



Financial Announcement
Windhof - January, 24th 2019

SWORD

UPGRADE YOUR BUSINESS

Sword Group - 2018 Fourth Quarterly Results

Consolidated Revenue: **€47.7 M** (Constant standards)
Proforma perimeter Organic Growth: **+ 21.4%**
2019 Revenue Target over **€200 M**

Year **2018** has been marked by **2 sales, Sword Performance**, sold at the beginning of the second quarter of 2018 and **Sword Apak**, sold at the beginning of the 4th quarter 2018.

The profitability of the remaining perimeter (proforma) has increased (12.5% in 2018 compared with 11.1% in 2017).

The increase in consolidated profitability between 2017 and 2018 can be explained by the sale of Sword Apak.

Year **2018** has been **characterized** by the following **strong points**:

- **Strong internal growth**,
- The sale of Sword Apak which has enabled the Group to attain a **net cash position of €86 M** after paying an exceptional dividend,
- **Reinforced coherence** in Group offers.

As a reminder, **the cash remaining** after the payment of exceptional dividends will be used for financing:

- Internal growth,
- New initiatives,
- More important acquisitions.

In sectorial terms, **the breakdown of consolidated organic growth** at constant exchange rates and on a like-for-like basis on December 31st is as follows:

■ Software: + 6.1% ■ Services: + 22.0% ■ Total: **+ 18.3%**

In sectorial terms, **the breakdown of proforma organic growth** at constant exchange rates and on a like-for-like basis (without taking account of the companies sold over the whole 2018 year) is as follows:

■ Software: + 18.5% ■ Services: + 21.8% ■ Total: **+ 21.4%**

[...]

Constant Standards

Consolidated Revenue:
€194.3 M

EBITDA Margin:
14.0%

YTD - 2018

Consolidated organic growth at constant exchange rates and on a like-for-like basis:
+ 18.3%

Non audited figures
Percentages calculated based on the figures in €K



Calendar

14/03/19

FY2018 Results

15/03/19

FY2018 presentation meeting in Paris at **9 am**, Business Center Paris Trocadero

25/04/19

2019 **First Quarter Revenue**

29/04/19

2018 **Annual Shareholders Meeting**

The press release will be published on the web sites here after: Thomson Reuters and Sword Group. It was also sent to the "Commission de Surveillance du Secteur Financier (CSSF)" and saved on the Luxembourg Stock Exchange's website.

Market
Euronext Paris
Compartment B

ICB 9530
Software &
Computer Services

ISIN Code
FR0004180578

Indices
CAC® Small
CAC® Mid & Small

CAC® All-Tradable
CAC® All-Share

sword-group.com

Sword Group - 2, rue d'Arlon L-8399 Windhof - investorrelations@sword-group.lu



CONSOLIDATED ACCOUNTS AT CONSTANT STANDARDS

| | Year ^{(i) (ii)} | |
|---------------|--------------------------|-------|
| €M | 2018 | 2017 |
| Revenue | 194.3 | 173.5 |
| EBITDA | 27.2 | 27.8 |
| EBITDA Margin | 14.0% | 16.0% |

Consolidated organic growth at constant exchange rates and on a like-for-like basis: **+ 18.3%**.

CONSOLIDATED ACCOUNTS AFTER TAKING ACCOUNT OF IFRS 15 IMPACTS

| €M | 2018 ^{(i) (ii)} |
|---------------|--------------------------|
| Revenue | 191.5 |
| EBITDA | 26.6 |
| EBITDA Margin | 13.9% |

2018 proforma (without taking account of the companies sold over the whole 2018 year) is **€168 M**; an increase of **+ 21.4%**.

(i) Non audited figures

(ii) Percentages calculated based on the figures in €K

POST-CLOSURE EVENTS

As from **January 2019**, the Group will **consolidate** the two companies **TIPIK** and **Magique Galileo** in its accounts.

TIPIK will provide the Group with its technological expertise in digital communications; its **budgeted revenue** for 2019 is **€10 M**.

As far as **Magique Galileo** is concerned, it was bought for the quality of its risk management products designed for the Banking/Insurance sector. This entity's **budgeted revenue** for 2019 is **€1.5 M**.

TIPIK will be consolidated in the Services division on account of the complementarity of its offers with those that already exist in the Group.

OUTLOOK FOR 2019

These various elements enable the Sword Group to **target provisional revenue** of **€200 M⁺** with an EBITDA margin of **13%⁺**.

The **budget** takes account of **organic growth** of **12%⁺**.

This growth is confirmed by the size and quality of its **backlog**.

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About Sword Group

Sword has **2,000*** IT/Digital & Software specialists present over **5** 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**.

[Methodological Note]

Regarding the definition of the alternative performance indicators mentioned above, their justification and their calculation methods, please refer to the relevant methodological note (paragraph 10 of the Annual Financial Report for 2017, Management Report, Pages 19 and 20) as published in the Annual Report ending on 31st December 2017. To access the Annual Report, please click **HERE**