

# KEYRUS

insight into value

MANAGEMENT &  
TRANSFORMATION

DATA INTELLIGENCE

DIGITAL EXPERIENCE

## 2017 RESULTS

Analyst presentation

20 March 2018

### ERIC COHEN

President - CEO

### JOHANN TEMIM

Group Finance Director

# SUMMARY OF ACTIVITY

KEYRUS

## ■ Large Account Activities

A solid increase in Large Account activities over the year: +14.3% (+13.3% at constant structure and exchange rates). This growth was accompanied by a significant improvement in profitability; with the strengthening of the sales and marketing functions undertaken in 2016 actively bearing fruit in 2017. Moreover, the Group is continuing to expand its international presence to serve Large Accounts, by adopting a strategy of developing transnational accounts: acceleration of development in the two Americas (South and North), opening of a subsidiary in Singapore



## ■ Mid-Market Activities

A remarkable performance in 2017, with strong growth of 7.8% and improved profitability. This performance was achieved even with the ending of the one-time projects relating to the regulatory implementation of the *DSN* (Nominative Social Declaration/*Déclaration Sociale Nominative*). At the same time as strengthening their client base, the Mid-Market activities continue to develop their partnerships to serve their clients internationally, and are launching packaged Cloud service and solution offerings

## ■ Keyrus Group

© Copyright 2018, Keyrus  
Two segments of activity that contribute to the Group's growth, with a clear strategy focused on its execution.

KEYRUS

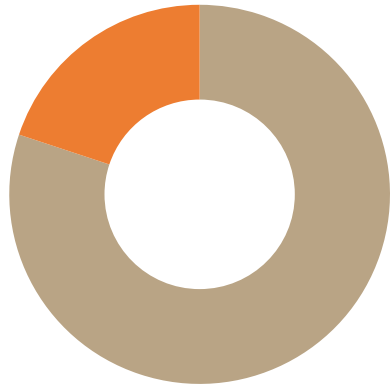
# SUMMARY OF ACTIVITY

- Revenues of €257.4m representing organic growth of 11.8%
- Current Operating Income and Operating Income that increased strongly as compared to 2016, standing at €14.1m and €12.2m respectively.
- A relatively stable net cash position of €20.5m as at 31.12.2017 vs. €20.0m as at 31.12.2016
- Net financial indebtedness that rose sharply, standing at €20.2m vs. €15.0m in 2016. This rise was primarily due to the financing of business working capital requirements, as well as investments in office working environments necessary to promote our employer brand and develop collaborative and agile working methodologies
- A significant improvement in the profitability of Large Account activities
- A remarkable increase in the profitability of Mid-Market activities
- A 2018 that looks promising, with a sector that continues to grow; with Syntec Numérique expecting the sector to grow by 3.6% (3.4% in 2017): in France, after an increase of 61% in IT budgets in 2017, 68% of CIOs expected, as at the end of 2017, to see their budget continue to increase in 2018, with digital transformation issues remaining part of strategic priorities

# SUMMARY OF ACTIVITY

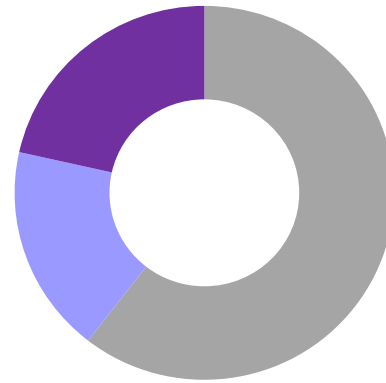
## ■ Breakdown of 2017 revenues

### By market segment



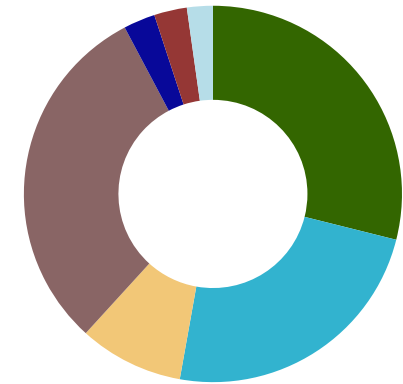
Large Accounts **80.1%** (79.2%)  
 Mid-Market **19.9%** (20.8%)

