

A complex network diagram with black nodes and lines, interspersed with red, blue, and grey nodes, set against a light grey background.

XSQLI

Digital Experiences

29 MARCH 2018

SQLI, SERVICES GROUP AND DIGITAL PERFORMANCE DRIVER



We assist and advise companies and international brands with the definition, implementation and management of digital solutions for a whole new **client, employee and partner experience**.

OUR MISSION:

To develop their **sales** and their **notoriety**, and to strengthen the **productivity** and **efficiency** of their organization.

OUR ARENA:

e-commerce platforms, **marketing** and **digital communications**.



SQLI TODAY



212
€M IN TURNOVER



12
COUNTRIES*



2,272
DIGITAL DEVOTEES

*FRANCE | GERMANY | BELGIUM | DENMARK | SPAIN |
LUXEMBOURG | NETHERLANDS | UNITED KINGDOM |
SWEDEN | SWITZERLAND | SOUTH AFRICA | MOROCCO



SIGNIFICANT EVENTS





2017, A SUCCESS STORY...

- International expansion through organic growth and targeted acquisitions
- Improvement in results between the 1st and 2nd half of the year

...BUT GLOBALLY BELOW THE GROUP'S FULL POTENTIAL...

- Disappointing operational performance in the 1st half
- Overinvestment as part of our MoveUp2020 strategic plan

...TRIGGERING CORRECTIVE MEASURES IN THE SHORT TERM...

...WITHOUT COMPROMISING OUR COMMITMENTS IN THE MEDIUM TERM

KEY FIGURES



TURNOVER

X

€212.0m

INCREASE IN

X

TURNOVER

11%

STRATEGIC

X

ACQUISITIONS

2

EBITDA

X

€13.2m

RECURRING

X

OP. INCOME

€10.9m

NET

X

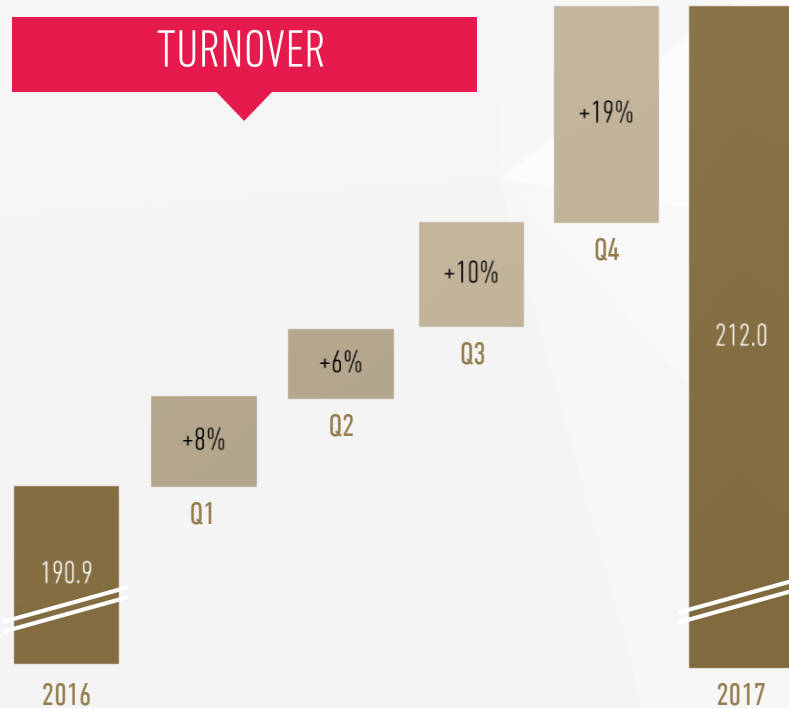
INCOME

€2.0m

TURNOVER



LASTING GROWTH DYNAMIC

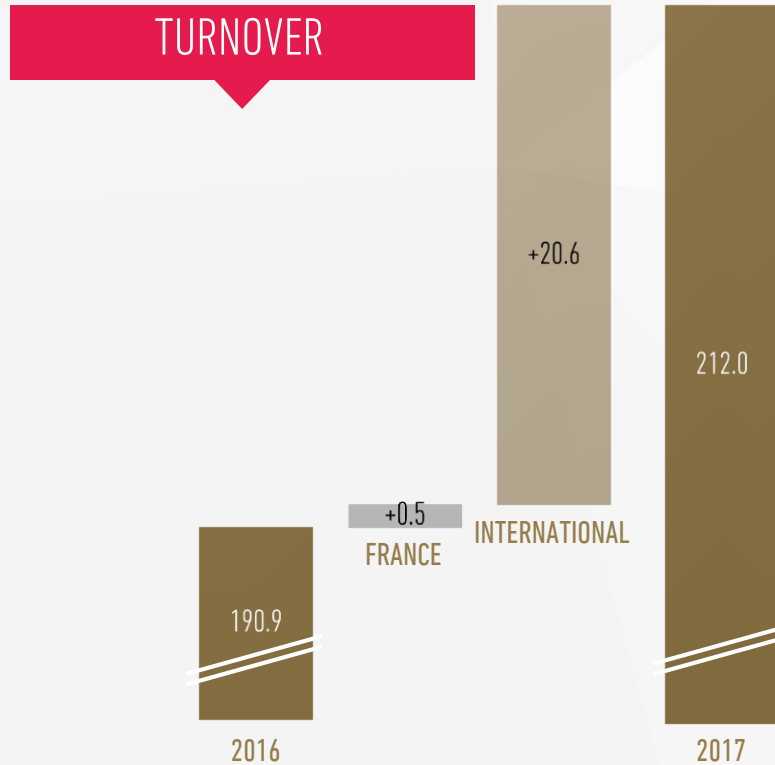


CONSOLIDATED DATA (IN € MILLION)

