

SEPTEMBER 26, 2018

SQLI DIGITAL EXPERIENCE

2018 SFAF

HIGHLIGHTS

- Implementation of **corrective measures** in Paris & first benefits
- SQLI's accelerated international expansion and **successful integration** of acquisitions
- Improvement in key performance indicators

H1 2018 RESULTS**

- Turnover: €115.9 million, **up 13%**
- EBITDA*: €9.9 million, **up 63%**
- Recurring operating income: €5.3 million, **up 15%**
- Net operating income: €2.4 million, **up 25%**

MOVE UP 2020 & TARGETS

- Successful positioning of the **Digital Experience Agency**
- **Confirmed** 2018 and 2020 growth targets
- **Revised** 2018 and 2020 EBITDA targets (taking into account the new IFRS standards)

* RECURRING OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND PROVISIONS

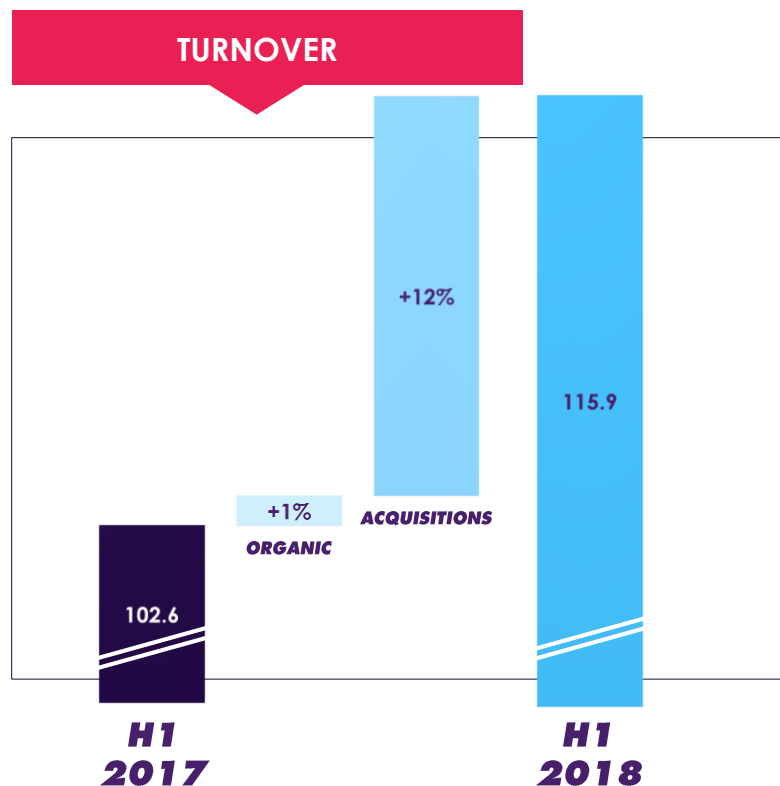
** FOLLOWING THE FIRST-TIME APPLICATION OF IFRS 9, 15 AND 16 AT JANUARY 1, 2018

SQLI DIGITAL EXPERIENCE

HIGHLIGHTS

GROUP **GROWTH**

2018 SFAF



CONSOLIDATED DATA (IN € MILLIONS)

- **CONSOLIDATED GROWTH up 13%**
Star Republic consolidated since May 2017
Osudio consolidated since September 2017
- **GROWTH AT CONSTANT SCOPE AND EXCHANGE RATES up 1%**
excluding Star Republic and Osudio and at H1 2017 exchange rates
- **GROWTH IN FRANCE down 2%**
growth in Paris down 11%
organic growth up 7%, excluding Paris
- **INTERNATIONAL GROWTH up 57%**
organic growth up 6%

SPOTLIGHT ON THE **PARIS 2018** ACTION PLAN

2018 SFAF



> ISSUES IDENTIFIED AT END-2017

Combination of:

- immediate problems: the war for talent
- operational challenges: accelerate transformation towards the **DIGITAL EXPERIENCE AGENCY** model
- managerial difficulties: situation management