### By geographical area



France **60.5%** (61.6%)  
 Europe **18.0%** (19.7%)  
 Rest of the world **21.5%** (18.7%)

### By industry sector

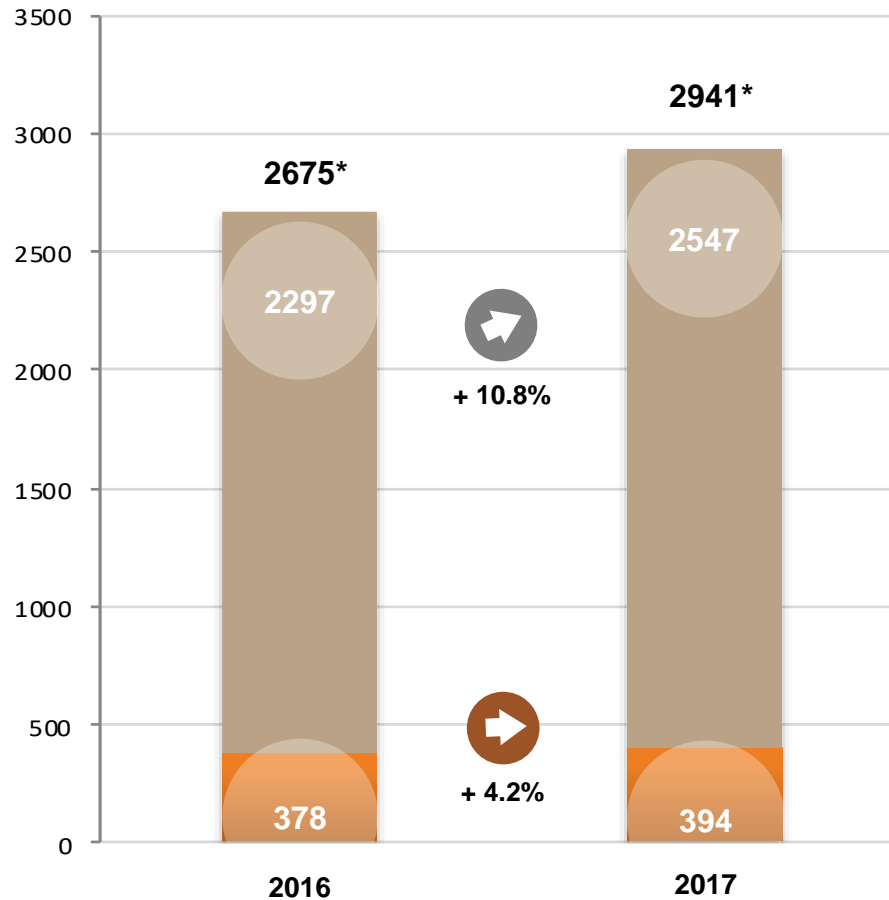


Industry **28.8%** (29.0%)  
 Bank – Insurance **23.8%** (22.7%)  
 Telecommunications **8.9%** (9.4%)  
 Services – Retail **30.8%** (30.6%)  
 Public sector **2.7%** (2.3%)  
 Utilities **2.8%** (3.9%)  
 Transport **2.2%** (2.1%)