- **CONSOLIDATED GROWTH: +11%**
- **GROWTH AT CONSTANT SCOPE AND EXCHANGE RATES: +5%***
- **STRATEGIC SEGMENTS** that are well-positioned (omni-channel commerce: **+75%**, web solutions: **+24%**, mobility: **+11%**)
- **STRICTER SELECTIVE APPROACH** to certain activities
 - End to media purchases
 - Focus on Top Accounts
 - Supervision of Technical Support

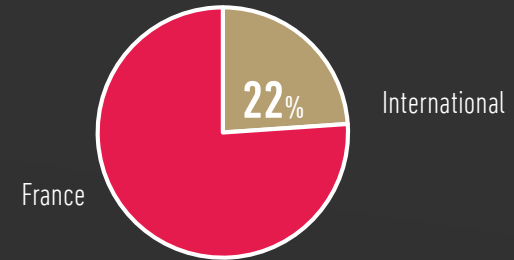
*Excluding INVENT COMMERCE, STAR REPUBLIC, OSUDIO and based on exchange rates for 2016

MIXED PERFORMANCE BY REGION

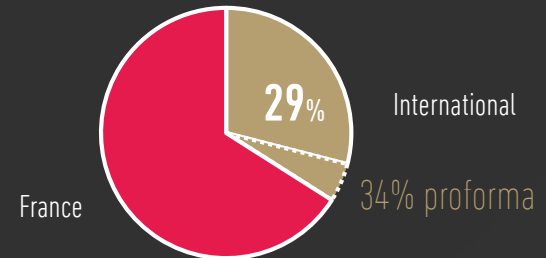


CONSOLIDATED DATA (IN € MILLION)

2016



2017



STABLE ACTIVITY IN FRANCE

TURNOVER



CONSOLIDATED DATA (IN € MILLION)

- **TURNOVER IS STILL HIGH (21.5% over the year)**
Talent war, development of freelancing)
and effects of the **implementation of the MoveUp2020 plan** (new profiles for new offers)
- **MARKED IMPACT ON ACTIVITY IN PARIS**
Epicenter for group transformation
- **MAJOR FINANCIAL IMPACT**
Drop in activity rates
Increase in global HR costs + outsourcing
- **BRAND APPEAL CONFIRMED**
615 gross new hires in 2017 excluding acquisitions

PARIS 2018 ACTION PLAN

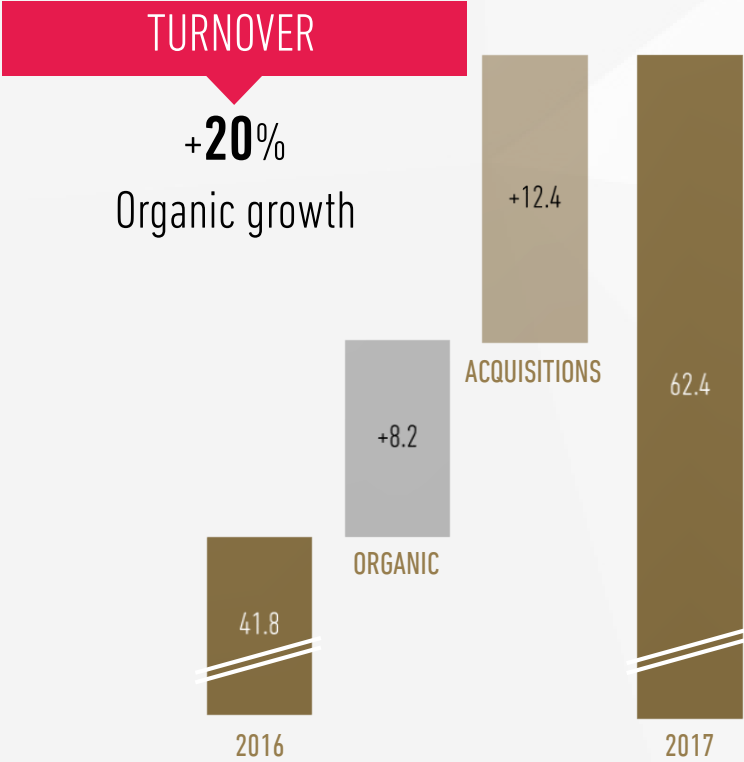


- **NEW OPERATIONAL MANAGEMENT** in place since **October 2017**
- **RELOCATION** of staff since 12 February
Transfer of all teams to a single and federating site that is a showcase for the Group's expertise and ambition
- **END TO OVER-INVESTMENT** linked to the implementation of the MoveUp2020 plan
- **IMPLEMENTATION OF A NEW HR DYNAMIC**