> SOLUTIONS IMPLEMENTED IN H1 2018

New management

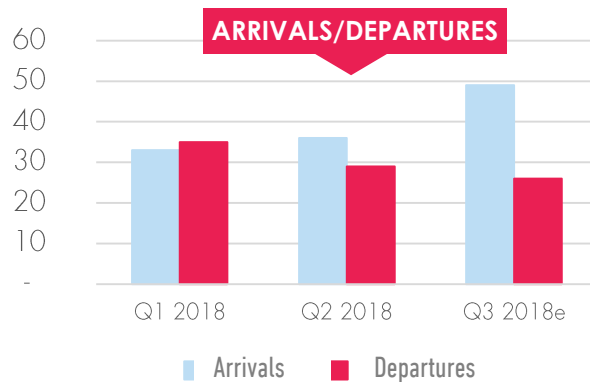
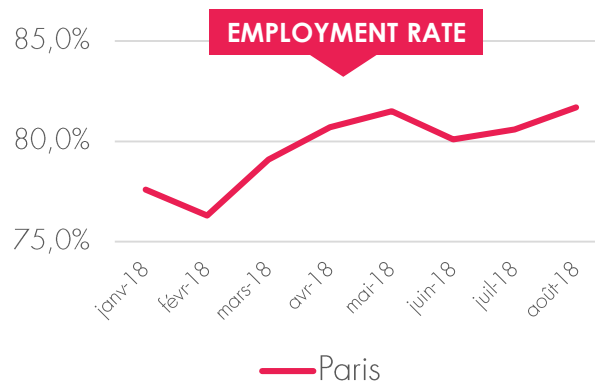
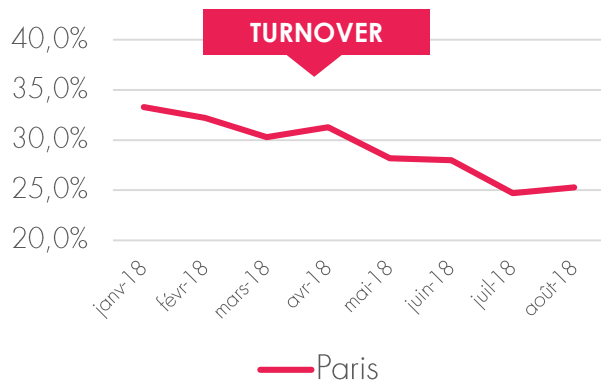
New HR policy

New single-location site

> TANGIBLE RESULTS

FIRST RESULTS OF THE PARIS 2018 ACTION PLAN

2018 SFAF



NEW

HR ENVIRONMENT IN FRANCE

2018 SFAF

➤ 2018 HR ENVIRONMENT:

Marked improvement and turnover in France back to a normal rate of

22%

Difficulties in hiring experts

➤ TURNOVER IN PARIS down 8 points

More involvement: collaborative organization

More activities: weekly events, communities

More opportunities: 1 HR contact per 7-10 employees

➤ MEASURES TO ATTRACT & RETAIN EMPLOYEES:

Notoriety: SQLI EXPRESS event (10,000 candidates contacted), award-winning HR programs in 2018

HR environment: universal Flexible Work policy, individual support for national and international mobility

