

## Press Release

14 February 2019

# KEYRUS

insight into value

**2018 consolidated revenues: €273.2m**

**Annual organic growth\*: +7.9%**

**4<sup>th</sup> quarter 2018 revenues: €73.7m**

**Q4 organic growth\*: +4.7%**

Consolidated revenues (€m) IFRS 15**	2018	2017 Restated**	Growth
1 <sup>st</sup> quarter	68.1	62.4	9.1%
2 <sup>nd</sup> quarter	67.7	64.7	4.6%
3 <sup>rd</sup> quarter	63.7	58.5	8.8%
4 <sup>th</sup> quarter	73.7	70.8	4.2%
Total	273.2	256.4	6.6%

**Levallois, 14 February 2019** – The **Keyrus Group** achieved revenues of €73.7m in the fourth quarter of 2018, an increase of 4.2% as compared with the fourth quarter of 2017 (+4.7% at constant scope and exchange rates).

The growth for 2018 was 6.6% (+7.9% at constant scope and exchange rates), with revenues of €273.2m as against €256.4m in 2017.

The growth in Large Account activities slowed down in the fourth quarter, but with organic growth of 3.1% (+2.4% based on reported figures), it remains in line with that of the sector. This slowdown relates mainly to activities in France and Brazil, and there are several reasons for it: on the one hand, in these two regions, the scarcity of human resources led to an increased staff turnover rate and difficulties in recruiting personnel to support growth – and on the other hand, as contracts came to an end and there was a time lag before clients invested in new contracts, this caused the capacity utilization rate for these two regions to fall, but not to the extent that it gives any cause for concern over the medium term. Lastly, the shift in the business model towards the sale of end-to-end projects to support digital transformation has also had the effect of lengthening sales cycles.

Growth remains strong in most of the Group's other regions, particularly North America.

Mid-Market activities, carried on by the Group's **Absys Cyborg** subsidiary, increased by 8.2% (based on both reported and organic figures) for the financial year, and achieved an excellent performance in the fourth quarter, with a rise of 11.7% as compared with the fourth quarter of 2017. Even though the model for marketing licences is currently transitioning towards a subscription-based SaaS/general subscription approach, sales of licences increased by 27% and still account for 12% of revenues. As for recurring revenues from maintenance, they represent 38% of the company's overall revenues.

In the course of the financial year, **Absys Cyborg** made advances with all its traditional offerings, and also launched two major new ones: a private Cloud solution and a Consulting offering (Coordination of Support for Project Owners and IT strategy). Client take-up is in line with stated aims, and the first significant economic results will be achieved as early as the next financial year.

The order book for the financial year grew by 11% as compared with 2017, pointing to a good level of activity for the 2019 financial year.

In the final quarter, **Absys Cyborg** completed the acquisition of the Arcadie group (concluded on 16 January 2019), which is a leader in the integration of Sage solutions in the south-west region. This transaction extends the national coverage of the activities of **Absys Cyborg**, which intends to gradually develop all its offerings in the Occitania region of France.

**Eric Cohen**, President & CEO of **Keyrus**, comments:

*"With organic growth of almost 8% at consolidated level, the Group's 2018 financial year sees it confirm its ability to remain efficient in a very competitive market in which problems with recruiting and retaining talent remain critical.*

*Keyrus also undertook considerable "corporate" investment in 2018 to strengthen its support functions, risk management, and governance, and embarked on a plan to transform its organization, notably in its 2 major countries, France and Brazil, both on a commercial and an operational level, so as to prepare for its new growth phase.*

*On our Mid-Market segment, Absys Cyborg continues to demonstrate its desire to consolidate its market by completing the strategic acquisition of the Arcadie group, whilst at the same time drawing on excellent fundamentals that generate profitable organic growth. Against this background, we remain confident and focused on further improving our performance."*

**Keyrus** will publish its 2018 annual results on 2 April 2019 after the market close.

## Breakdown of revenues by operational sector

Consolidated revenues (€m) IFRS 15**	Large Accounts		Mid-Market		Total	
	2018	2017 Restated**	2018	2017 Restated**	2018	2017 Restated**
1 <sup>st</sup> quarter	54.0	48.3	14.1	14.1	<b>68.1</b>	<b>62.4</b>
2 <sup>nd</sup> quarter	54.6	52.3	13.1	12.4	<b>67.7</b>	<b>64.7</b>
3 <sup>rd</sup> quarter	51.0	47.7	12.7	10.8	<b>63.7</b>	<b>58.5</b>
4 <sup>th</sup> quarter	58.6	57.2	15.2	13.6	<b>73.7</b>	<b>70.8</b>
Total	218.1	205.5	55.1	50.9	<b>273.2</b>	<b>256.4</b>

\* DEFINITION OF THE NOTION OF ORGANIC GROWTH IN REVENUES

The notion of organic growth in revenues involves presenting the revenues of the preceding year (N-1, in this case, the 2017 financial year) restated in such a way as to apply the exchange rates and scope of consolidation of the current year (N, in this case, the 2018 financial year). The Group then calculates a figure for organic N-1 revenues by:

- using the exchange rates of year N to calculate the reported revenues of companies outside the Eurozone in year N-1;
- adding to the reported revenues for year N-1 the N-1 revenues of companies that came within the scope of consolidation in year N;
- deducting from the reported revenues for year N-1 the N-1 revenues of companies that went out of the scope of consolidation in year N.

In 2018, the adjustments to go from reported 2017 revenues to organic 2017 revenues look as follows:



\*\* IFRS 15

The IFRS 15 revenue recognition standard came into effect on 1st January 2018. Unless otherwise specified, 2017 revenues indicated in this press release have been restated so as to be in accordance with the application of the IFRS 15 standard and comparable with 2018 revenues in terms of accounting methods.

Impact of IFRS 15 adjustment of reported 2017 revenues (€m)	Reported 2017	IFRS 15 adjustments	Restated 2017
Large Accounts	206.1	-0.7	205.5
Mid-Market	51.2	-0.3	50.9
<b>TOTAL</b>	<b>257.4</b>	<b>-1.0</b>	<b>256.4</b>

## ABOUT KEYRUS

### Keyrus, creator of value in the era of Data and Digital

An international player in consulting and technologies and a specialist in Data and Digital, **Keyrus** is dedicated to helping enterprises take advantage of the Data and Digital paradigm to enhance their performance, facilitate and accelerate their transformation, and generate new drivers of growth and competitiveness.

Placing innovation at the heart of its strategy, **Keyrus** is developing a value proposition that is unique in the market and centred around an innovative offering founded upon a combination of three major and convergent areas of expertise:

- **Data Intelligence :**  
Data Science – Artificial Intelligence - Big Data & Cloud Analytics – Business Intelligence – EIM – CPM/EPM
- **Digital Experience :**  
Innovation & Digital Strategy – Digital Marketing - DMP & CRM – Digital Commerce – Digital Performance – User Experience
- **Management & Transformation Consulting :**  
Strategy & Innovation – Digital Transformation – Performance Management – Project Support

Present in some fifteen countries on four continents, the **Keyrus** Group has over 3,000 employees.

**Keyrus** is quoted in compartment C of the Eurolist of Euronext Paris  
(Compartment C/Small caps – ISIN Code: FR0004029411 – Reuters: KEYR.PA – Bloomberg: KEY:FP)  
Further information at: [www.keyrus.com](http://www.keyrus.com)