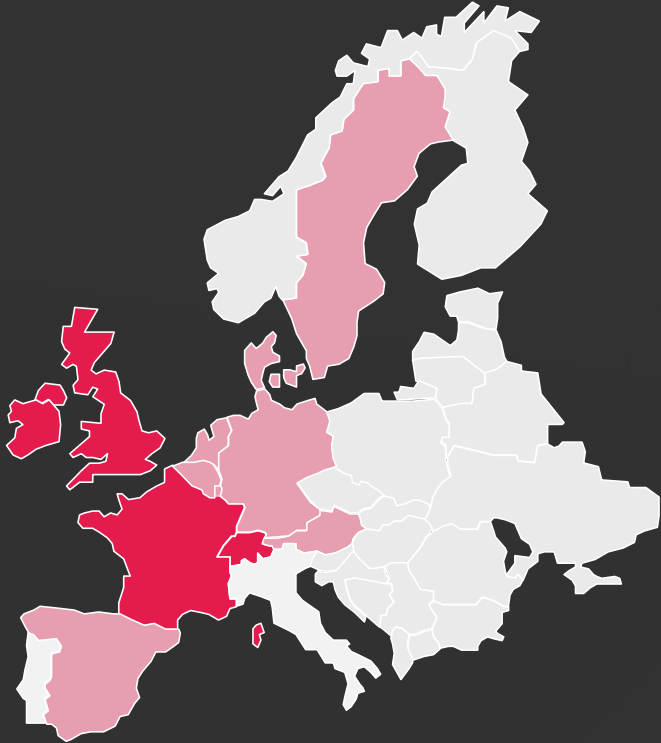


SGLI GROUP HEAD QUARTERS IN LEVALLOIS-PERRET (92)

A GROWTH DYNAMIC THAT IS COMMITTED TO INTERNATIONAL EXPANSION



CONSOLIDATED DATA (IN € MILLION)



- SQLI ENTITIES
- ACQUISITIONS IN 2017
- + MOROCCO
- + SOUTH AFRICA



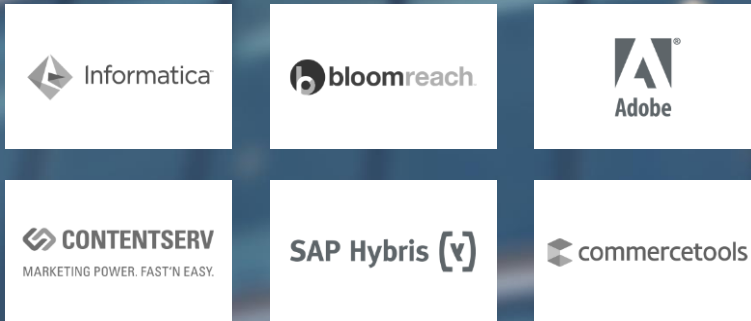
ACQUISITION OF STAR REPUBLIC IN MAY 2017

- **SWEDISH DIGITAL AGENCY** created in 2003 with entities in Gothenburg and Stockholm
- **70 EMPLOYEES** specialized in **e-commerce solutions** and **web & mobile platforms** for strategic sectors (Retail, Bank, Food, Healthcare)
- **CONNECTED** to the ecosystem: INRIVER PIM-SYSTEMS ("Nordic Partner of the year" 2014), EPISERVER ("Partner of the year" 2013), SALESFORCE COMMERCE CLOUD, etc.



ACQUISITION OF OSUDIO IN SEPTEMBER 2017

- **DUTCH DIGITAL AGENCY** with a strong presence in Germany (50% of turnover), Denmark, Belgium and Spain
Created in 1996, it currently regroups 175 digital specialists
- Specialists in **E-COMMERCE** / experts in **HYBRIS** / and combining **MARKETING & TECHNOLOGY = 100% COMPATIBLE WITH SQLI DNA**



TWO GROWING & HIGHLY PROFITABLE COMPANIES

+€12.4m
in turnover*

Carlsberg
Group

hansgrohe

KICKS
Your beauty destination...

GrandVision

netonnet

postnord

Miele



+€1.6m
in recurring operating
income*

* 2017 consolidated data since May for STAR REPUBLIC and September for OSUDIO



CX STRATEGY TO REINFORCE ENGAGEMENT AND BUSINESS PERFORMANCE

- > BtoB omnichannel sales platform (Horeca)
- > Transformation of customer journey
- > Customization of experience by buyer profile
- > Strategic content to reinforce engagement
- > Deployment in the UK in 2018 and then across Europe
- > Design, development and Europe-wide deployment of the On Track sales management system
- > Unified approach for sales and customer data