Expanded Talent Pool: Referral Challenge, Freelance Friendly program

Recommendation rate of

89%

Score of **4.15/5**



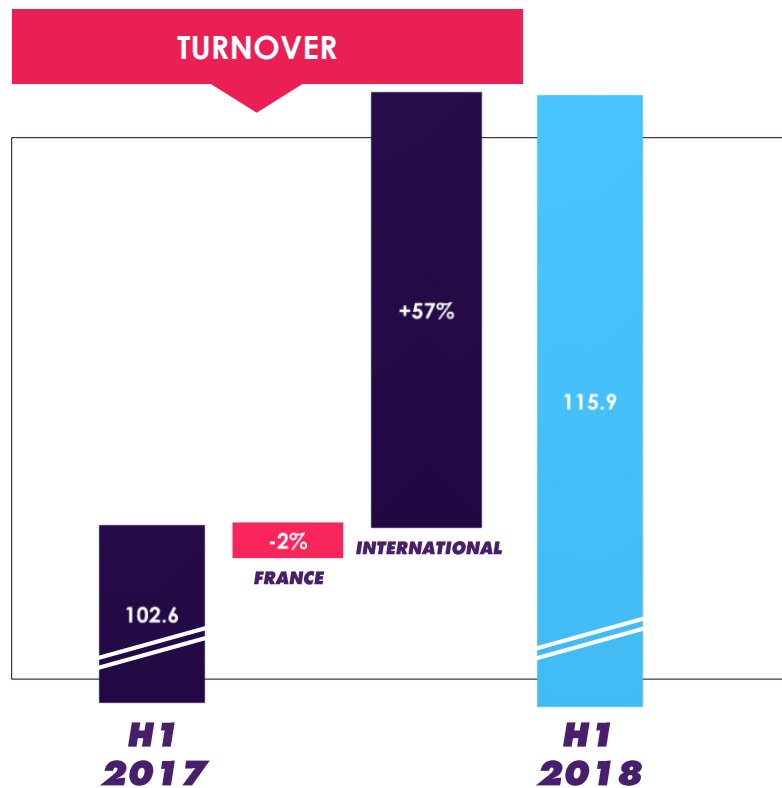
Digital HR Team
2018 Trophy



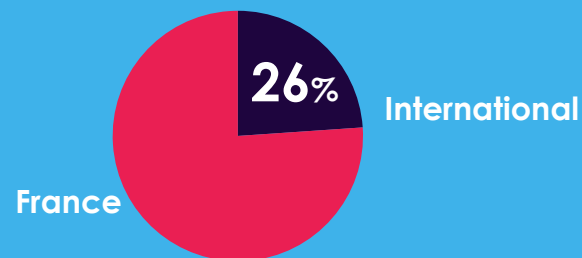
GLOBAL GROWTH

DRIVEN BY INTERNATIONAL OPERATIONS

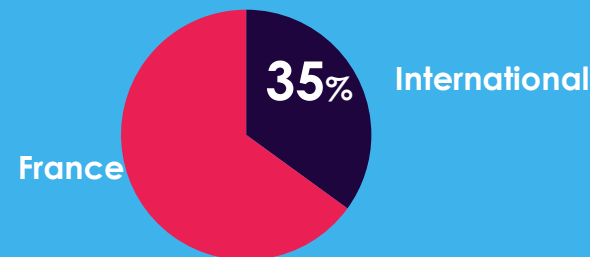
2018 SFAF



H1 2017



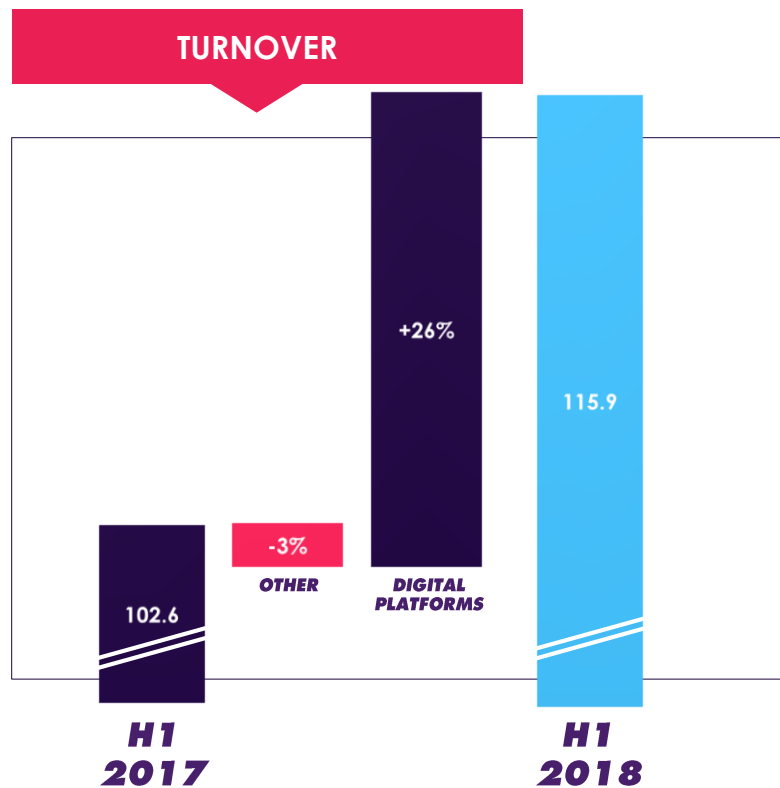
H1 2018



CONSOLIDATED DATA (IN € MILLIONS)

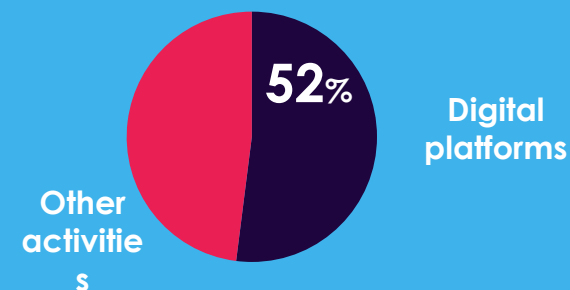
... AND **DIGITAL** PLATFORMS

2018 SFAF

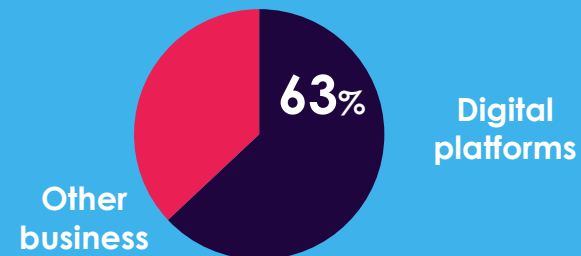


CONSOLIDATED DATA (IN € MILLIONS)

H1 2017



H1 2018



WINNING SYNERGIES

INTERNATIONAL/DIGITAL/DIGITAL SERVICES CENTERS

2018 SFAF

➤ **ArcelorMittal:** **B2B, B2C E-COMMERCE PLATFORM FOR STEEL PRODUCTS**

Design and implementation of an e-commerce platform
Attractive interface and a new take on the B2B experience
Industrial steel products available 24/7

KEY SUCCESS FACTORS

- Complex data model management with highly configurable products
- First pilot project carried out in less than 6 months
- **SQLI FR + SQLI BELGIUM + DIGITAL SERVICES CENTERS**



WINNING SYNERGIES

INTERNATIONAL/DIGITAL/DIGITAL SERVICES CENTERS

2018 SFAF

➤ **Jotul:** **NEW DIGITAL CLIENT EXPERIENCE**

Design of a sales prospecting solution and implementation of inRiver PIM
UX/UI - Drupal - SEO/analytics - inRiver PIM

KEY SUCCESS FACTORS

- International structure that works with three Norwegian agencies
- PIM expertise
- **SQLI FR + Star Republic**