In brackets: Data as at 31/12/2016

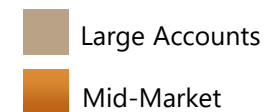
# SUMMARY OF ACTIVITY

- Growth in workforce over 1 year\*



> Large Accounts  
+ 250 employees

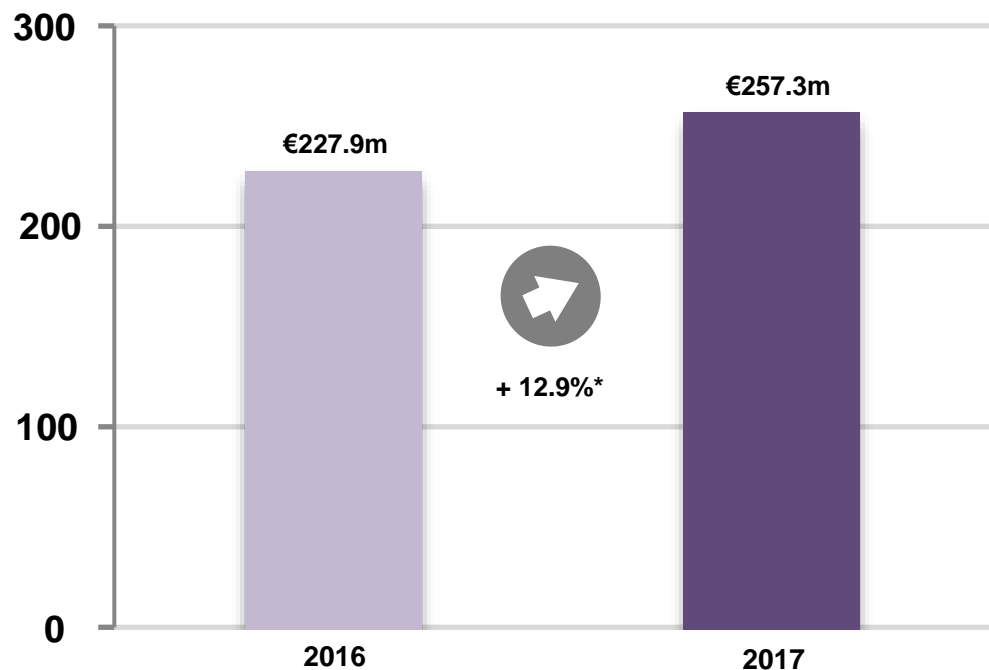
> Mid-Market  
+ 16 employees



