



SWORD

UPGRADE YOUR BUSINESS

SFAF MEETING FY2018

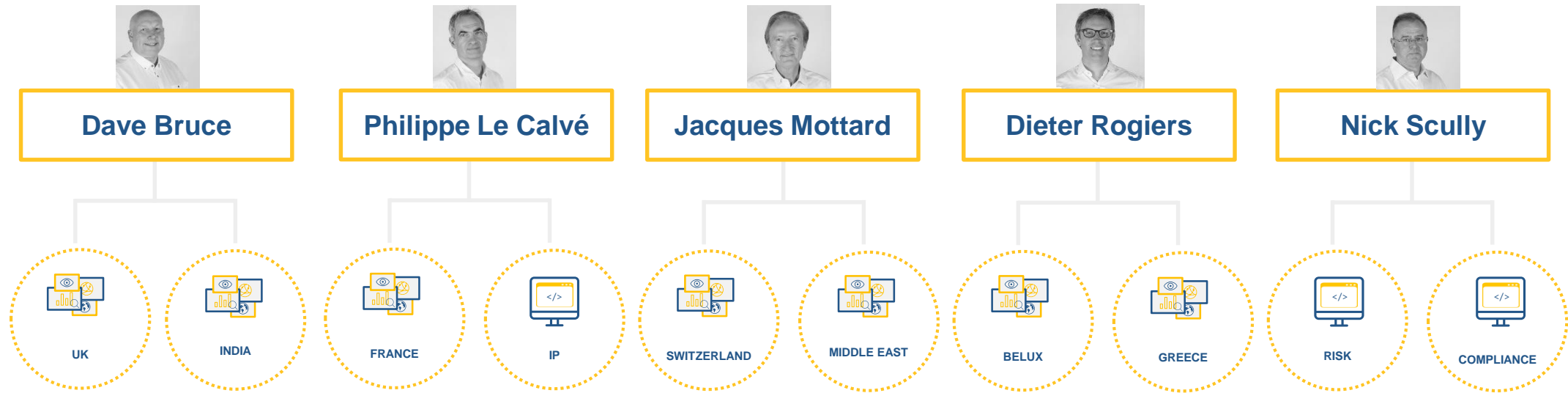
Paris March 15 2019



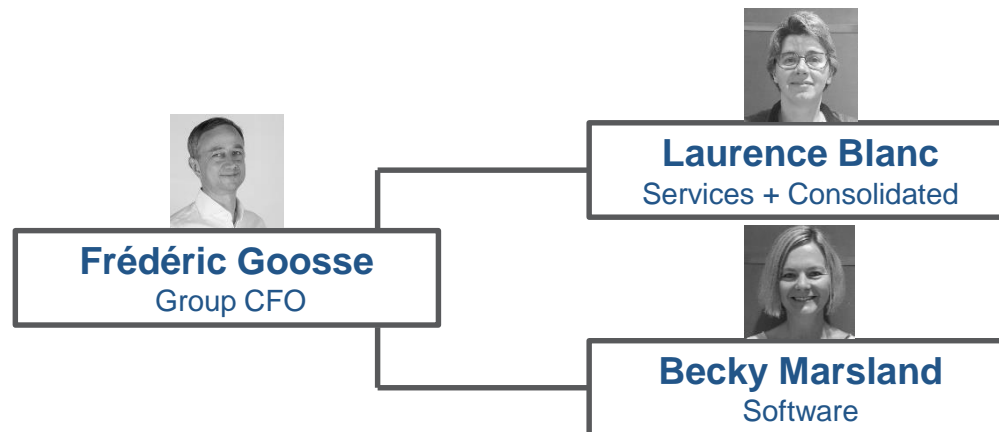
Organisation

Organisation

MANAGING DIRECTORS



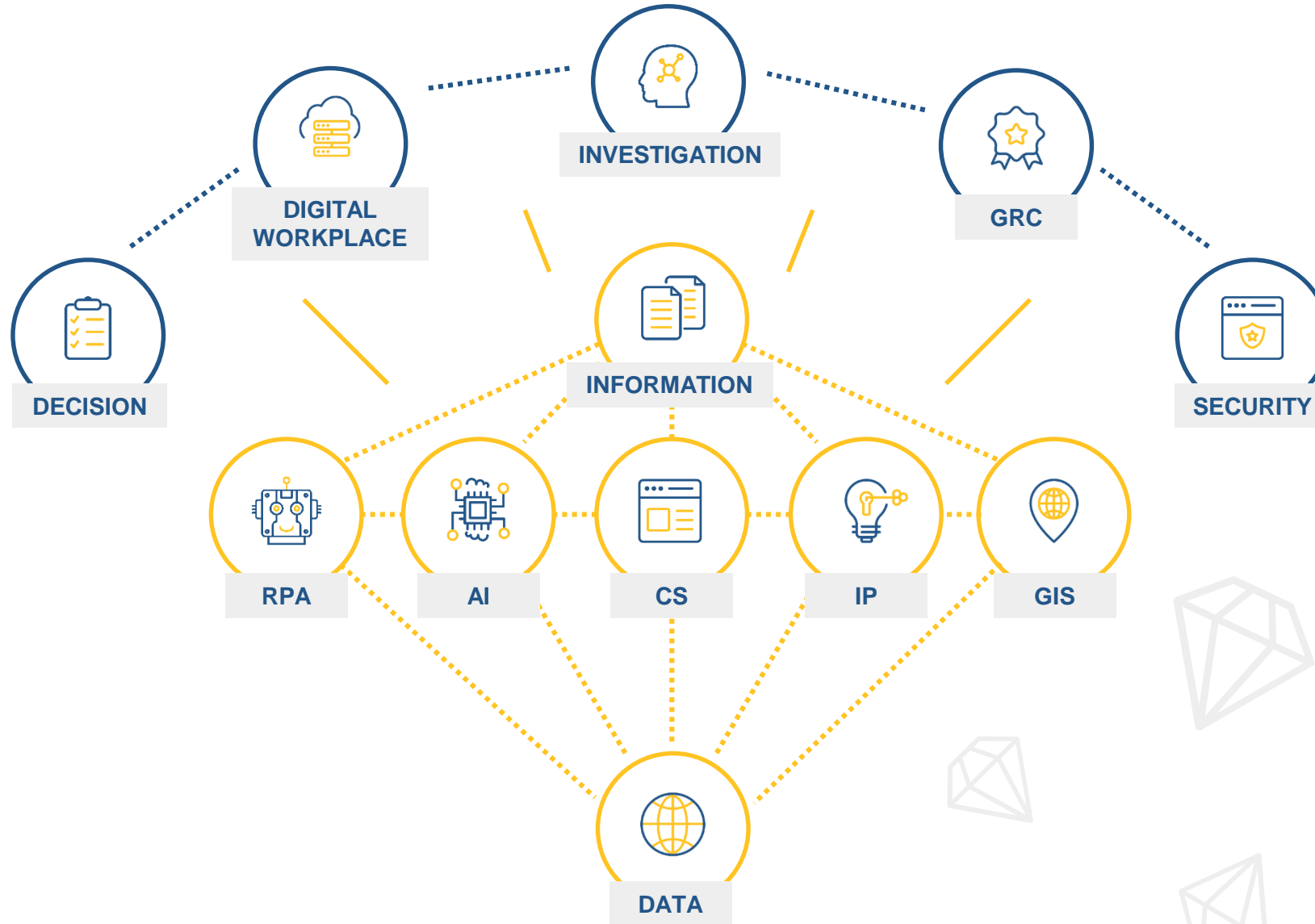
GROUP CFOs



M&A ADVISOR



Group's Offer | Software & Services



Data Optimisation Specialist

At a Glance

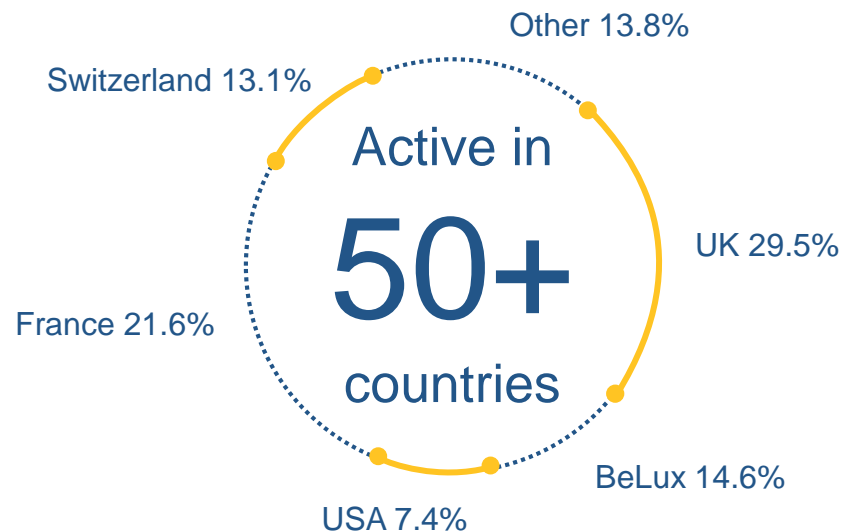
IDENTITY

Successful, Growing, Financially Secure and Listed



FY2018

Consolidated Revenue by Region



FY2018

Consolidated Performance



Software
23%



FY2018

Consolidated Revenue by Market





Latest Noteworthy Events

Noteworthy Events in the Last Twelve Months (M&A)

01/02/2018



Acquisition of ID&O

Revenue: **€2.6m**
EBITDA margin: **10%**

⇒ Small company based in Switzerland, can be immediately integrated in our activity

09/04/2018



Sale of Sword Performance

Revenue: **€7.7m**
EBITDA margin: **12%**

⇒ Issue of minority interests and diverging strategy resolved
(Basel, Tunisia, Morocco)

18/10/2018



Sale of Apak

Revenue: **€31m**
EBITDA margin: **24.2%**

⇒ Reinforced consistency of our offering

31/12/2018



Consolidation of Tipik

Revenue: **€10m**
EBITDA margin: **8%**