WINNING SYNERGIES

INTERNATIONAL/DIGITAL/DIGITAL SERVICES CENTERS

2018 SFAP

➤ **Fressnapf:** **INTERNATIONAL E-COMMERCE PLATFORM**

Creation of an e-commerce platform deployed in six European countries: Austria, France, Germany, Italy, Luxembourg and the Netherlands
First country in production in **under 10 months**

Key success factors

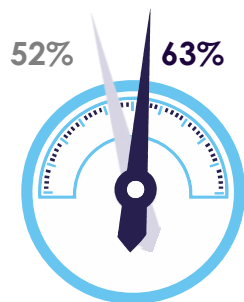
- Ability to manage multilingual and multinational projects
- International e-commerce platform expertise
- SAP Hybris & PIM expertise
- **SQLI FR + Osudio + DIGITAL SERVICES CENTERS**



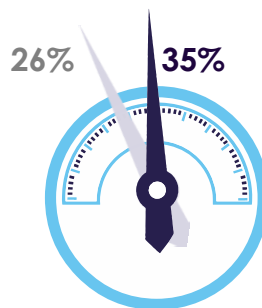
SQLI CHANGE IN OPERATING INDICATORS

2018 SFAF

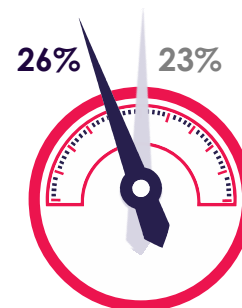
DIGITAL PLATFORMS



INTERNATIONAL EXPANSION

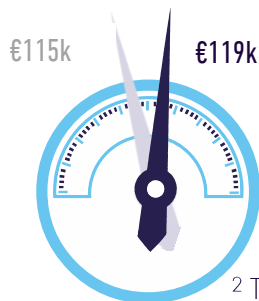


BEST PLACE TO WORK¹



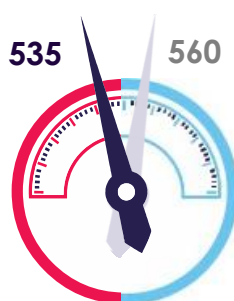
¹ Turnover

VALUE/TALENT²

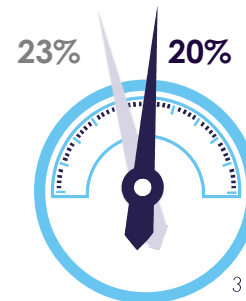


² Turnover/billable employees

OFFSHORE/NEARSHORE



COSTS³



³ Overheads/turnover

SQLI DIGITAL EXPERIENCE

H1 2018 **RESULTS**

NEW ACCOUNTING STANDARDS

2018 SFAR

OVERALL IMPACT	H1 2018
TURNOVER	0.3
EBITDA	3.2
Recurring operating income	0.3
Net debt expense	(0.4)
GROUP NET INCOME	0.0
SHAREHOLDERS' EQUITY	(1.0)
Intangible assets	30.7
Payables on intangible assets	32.0
Client receivables	(1.6)