\* As at 31 December of the relevant year

# CONSOLIDATED FINANCIAL RESULTS AS AT 31 DECEMBER 2017

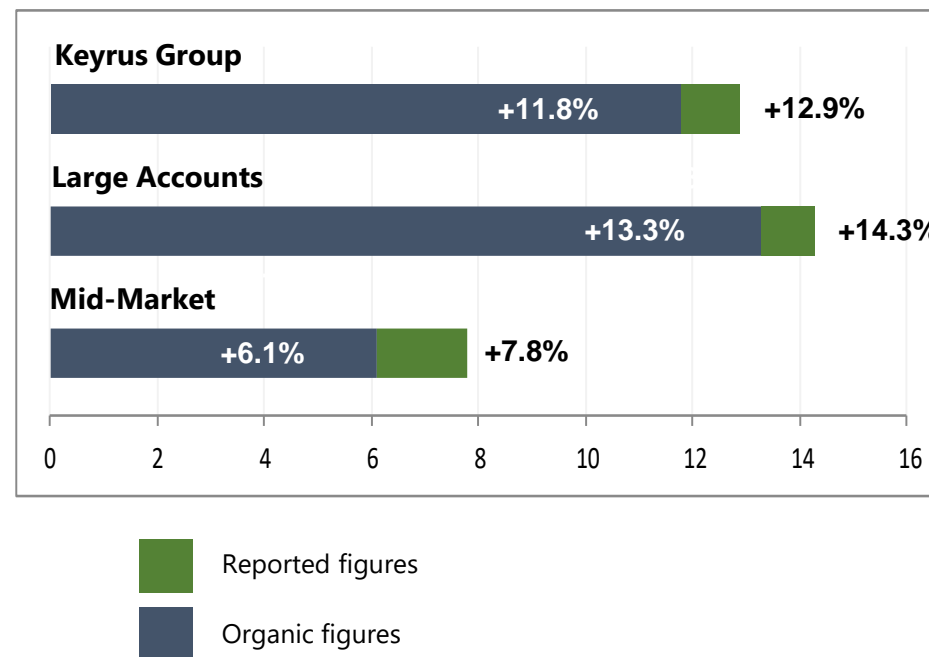
## ■ Annual revenue trend



### \* Variations

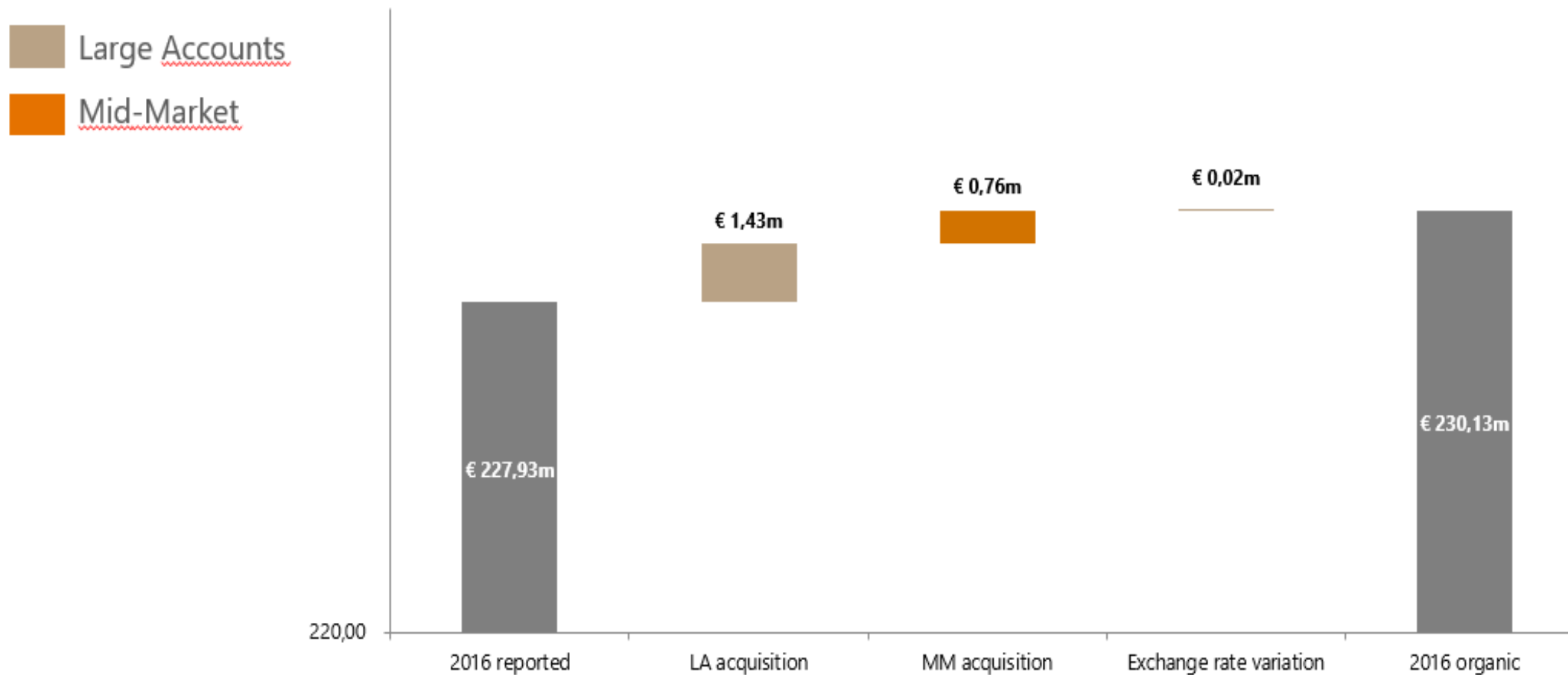
- +12.9% (reported figures)
- +11.8% (proforma figures)

