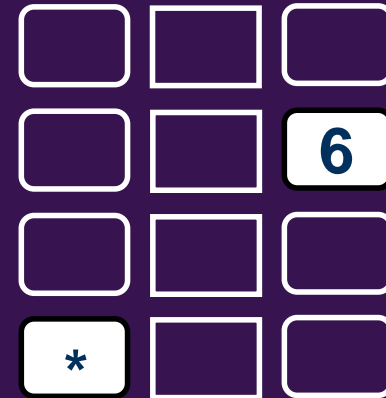
Q&A SESSION

Q&A SESSION



MICROSOFT TEAMS

"Hands Up" button



PHONE

Keys " * " then " 6 "

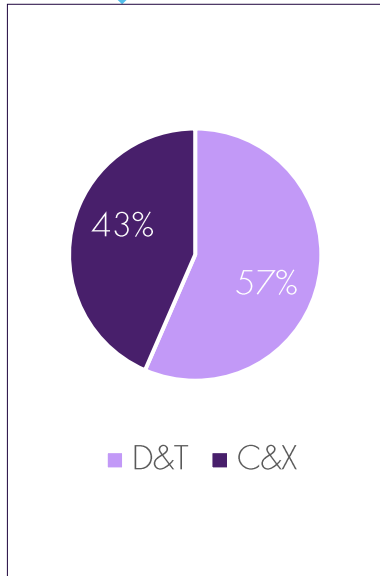
SQLI

APPENDIX

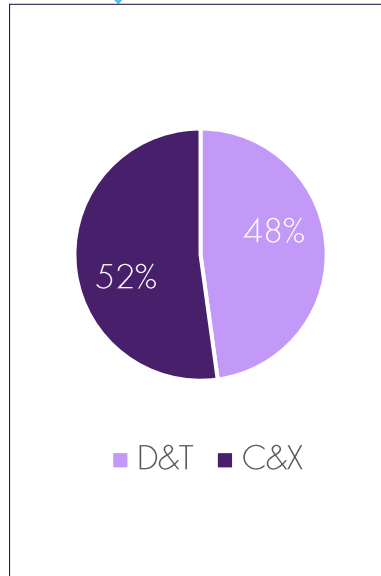
BREAKDOWN BY SERVICE LINE

SQ1 - 2021

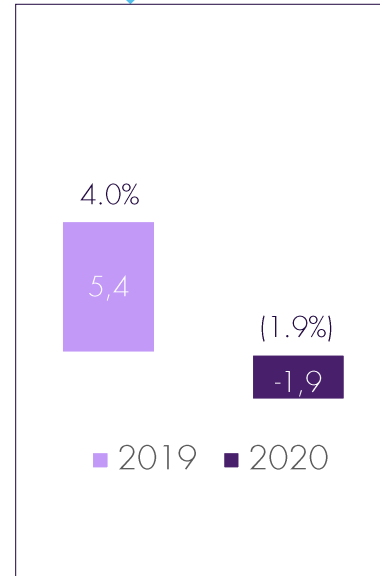
REVENUE
2019



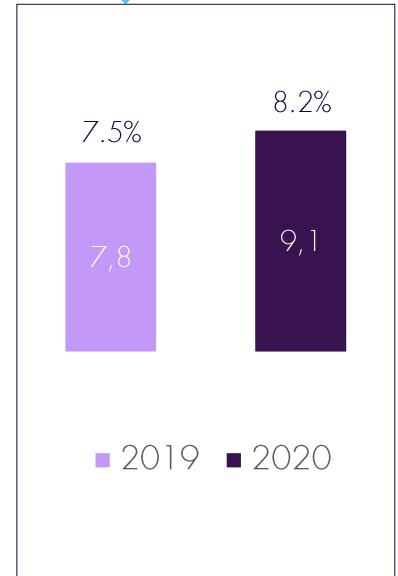
REVENUE
2020



ROI / ROC
D&T



ROI / ROC
C&X



C&X: Commerce & Experience
D&T: Digital & Technology

AUDITED CONSOLIDATED DATA (€ MILLIONS)