50% stake retained until June 2020, followed by acquisition of up to **100%** of shares in H2-2020

⇒ BeLux management consistency

03/01/2019



Acquisition of Magique Galileo

Revenue: **€1.6m**
EBITDA margin: **10%**

⇒ Reinforcement of our GRC offering

Noteworthy Events in the Last Twelve Months | Next Source of Growth



Momentum of existing
growth



R&D and Initiatives



Intrapreneurship



GRC Software

Major Successes in 2018 & Build Work



Further
expansion

In **A&D** BAE, US Army



Brexit

Need to find **opportunity** in other
markets



First Client

NASA, for ARM 10 &
multi browser



Australia

2018 pipeline build will enable a **100%**
Licence increase in 2019



New Client

Every **12** working days (past 3 years)



South East
Asia

2019 **first** significant wins



Green Client
Success

2 wind energy customers Scandinavia



US & Europe

Large **deals** in discussion in **US**, and
success in **A&D France**

2019 New Offer



BUSINESS OUTLINE

NEW



Acquisition 3 January



Based in London



140 Existing Customers



2 software solutions



Magique, risk management



Financial Services



Galileo, audit



Cross industry solution

TARGET MARKETS



Aerospace &
Defense



Energy



Infrastructure



Government



Financial

WHEN CONSIDERED WITH

- Active Risk Manager
- Sword Compliance Manager
- Sword Policy Manager

→ **From gRc to Sword GRC**

New Sword GRC Software | Product Line

**Defence, Energy,
Transportation &
Construction
Industries**

**Finance & other
Service Industries**



RISK

ARM

MAGIQUE



AUDIT

GALILEO



COMPLIANCE

COMPLIANCE
MANAGER



POLICY

POLICY
MANAGER



Other Software

Other Sword's Software



Sword Intellect

Intellectual Property Rights
Management Software

SWORD
ACSEPTO

SWORD
PTOLEMY



Sword Citizen

Software to improve steering for the
local authority for service to the user



Sword BizDock

Open-source corePortfolio and
Project management



Sword Kami

Software for designing publishing
document templates



Sword Insight

Competitive & intelligence platform
Dark Diver



Sword Vista

Facilitate your events
organisation



Sword Orizon

Secure remote medical services
software for sharing
and coordinating care

HISTORICAL RANGE

INTRAPRENEURSHIP



Sword Vista is a collaborative solution for the organisation of events (sports, commercial, cultural, ...) on complex sites: stadiums, exhibition centers, ...