UNAUDITED FIGURES

IFRS 9

Financial Instruments

IFRS 15

Revenue from Contracts with Customers

IFRS 16

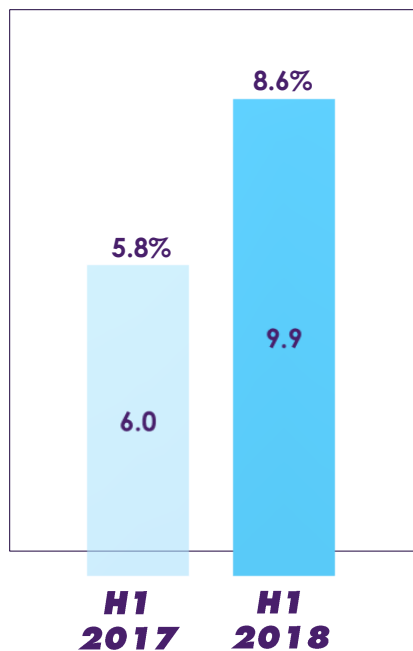
Leases

**NO NEW ADJUSTMENTS PLANNED
UNTIL 2020**

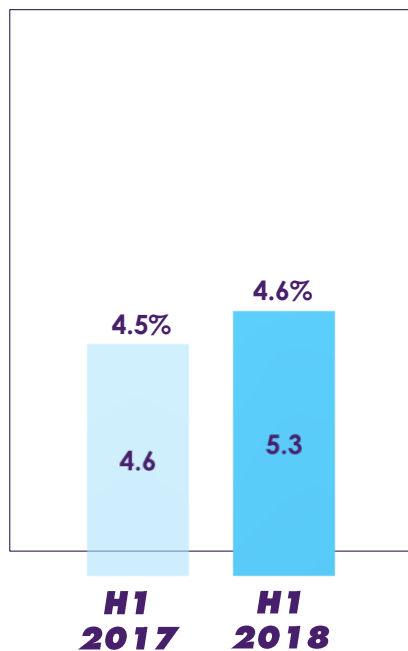
CHANGE IN EBITDA AND RECURRING OPERATING INCOME

2018 SFAF

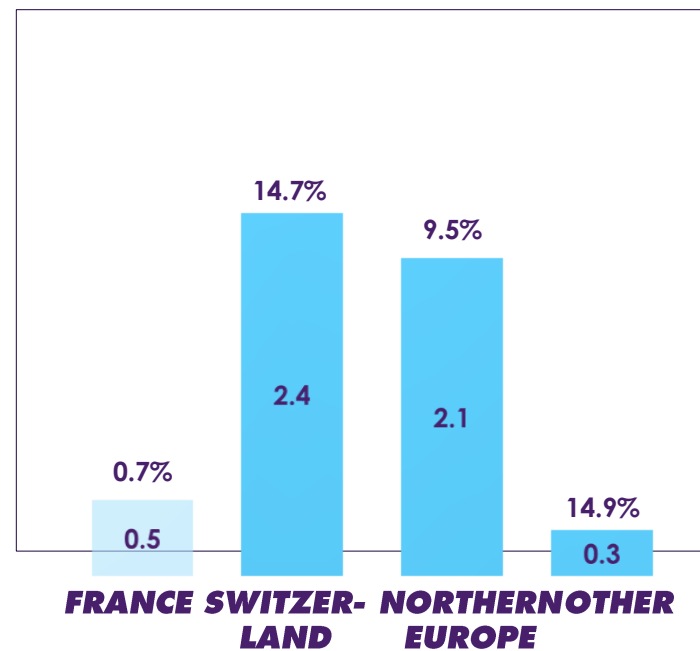
EBITDA



RECURRING OPERATING INCOME



RECURRING OPERATING INCOME BY REGION



CONSOLIDATED DATA IN € MILLIONS
AND AS A % OF TURNOVER

SQLI INCOME STATEMENT

CONSOLIDATED DATA

€ million - IFRS	H1 2017	H1 2018 comparable	IFRS 9	IFRS 15	IFRS 16	H1 2018 reported
TURNOVER	102.6	115.6	-	(0.3)	-	115.9
EBITDA	6.0	6.7	-	-	(3.2)	9.9
RECURRING OPERATING INCOME	4.6	5.0	(0.1)	-	(0.2)	5.3
Other operating income and expenses	(2.7)	(2.9)	-	-	-	(2.9)
NET OPERATING INCOME	1.9	2.1	(0.1)	-	(0.2)	2.4
Net debt expense	(0.5)	(0.9)	-	-	0.4	(1.3)
Other financial income and expenses	0.0	(0.2)	-	-	-	(0.2)
INCOME BEFORE TAX	1.4	1.0	(0.1)	-	0.2	1.0
Tax expense	(0.4)	(0.6)	0.0	-	0.0	(0.6)
GROUP NET INCOME	1.0	0.4	0.1	-	0.1	0.4

SQLI INCOME STATEMENT

CONSOLIDATED DATA

€ million - IFRS	H1 2017	H1 2018
TURNOVER	102.6	115.9
EBITDA	6.0	9.9
RECURRING OPERATING INCOME	4.6	5.3
Other operating income and expenses	(2.7)	(2.9)
NET OPERATING INCOME	1.9	2.4
Net debt expense	(0.5)	(1.3)
Other financial income and expenses	0.0	(0.2)
INCOME BEFORE TAX	1.4	1.0
Tax expense	(0.4)	(0.6)
GROUP NET INCOME	1.0	0.4

Restructuring

Relocation

Acquisitions

Transaction agreements

Stock options and share awards

€1.0 million

€0.9 million

€0.3 million

€0.6 million

€0.1 million

SQLI CASH FLOW

CONSOLIDATED DATA

€ million - IFRS	H1 2017	H1 2018
CASH FLOW	3.6	7.0
Change in WCR	-8.1	-3.3
Tax	(1.1)	(1.6)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(5.6)	2.1
Net purchase of non-current assets	(1.2)	(3.6)
Change in scope (net of cash)	-6.8	+0.2
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(8.0)	(3.4)
Capital increase	0.7	5.2
Lease obligations repaid	-	(2.0)
Net issue/repayment of borrowings	16.5	(4.6)
Interest paid	(0.3)	(1.4)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	17.0	(2.8)
CHANGE IN CASH AND CASH EQUIVALENTS	+3.4	-4.0



SQLI BALANCE SHEET

CONSOLIDATED DATA

€ million - IFRS	Dec. 31, 2017	June 30, 2018
Goodwill	86.1	84.3
Tax assets*	6.8	6.5
Other non-current assets	15.9	50.7
NON-CURRENT ASSETS	108.8	141.5
Client receivables	59.6	59.3
Other current assets	47.2	35.3
Cash and cash equivalents	19.3	15.7
CURRENT ASSETS	126.1	110.3
TOTAL ASSETS	234.9	251.7

*CIR (RESEARCH TAX CREDIT) & CICE (COMPETITIVENESS AND EMPLOYMENT TAX CREDIT)

€ million - IFRS	June 30, 2018
Net debt	24.9
NET DEBT/EQUITY	30%

€ million - IFRS	Dec. 31, 2017	June 30, 2018
SHAREHOLDERS' EQUITY	78.5	83.1
Long-term loans	42.3	35.0
Other non-current liabilities	19.8	45.4
NON-CURRENT LIABILITIES	62.1	80.4
Short-term loans	2.6	5.6
Supplier payables	21.8	21.5
Other current liabilities	69.9	61.1
CURRENT LIABILITIES	94.3	88.2
TOTAL LIABILITIES	234.9	251.7