COLLABORATION
7+ YEARS

DEPLOYMENT
30+ COUNTRIES

COMBINED SOLUTIONS
WORLD LEADER

11 NEW OFFICES IN EUROPE & 0 DUPLICATION



Berlin

Germany

Dortmund

Germany

Stuttgart

Germany

Hasselt

Belgium

Copenhagen

Denmark

Valencia*

Spain

Amsterdam

Netherlands

Eindhoven

Netherlands

Gothenburg

Sweden

Malmö

Sweden

Stockholm

Sweden

*AGENCY + NEARSHORE PLATFORM

MAJOR SYNERGIES

- **COMMERCIAL:** acceleration in northern Europe
- **TECHNOLOGICAL:** reinforcement of **leadership** on benchmark platforms (HYBRIS, INRIVER, EPISERVER)
- **INDUSTRIAL:** pooling of **Offshore** capacities



2017 RESULTS

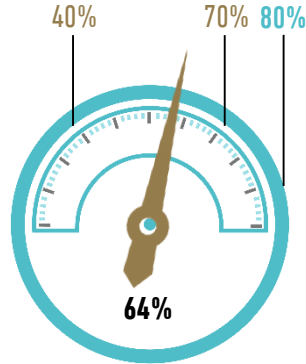


BREAKDOWN OF OPERATIONAL INDICATORS*

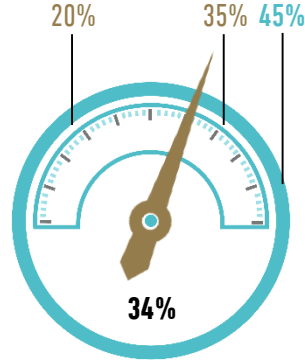
**Proforma data with STAR REPUBLIC and OSUDIO over 12 months*



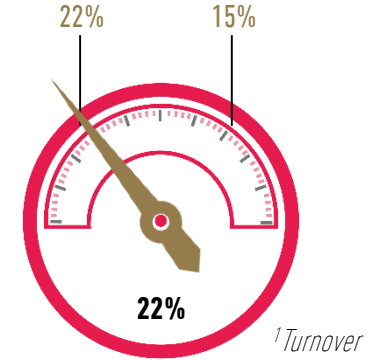
DIGITAL PLATFORMS e-commerce, Marketing & Digital comm



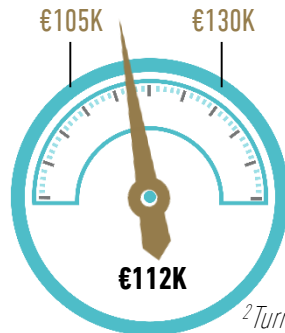
INTERNATIONAL EXPANSION



BEST PLACE TO WORK¹

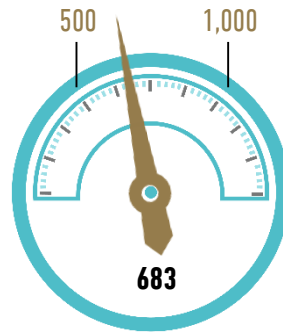


VALUE/TALENT²

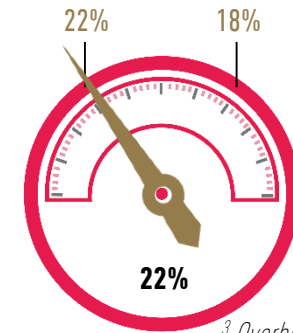


²Turnover/billable employees

OFFSHORE/NEARSHORE

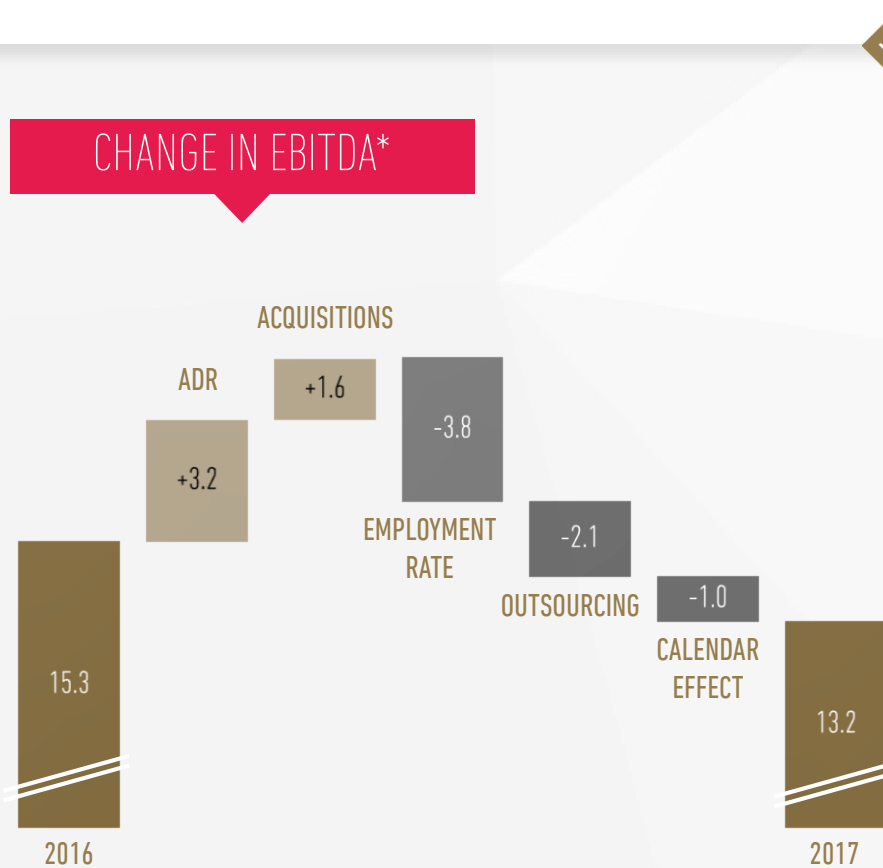


COSTS³



³Overheads/Turnover

CLIMATE IMPACT ON EBITDA



➤ POSITIVE IMPACT OF **ACTION PLAN**
Increase in average daily rate
(€476, +4% year on year)
Contribution from acquisitions