Virtual
Stadium



Virtual
Hospitality

1 **Virtualisation** of all the steps to make **virtual visits** to prepare and limit on-site trips

2 The **digitalisation** of technical maps

Sword continues product development with new features including **mobility** (guided tours) and **security** (real-time event tracking)

Other Successes



Sword Insight



Customer: INTERPOL 5 projects
Go live: Global cyber analysis platform



Sword Intellect

Go live: Malaysia - Phase 1



Sword Citizen

First Customer:  **MÉTROPOLE TOULON PROVENCE MÉDITERRANÉE**
Partner:  Microsoft



Sword BizDock

Customer:  Ville de Lausanne
Partner:  interoute



Sword Orizon

New customers:  Santély  IMA PROTECT
Go live:  TeleDiag  izyCardio  pulsy



Sword Kami

Go live:  Crédit Mutuel ARKEA



Services France



HISTORICAL

Integrator



Care coordination

INTRAPRENEURSHIP

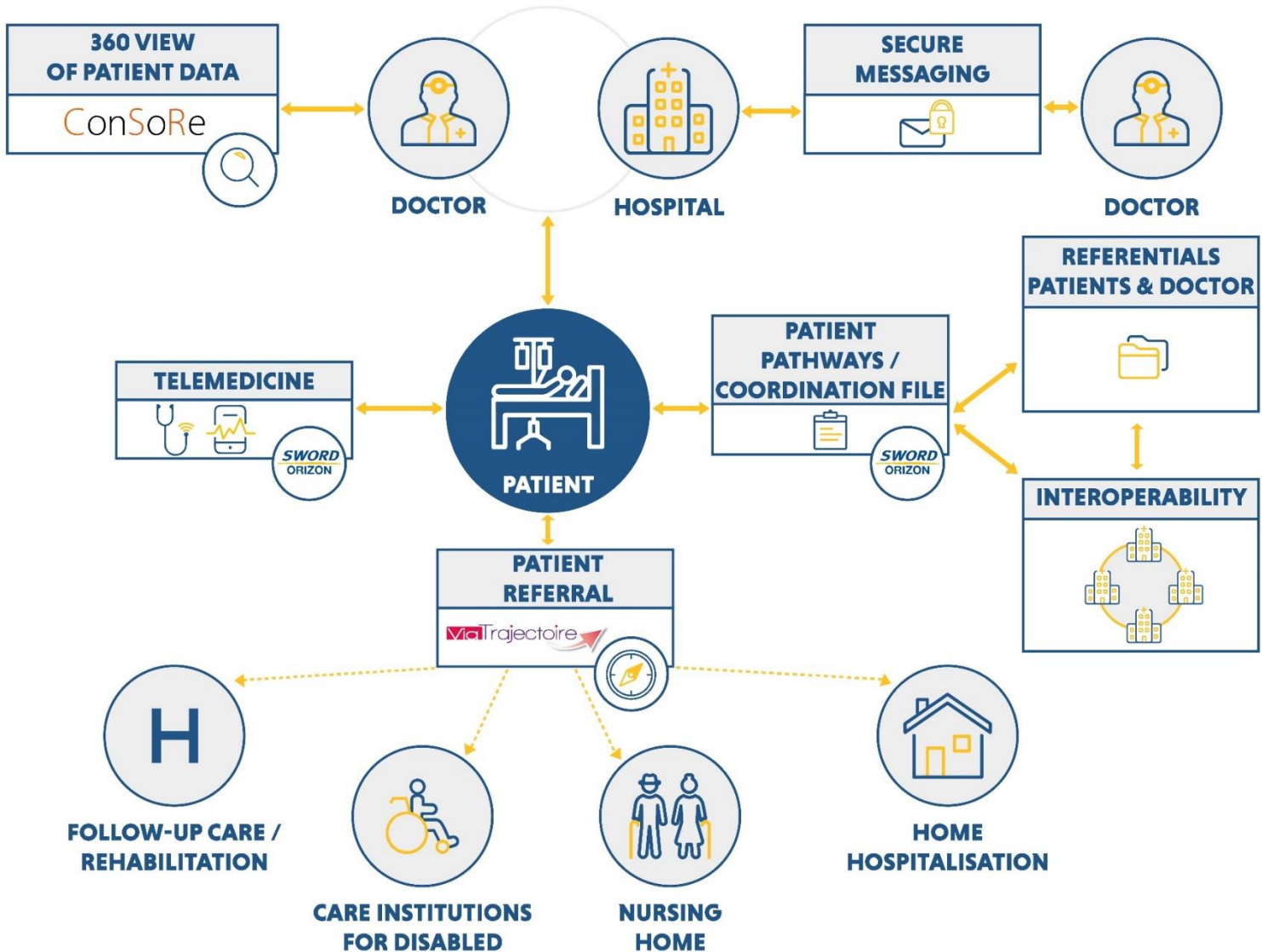
Editor



PARTNERSHIP

Incubator





Other News

Top-tier clients



ISO 27001 certification is in progress for **Sword France**



Services BeLux & Greece

Commercial Successes in 2018



New Contracts

Signed **4** new contracts in 2018 with estimated booking value of **≈ €35m**



Awaited Results

We are still awaiting results of 2018 call for tenders / bids with total booking value of **≈ €80m**