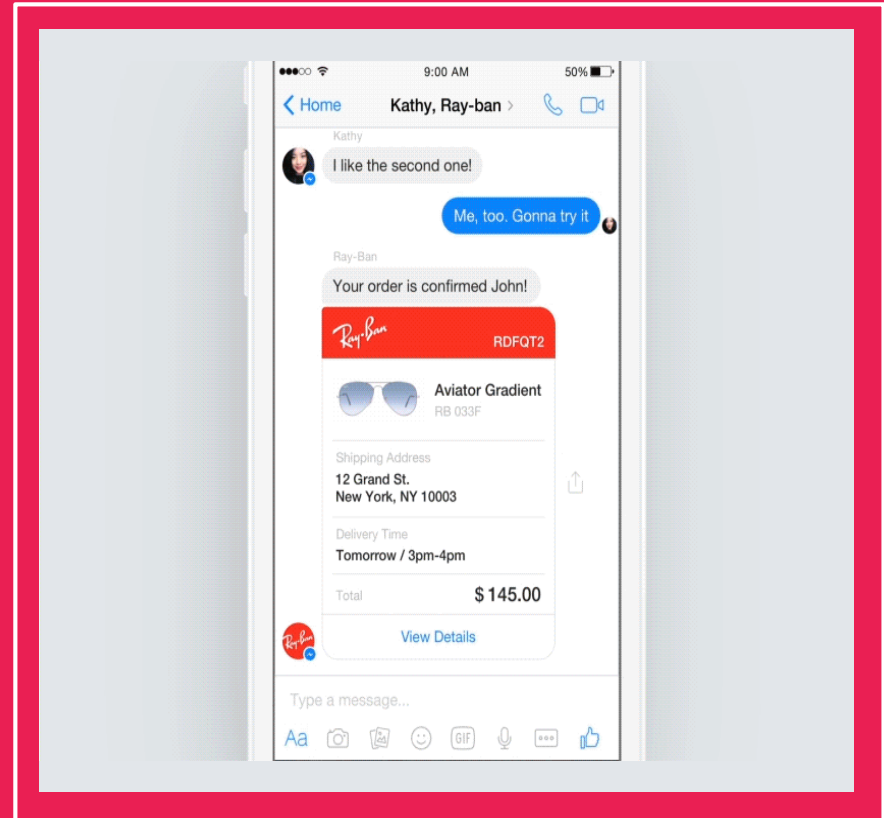
SQLI DIGITAL EXPERIENCE

MOVE UP 2020



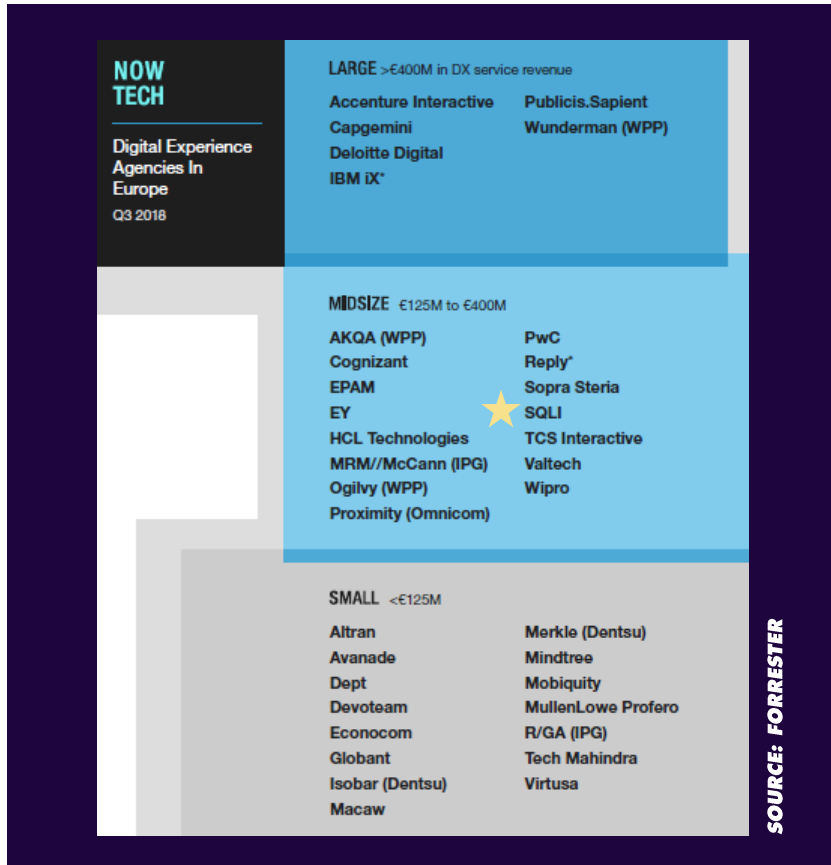
THE NEW **DIGITAL** EXPERIENCE FRONTIER

- **Conversational** agents and **chatbots** are changing the way brands and consumers interact with one another...
- ... and creating a **digital experience** that is perfectly adapted to new codes (**mobility, social media, real time**, etc.)



