

SWORD

UPGRADE YOUR BUSINESS

Sword Group 2017 Second Quarter Results

Revenue: €42.8 M
in line with the budget

Profitability: 15.5% (EBITDA margin)
above budget

Sword Group H1-2017 ^{(1) (2)}

Consolidated Revenue: €86.6 M

EBITDA margin: 15.3%

Growth at constant exchange rate and constant perimeter: +13.0%

⁽¹⁾ non audited figures⁽²⁾ % calculated from figures in €K

*H1-2017 results presentation meeting,
September 5th in Paris*

Investor Relations

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Sword Group

1 700* staff

Listed on Euronext Paris - Compartment B

ISIN Code: FR0004180578

ICB: 9530 Logiciels et Services Informatiques

Indices:

CAC® Small

CAC® Mid & Small

CAC® All-Tradable

CAC® All-Share

Sword Group

SWORD has 1 700+ IT/Digital & Software specialists present over five continents to accompany you in the growth of your organisation in the digital age.

As a leader in technological and digital transformation, SWORD has since 2000 acquired a solid reputation in software publishing and in complex IT & business project management.

With SWORD you have the guarantee of strong close and qualified local commitment, the aim of which is to optimise your processes and data.

Above all, our ambition is to build sustainably and foster the loyalty of our staff, our clients and our partners by building on our values and our enthusiasm to accompany you throughout your projects.

The Group's performance enables us to invest in the R&D projects that contribute to our positioning and our differentiation on niche markets.

Thanks to its recognised competences in over 20 countries, SWORD benefits from the trust of prestigious references such as: Admiral, Barclays Bank, BMW, the European Union, the National Payment and Trademark Offices, Lombard, Orange, the United Nations Organisation, etc.

Consulting and IT Services: SWORD commits for the most part to fixed-price contracts and operates with a network of competence centres (business units) in different specialised fields: Geographic Information Systems, ECM/EDM, corporate search engines, digital marketing, CRM, portals and corporate social networks, Data and Business Intelligence, Web and Mobile development, infrastructure and cloud, cyber security, performance and applications optimisation, desktop publishing and intellectual property.

Software: SWORD develops on demand product lines in the Risk and Compliance sectors (SWORD Active Risk and SWORD Achiever), Intellectual Property (SWORD Intellect), Health (SWORD Orizon), Desktop Publishing (SWORD Kami), Predictive Analysis (SWORD Insight) and Asset Finance (SWORD Apak).

To find more about our expertise, join us on www.sword-group.com

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2, rue d'Arlon
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Windhof - July 26, 2017

Consolidated accounts - Q2 ^{(1) (2)}

€M	2017	2016
Revenue	42.8	40.3
EBITDA	6.6	6.4
EBITDA Margin	15.5%	16.0%
Growth ⁽³⁾	+11.0 %	-

Consolidated accounts - H1 ^{(1) (2)}

€M	2017	2016
Revenue	86.6	80.1
EBITDA	13.3	12.4
EBITDA Margin	15.3%	15.5%
Growth ⁽³⁾	+13.0%	-

⁽¹⁾ non audited figures⁽²⁾ % calculated from figures in €K⁽³⁾ at constant perimeter and constant exchange rate

ANALYSIS

Growth

S1 Performance:

At a constant perimeter and exchange rate, Sword has delivered like for like growth of 13%.

The split between the sectors in which Sword is active is:

- Software + 14.2%
- Services + 12.5%

The EBITDA margin is 15.3%.

Due to strong trading conditions, Sword has exceeded the original forecasted results:

- Organic growth: 3 percentage point greater than initial forecast,
- EBITDA margin: 0.3 percentage point above initial forecasts.

Net cash position

As at 30th June 2017, the net cash position is €19.3m.

This figure is after taking into account dividend payments, an increase in R&D investment and an increase in working capital requirements as a result of the higher levels of organic growth.

FORECASTS

The Group confirms that it is on target to achieve its initial objectives:

- Organic growth at constant perimeter and exchange rate of greater than 10%,
- EBITDA margin of 15%.

We are equally in a position to confirm that we are on target to achieve our 2020 plan.