New Clients

1 new client:



Forecasted Growth

Organic growth is at **+14.4%**
Forecasted organic growth over the next four years is above **16%**.
EBITDA is consistently above **8%** with a trend to increase in the next few years



New Business Domains

1 new business domain related to IT user support services to Members of the European Parliament (ITUSS contract)



2020 Target

All results are completely in-line with the 2020 target of **> €40m annual revenue (€50m+ including Tipik)**

The Success of the Greek Operation

Delivery Team

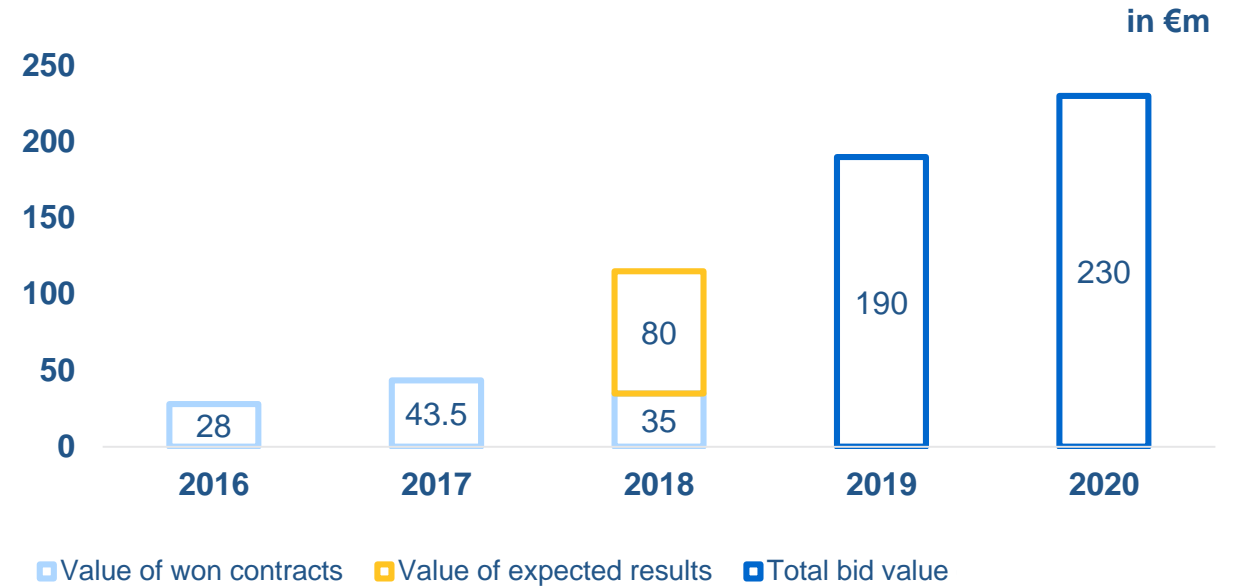
Key points

- Margins always above target
- **Linear** growth of revenue
- **Exponential** growth of staff
- Intra-Group **synergies**
- **Low** operational costs
- Excellent **quality** of delivery
- **100%** satisfied customers

Plans

- Entering the **Greek market**
- Increase intra-Group synergies
- Entering new business domains
- New customers

Bid Team



The trending and continuous success, a strong bid team, the competitive pricing and the excellence in delivery place Sword Technologies as a **key player of IT Services** in the European Union.