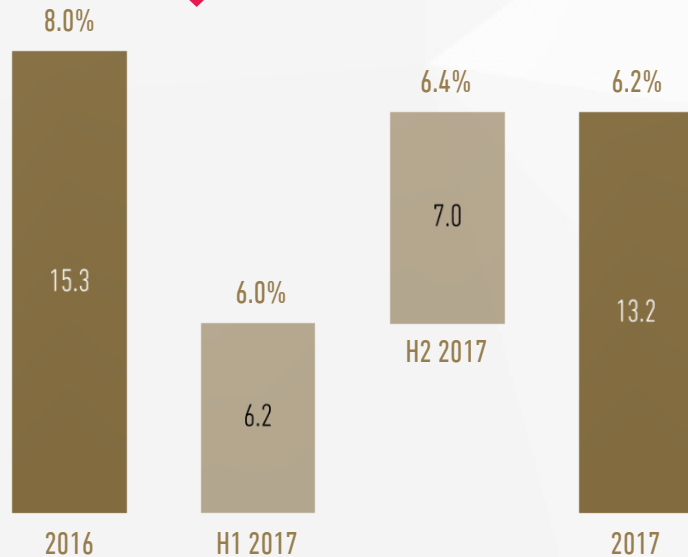
➤ NEGATIVE IMPACT OF **ACTION PLAN**
Drop in employment rate
Increase in outsourcing

➤ MAJOR **CALENDAR EFFECT**
(direct drop of €1.0m in EBITDA)

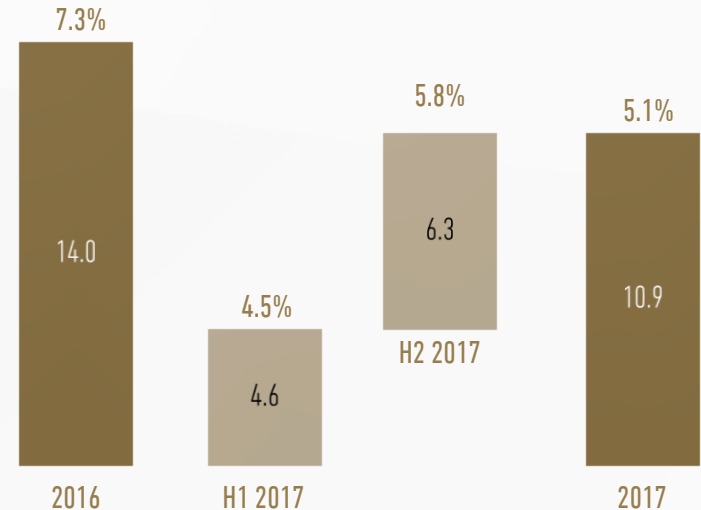
CONSOLIDATED DATA (IN € MILLION) * RECURRING OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND PROVISIONS

GRADUAL IMPROVEMENT IN RESULTS BETWEEN H1 AND H2 2017

EBITDA (€M AND % OF TURNOVER)*



RECURRING OPERATING INCOME (€M AND % OF TURNOVER)



CONSOLIDATED DATA (IN € MILLION)

* RECURRING OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND PROVISIONS

INCOME STATEMENT

CONSOLIDATED DATA

€ million - IFRS	2016	2017
TURNOVER	190.9	212.0
Ebitda*	15.3	13.2
Net amortization and provisions	-1.3	-2.4
RECURRING OPERATING INCOME	14.0	10.9
<i>Current operating margin</i>	<i>7.3%</i>	<i>5.1%</i>
Other operating income and expenses	-3.2	-6.4
NET OPERATING INCOME	10.7	4.5
Net debt expense	-0.5	-1.4
Other financial income and expenses	0.1	0.1
INCOME BEFORE TAX	10.3	3.2
Tax	-4.1	-1.2
GROUP NET INCOME	6.2	2.0

Research tax credit: +0.4 / Scope: +0.3 / Customers: +0.4

		IFRS
Restructuring	€2.3m	-
Relocation	€0.2m	€0.9m
Acquisitions	-	€1.5m
Transaction agreements SO and AGA	€1.4m	-
	-	€0.1m