AGENCIES DEDICATED TO THE **DIGITAL EXPERIENCE** IN EUROPE

2018 SFAF



“Partners that help companies design, build, and manage digital customer experiences in the context of their digital business transformation.”

- These agencies **combine marketing** (artificial intelligence, voice assistant, bots) and **technology expertise** (digital platforms, mobile first)
- **36 players** identified in Europe with combined turnover of more than **€5 billion**
- **Growth** driven by e-commerce (2x between 2016 and 2020)

OUR GREATEST ASSET: DIGITAL COMMERCE EXPERTISE

2018 SFAF



- **Pure player:** more than **60%** of business focused on the digital experience
- **Expert:** technological expertise in **benchmark** digital platforms
- **Critical mass:** **800** talented staff members specialized in consulting, e-commerce and mobility
- **International:** operations in **14 countries** and a leader in no less than two markets (France and Switzerland)
- **Global partnership:** consulting, design, deployment and support/maintenance

SQLI DIGITAL EXPERIENCE

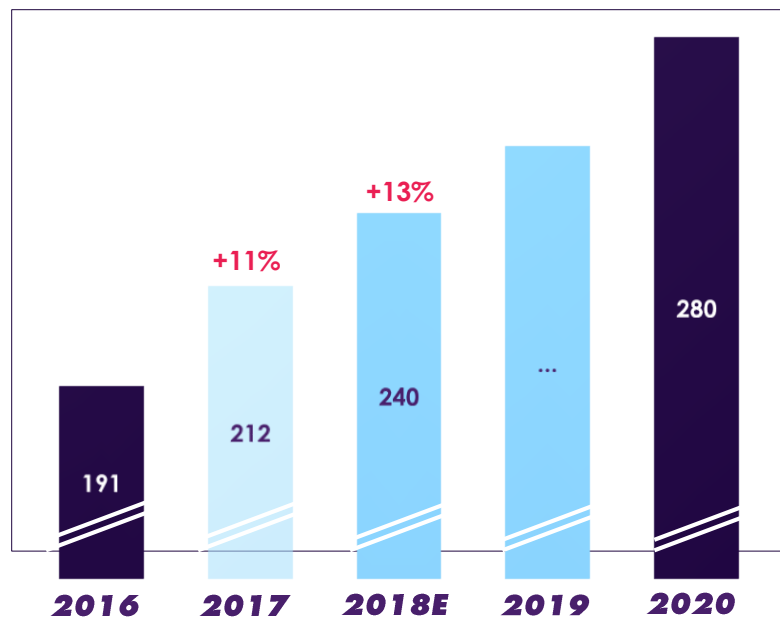
TARGETS AND OUTLOOK



CONFIRMED **GROWTH** DYNAMIC

2018 SFAF

TURNOVER



CONSOLIDATED DATA (IN € MILLIONS)



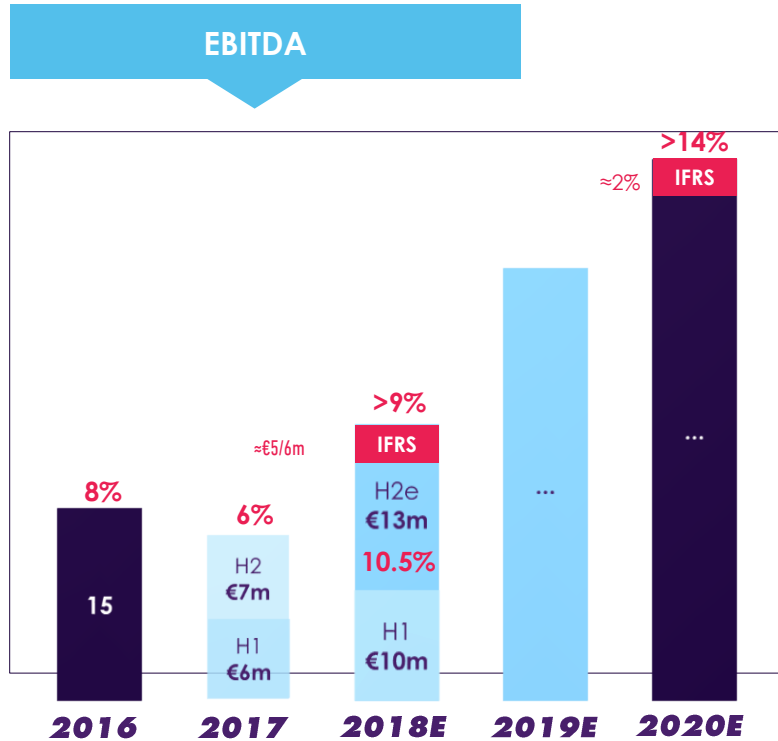
DD%

Double Digit organic + external growth on average throughout the plan

- **SOLID MOMENTUM** in the third quarter of 2018
- **TARGETS FOR 2018: €240 million**
i.e., growth of **13%**
- **CONTINUAL ANALYSIS**
of external growth opportunities