## ■ Growth (2017 vs. 2016)



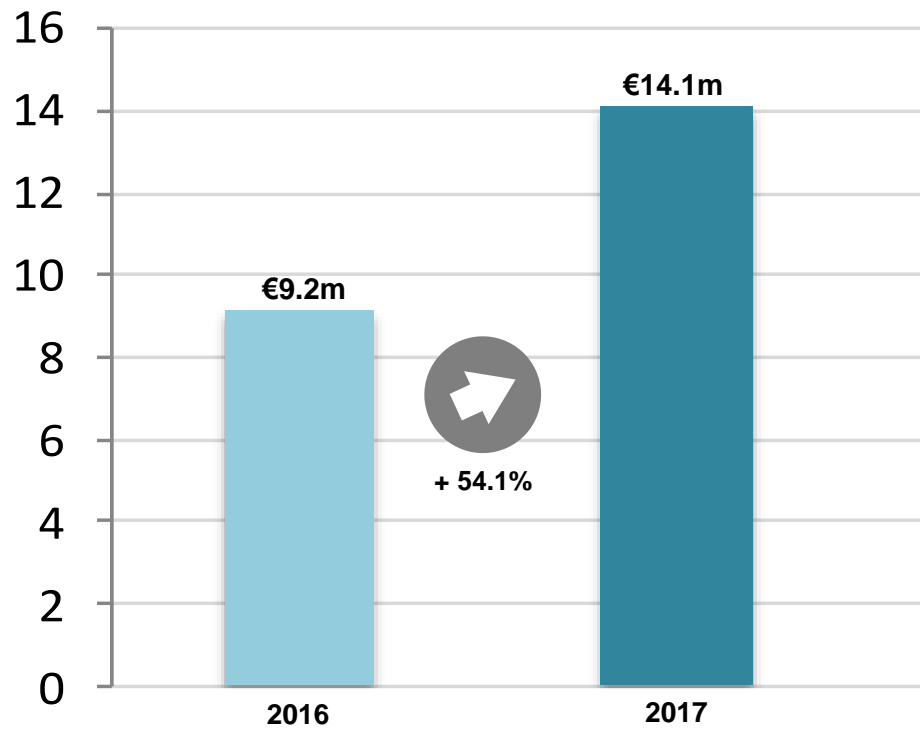
# CONSOLIDATED FINANCIAL RESULTS AS AT 31 DECEMBER 2017

- 2016 organic revenue

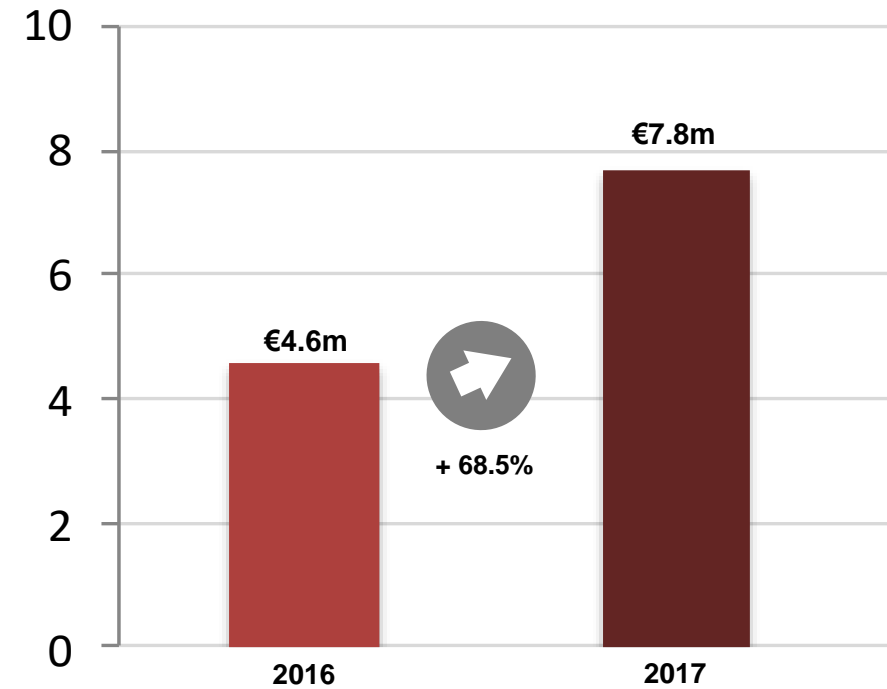


# CONSOLIDATED FINANCIAL RESULTS AS AT 31 DECEMBER 2017

■ Trend in Current Operating Income

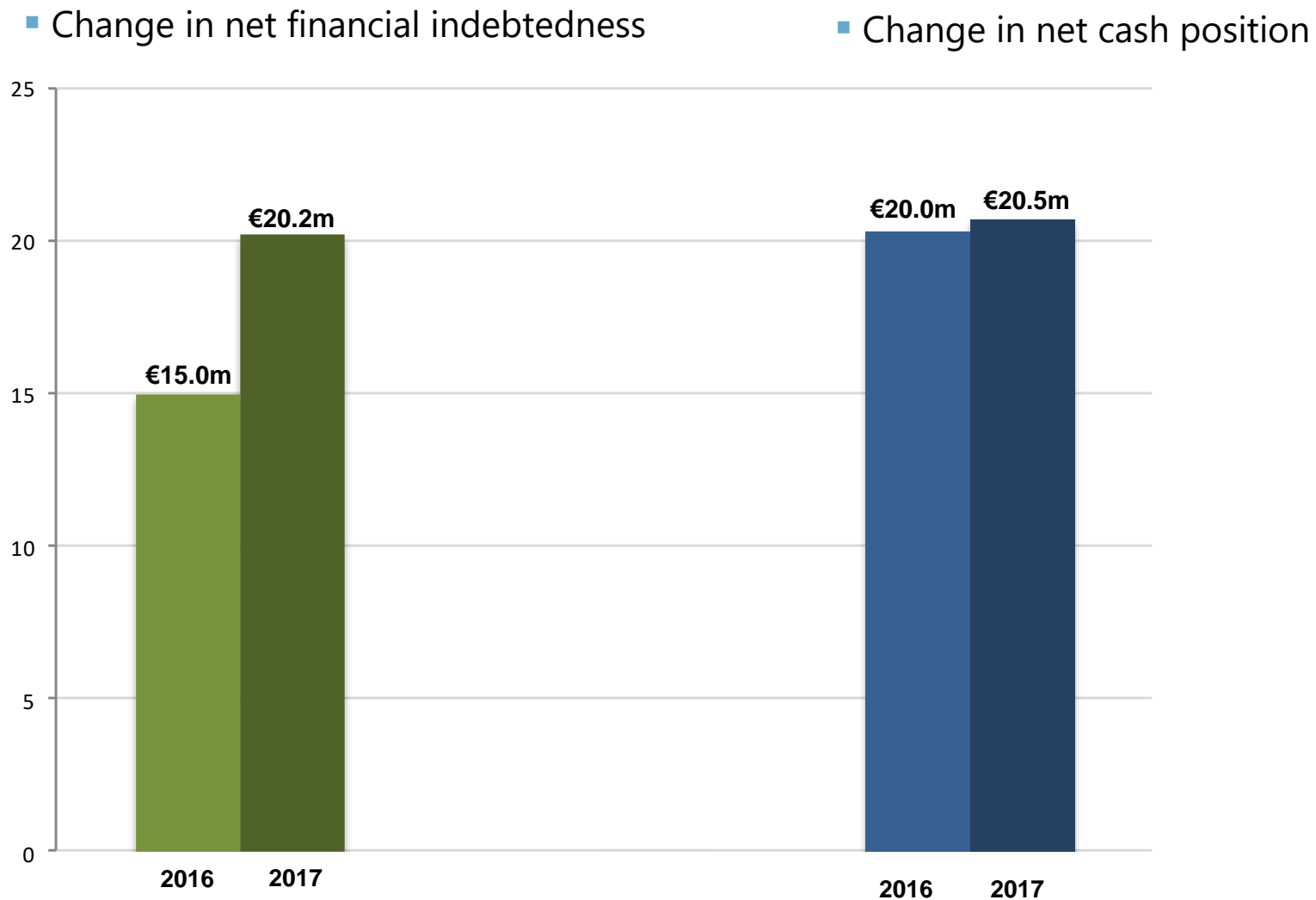


■ Trend in consolidated Net Income





# CONSOLIDATED FINANCIAL RESULTS AS AT 31 DECEMBER 2017



# CONSOLIDATED FINANCIAL RESULTS AS AT 31 DECEMBER 2017

## ■ Income statement

(in €m)

	Dec. 2016	Dec. 2017
Revenue	227.9	257.4
Current Operating Income	9.2	14.1
Non-recurring items	(1.8)	(1.9)
Operating Profit	7.4	12.2
Financial Results	(0.7)	(1.1)
Taxes	(2.1)	(3.3)
Net Income	4.6	7.8

# CONSOLIDATED FINANCIAL RESULTS AS AT 31 DECEMBER 2017

- Operating Income by segment – Large Accounts

(in €m)	L.A. 2016	L.A. 2017