Increase in debt

* Recurring operating income before depreciation and amortization and provisions

CASH FLOW

CONSOLIDATED DATA

€ million - IFRS	2016	2017
CASH FLOW	+11.8	+7.9
Change in WCR	-11.9	+2.9
Tax	-2.7	-2.6
CASH FLOW FROM OPERATING ACTIVITIES	-2.7	+8.2
Acquisitions net of fixed assets	-2.3	-3.4
Changes in scope	-0.6	-21.5
CASH FLOW FROM INVESTING ACTIVITIES	-2.9	-24.9
Capital increase	+2.7	+1.7
Dividends & share buybacks	-2.8	-3.3
Payments net of borrowings	-5.1	+34.4
Interest paid	-0.5	-1.1
CASH FLOW LINKED TO FINANCING ACTIVITIES	-5.8	+31.7
CHANGE IN CASH	-11.4	+15.0

FIXED PRICE
 STAR REPUBLIC €6.7m
 OSUDIO €16.7m
 CASH ACQUIRED - €1.9m
 --- €40m in new borrowings to finance external growth

A ROBUST BALANCE SHEET

CONSOLIDATED DATA

€ million - IFRS	31/12/2016	31/12/2017
Goodwill	53.3	86.1
CIR research tax credit and CICE competitiveness and employment tax credit	10.3	6.1
Other non-current assets	10.8	16.6
NON-CURRENT ASSETS	74.4	108.8
Client receivables	56.1	59.6
Other current assets	27.7	47.2
Cash and cash equivalents	9.6	19.3
CURRENT ASSETS	93.4	126.1
TOTAL ASSETS	167.8	234.9

€ million - IFRS	31/12/2016	31/12/2017
SHAREHOLDERS' EQUITY	78.8	78.5
Long-term loans	7.7	42.3
Other non-current liabilities	3.7	19.8
NON-CURRENT LIABILITIES	11.4	62.1
Short-term loans	7.1	2.6
Supplier debt	16.9	21.8
Other current liabilities	53.7	69.9
CURRENT LIABILITIES	77.7	94.3
TOTAL LIABILITIES	167.8	234.9

€ million - IFRS	31/12/2017
Net debt	25.6
Net debt / equity	32.5%

BSAAR SHARE WARRANTS



€5.4m

CAPITAL INCREASE*

APRIL

2018

* PENDING THE EXERCISE OF THE 3,574,437 BSAAR SHARE WARRANTS OUTSTANDING AT 31/12/2017 (10 BSAAR WARRANTS FOR ONE €15 SHARE)



STRATEGY & OUTLOOK

A BOOMING MARKET



e-commerce in Europe is expected to be worth **€400bn** in 2020, driven by the strong growth in the **Mobile** market.

(CRR UK 2017)

e-commerce in France
in 2019

€100bn+

Yearly growth of

14%

Fevad February 2018

Data & Analytics

market of **€43bn** in 2020,
Double digit yearly growth

(IDC)

Could reach **€67bn** in 2021

(MarketsandMarkets)

Digital platforms, UX and
marketing

are leading investments

(Fevad February 2018)

A winning international presence for French sites

84% of e-retailers selling abroad saw their turnover increase in 2017

OUR PRIORITIES

RAPID AND LASTING
RETURN TO THE TRENDS SET OUT IN THE
MoveUp2020 PLAN



OBJECTIVES CONFIRMED

MOVEup
2020

STRATEGIC PLAN



TURNOVER

DD %

Double Digit growth (organic + external)
on average for the duration of the plan



EBITDA

>12 %

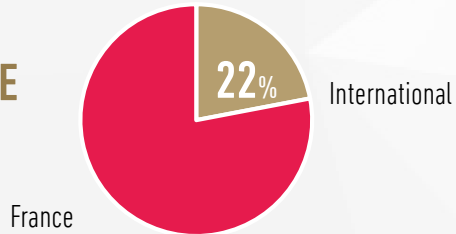
End of plan

TRANSFORMATION IS FIRMLY UNDERWAY



2016

PRESENCE

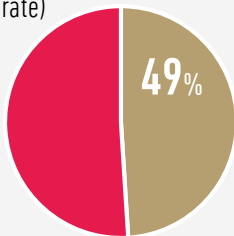


France

International

ACTIVITIES

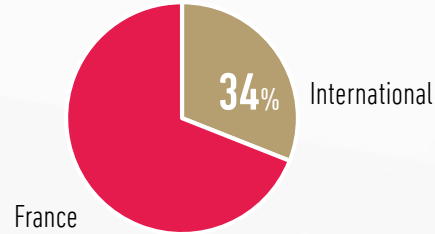
IT projects
(contract & fixed rate)



e-commerce platforms,
marketing and digital
communications

2017*

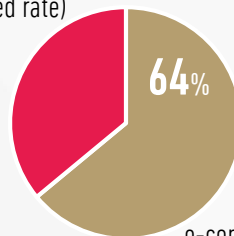
PRESENCE



France

International

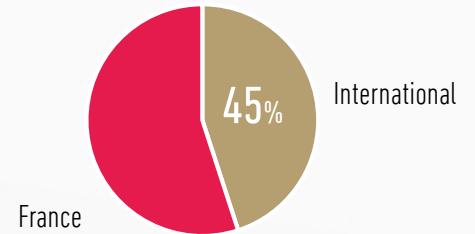
IT projects
(contract & fixed rate)



e-commerce platforms,
marketing and digital
communications

2020

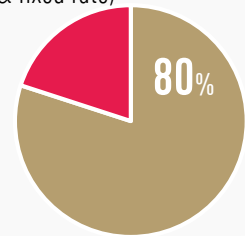
PRESENCE



France

International

IT projects
(contract & fixed rate)