PROFITABLE DYNAMIC RESTORED

2018 SFAF



CONSOLIDATED DATA (IN € MILLION)



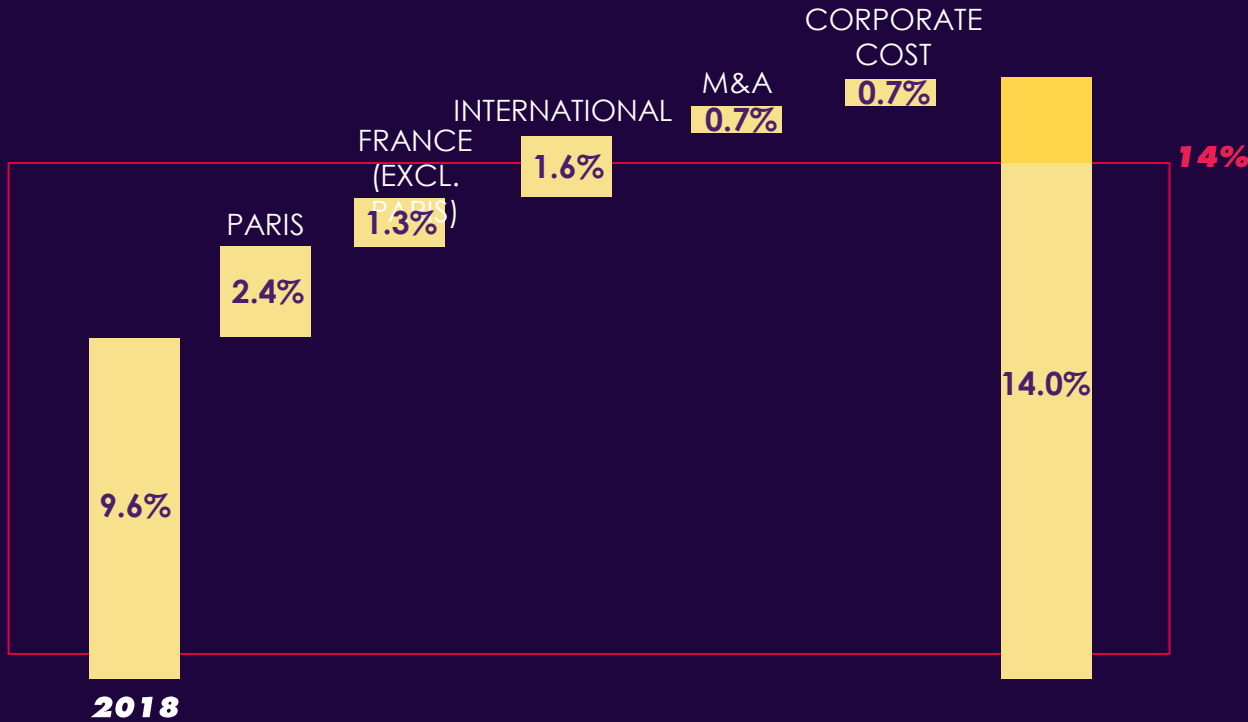
>14%

EBITDA at end of plan

- **TARGETS FOR 2018: €23 million**
i.e., a margin of more than **9%**
- **REVISED 2020 TARGETS**
following the new IFRS standards

OPPORTUNITIES FOR **PROGRESS**

2018 SFAF



SQLI DIGITAL EXPERIENCE

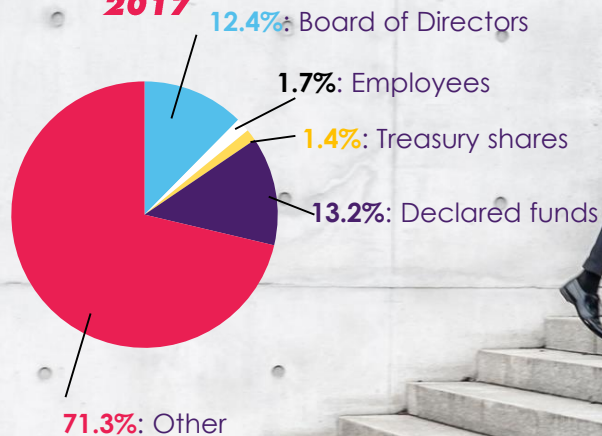


GOVERNANCE & **SHAREHOLDERS**

SHAREHOLDER **INFORMATION**

2018 SFAF

**FIGURES AT
DECEMBER 31,
2017**



BREAKDOWN OF CAPITAL

➤ **LATEST SHARE PRICE** ➤ **NUMBER OF SHARES**
€24.40 **4,425,786**

Market capitalization:
€108 million

Potential shares:
253,621

Daily trading volume:
€280,000

➤ **ELIGIBILITY**
PEA/PEA-PME
SRD long only

➤ **INDICES**
CAC Mid&Small
CAC Technology
Euronext PEA-PME 150

WWW.SQLI.COM

SQLI DIGITAL EXPERIENCE