Revenue	180.4	206.1
Current Operating Income	5.0	9.1
Non-recurring items	(1.4)	(1.7)
Operating Income	3.6	7.3

# CONSOLIDATED FINANCIAL RESULTS AS AT 31 DECEMBER 2017

- Operating Income by segment – Mid-Market

(in €m)	MM 2016	MM 2017
Revenue	47.5	51.2
Current Operating Income	4.2	5.0
Non-recurring items	(0.4)	(0.2)
Operating Income	3.8	4.9

# CONSOLIDATED FINANCIAL RESULTS AS AT 31 DECEMBER 2017

## ■ Balance sheet

<b>ASSETS</b> (in €m)	Dec. 2016	Dec. 2017	<b>LIABILITIES</b> (in €m)	Dec. 2016	Dec. 2017
Non-current assets	78.2	82.6	Equity	44.2	50.8
Current assets	97.0	112.1	Non-current liabilities	27.7	28.5
Cash	20.3	20.7	Current liabilities	123.5	136.1
Total	195.4	215.4	Total	195.4	215.4

# CONSOLIDATED FINANCIAL RESULTS AS AT 31 DECEMBER 2017

## ■ Cash flow statement

(in €m)	As at 31/12/16	As at 31/12/17
Cash (opening)	20.3	20.0
Cash generated by the activity	6.3	1.4
Investment operations	(5.7)	(4.6)
Financing operations	(1.0)	3.8
Exchange rate impact	0.0	(0.2)
Cash (at year end)	20.0	20.5

# CONSOLIDATED FINANCIAL RESULTS AS AT 31 DECEMBER 2017

- Zoom on the flows generated by the activity

(in €m)

	As at 31/12/16	As at 31/12/17
Operating cash flow	7.8	14.9
Tax paid* (including CVAE)	(2.5)	(3.4)
Variation in WCR	1.0	(10.0)
Net cash flows generated by the activity	6.3	1.4

\* Includes €1.8m CVAE (French local tax contribution based on companies' value added)



# KEYRUS

insight into value

155, rue Anatole France  
92593 Levallois-Perret cedex  
Tél. : +33 (0)1 41 34 10 00  
Fax : +33 (0)1 41 34 10 10

[contact-keyrus@keyrus.com](mailto:contact-keyrus@keyrus.com)  
[www.keyrus.fr](http://www.keyrus.fr)

MANAGEMENT &  
TRANSFORMATION

DATA INTELLIGENCE

DIGITAL EXPERIENCE