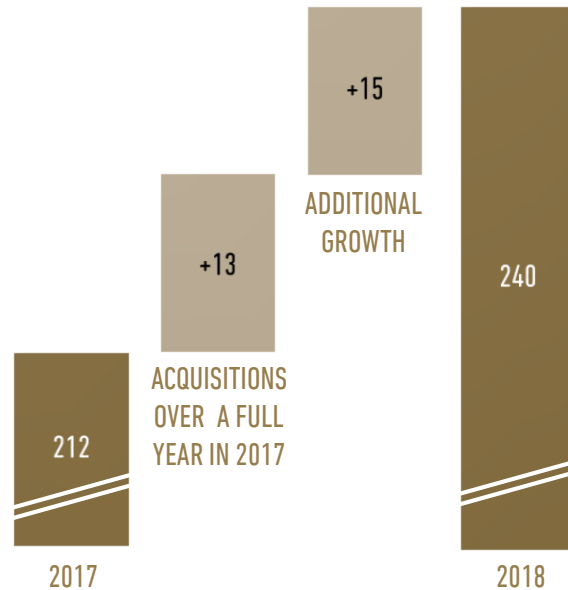


e-commerce platforms,
marketing and digital
communications

* Proforma including STAR REPUBLIC and OSUDIO over 12 months

€240M IN TURNOVER IN 2018

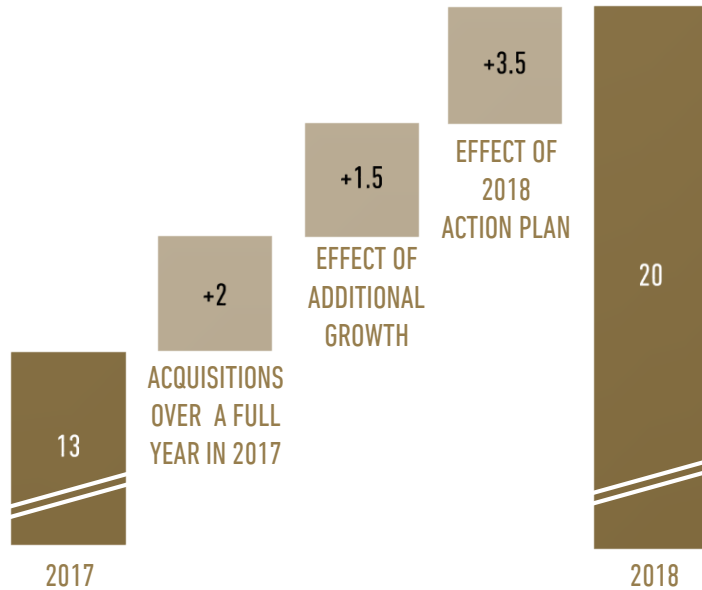
TURNOVER



- Integration over 12 months of **2017 ACQUISITIONS** (STAR REPUBLIC and OSUDIO)
- **ADDITIONAL GROWTH** of 5-7% for the new scope

€20M IN EBITDA IN 2018

TURNOVER



CONSOLIDATED DATA (IN € MILLION)

- Integration over 12 months of **2017 acquisitions** (STAR REPUBLIC and OSUDIO)
- Effect of **additional growth** on results
- Expected effects of the 2018 action plan
 - Increase in employment rate: 1.5%
 - Optimization of margin on outsourcing: 2%
- 50% reduction in **other non-current expenses** (no impact on EBITDA)

An abstract graphic featuring a complex network of interconnected nodes and lines. The nodes are represented by small circles in various colors, including black, grey, red, and cyan. The lines are thin and grey, creating a web-like structure. The background is a light, neutral color with a subtle geometric pattern of overlapping triangles.

GOVERNANCE & SHAREHOLDER BASE

OUR BUSINESS: VALUE CREATION THROUGH DIGITAL INNOVATION



DIGITAL DEVICES

- Multiple platforms
- Digital points of sale
- Chatbots
- Configurators
- Web to store
- Digital payment



UX

- Interactive websites
- Mobile terminals
- Design thinking



INTEGRATION OF AI

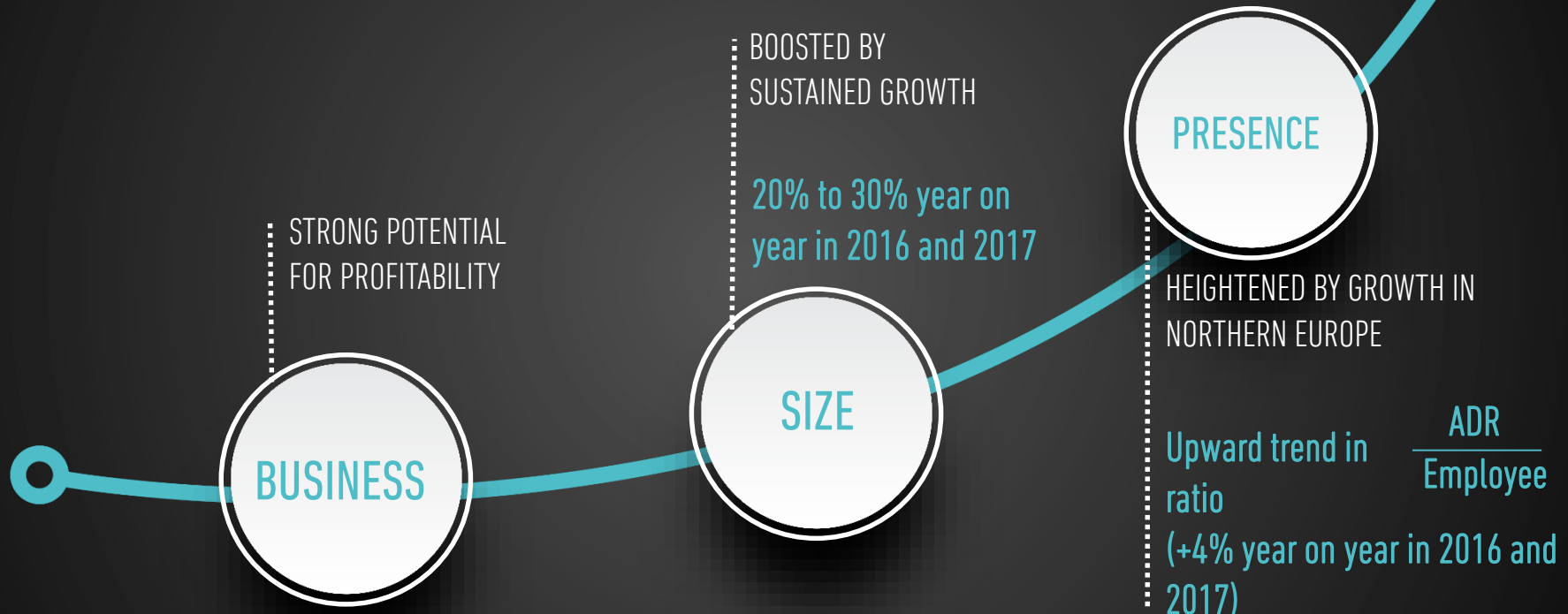
- Digital marketing
- Predictive simulation



PROJECTS THAT HAVE AN INCREASINGLY STRONG IMPACT ON
CUSTOMER BUSINESS MODELS AND THEREFORE PAY BETTER

DIGITAL COMMERCE AND MARKETING: STRONG VALUE CREATION

Organizations that are double or triple the size have a profitability of over **15%**



CHALLENGE

REINSTATE SHAREHOLDER RETURNS WITHOUT COMPROMISING
FINANCIAL ROOM FOR MANEUVER AND THE
SUCCESSFUL EXECUTION OF THE DEVELOPMENT PLAN

MEANS

DISTRIBUTION OF 1 FREE SHARES FOR EVERY 40 SHARES HELD
TO ALL SHAREHOLDERS

RESULT

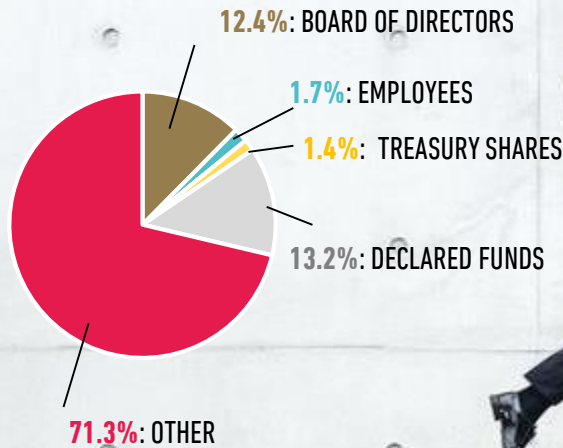
RETURN OF €3.7 MILLION FOR SHAREHOLDERS
(BASED ON A SHARE PRICE OF €38)



SHAREHOLDER DASHBOARD

BREAKDOWN IN CAPITAL

MARKET DATA AT 31/12/2017



LATEST SHARE PRICE:

€37.30

NUMBER OF SHARES:

3,959,538

CAPITALIZATION:

€148m

POTENTIAL SHARES:

617,415

ELIGIBILITY:

PEA / PEA-PME
SRD LONG ONLY

INDICES:

CAC MID&SMALL
CAC TECHNOLOGY
ENTERNEXT PEA-PME 150



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RECONCILIATION TABLE

CONSOLIDATED DATA



€ million - IFRS	2016	2017
RECURRING OPERATING INCOME	14.0	10.9
+ Net amortization and provisions	1.3	2.4
EBITDA	15.3	13.3

€ million - IFRS	
2017 consolidated turnover	212.0
2017 turnover at 2016 exchange rates	210.6
2017 turnover at constant scope and 2016 exchange rates	198.9
2016 consolidated turnover	190.9
2016 turnover excluding INVENT COMMERCE	189.5
Change at constant scope and exchange rates	+5%