Consolidation of Tipik | Strategy



Communication
Strategies
& Campaigns



Media & Public
Relations



Editorial Content &
Translations



Creation & Design



Events
& Conferences

HISTORICAL



Web/Mobile &
Cloud Development



Technical
Development



EU Legal Affairs

2018



Services Switzerland



Sword in Switzerland



A lack of growth



Heterogeneous strategy

HISTORICAL



Disposal

Sale of German-speaking Switzerland and solving many problems



Infrastructure management

Successful launch of a new activity



NEW

ID&O

Micro acquisition



Refocusing

Refocusing on French-speaking Switzerland and generating 49.6% organic growth

2018

Other News

Top-tier clients



Luxury

RICHEMONT



Health



Sport



Public Sector





2018 Figures

FY2018 Key Figures | Revenue ⁽ⁱ⁾

€194.3m

Consolidated Revenue
at constant standards

Sword Performance
over 3 months /
Sword Apak over 9
months

€191.5m

Consolidated Revenue
with IFRS15 standards

Sword Performance
over 3 months /
Sword Apak over 9
months. The impact of
IFRS15 standards
concerns only Sword
Apak

€171.4m

Revenue reported in
our financial report

Sword Performance
over 3 months /
without Sword Apak

€168.1m

Pro forma Revenue

Excluding Sword
Apak & Sword
Performance

⁽ⁱ⁾ all these figures are not impacted by Tipik & Magique Galileo

FY2018 Key Figures

CONSTANT STANDARDS (i)

Organic growth at constant
exchange rate
+18.3%



Revenue
€194.3m

EBITDA margin
14.0%

(i) Sword Performance over 3 months / Sword Apak over 9 months

PRO FORMA (ii)

Organic growth at constant
exchange rate
+21.4%



Revenue
€168.1m

EBITDA margin
12.0%

(ii) Including ID&O (FY) - excluding Sword Apak, Sword Performance, Tipik and Magique Galileo

FY2018 Consolidated Breakdown

€m	FY2018 AT CONSTANT STANDARDS ⁽ⁱ⁾	
	Revenue	EBITDA Margin
Asset Finance Solutions ⁽ⁱⁱ⁾	24.6	24.2%
Governance Risk & Compliance	13.3	25.8%
Others	6.8	25.8%
SOFTWARE	44.7	25.0%
France	41.4	13.6%
BeLux	28.4	8.3%
Switzerland ⁽ⁱⁱⁱ⁾	25.4	10.8%
UK	42.7	9.0%
Others	11.7	12.6%
IT Services	149.6	10.7%
TOTAL	194.3	14.0%

(i) Percentages and amounts are calculated from figures in €k

(ii) Sword Apak over 9 months

(iii) Sword Performance over 3 months

FY2018 Consolidated PnL (i)

(i) with no amortisation and at constant standards

	2017		2018	
	€k	%	€k	%
Revenue	173,489	-	194,346 (ii)	-
Current EBITDA	27,809	16.0%	27,229	14.0%
Current EBIT	24,427	14.1%	23,514	12.1%
Non current costs	5,120	-	- 68,956	-
Financial costs	882	-	1,149	-
Corporate tax	5,019	-	2,639	-
Net profit after corporate tax	13,406	7.7%	88,681	45.6%

(i) 2017 Amortisation: €2,168k

2018 Amortisation: €1,730k

(ii) Sword Performance over 3 months / Sword Apak over 9 months

FY2018 Organic Growth of our Stable Perimeter

%	ORGANIC GROWTH
Governance Risk & Compliance	11.2%
Others	32.6%
SOFTWARE	18.5%
France	14.6%
BeLux	13.8%
Switzerland (i)	49.6%
UK	22.6%
Others	5.6%
IT Services	21.8%
TOTAL	21.4%

(i) ID&O FY included / Sword Performance Q1 excluded

FY2018 PnL (i)

(i) with no amortisation

(ii) according to IFRS5 & IFRS15 standards (Financial Report)

	2018	
	€K	%
Revenue	171,412	-
Current EBITDA	20,145	11.8%
Current EBIT	17,276	10.1%
Non Current Costs	- 69,202	-
Financial Costs	1,010	-
Corporate Tax	1,881	-
Net profit after corporate tax, without Apak	83,587	-
Net profit Apak	4,548	-
Net Profit after corporate tax, including Apak	88,135	51.4%

(i) 2018 Amortisation: €1,730K

(ii) Sword Apak excluded from line Revenue to line Net profit after corporate tax without Apak

Net Cash Position



Net cash position
€20.6m

31/12/2017



Net cash position
€86.5m⁽ⁱ⁾

31/12/2018

⁽ⁱ⁾ Deferred payment and earn outs payable in 2019: **€8.0m**

Capex & Amortisations

CAPEX pro forma ⁽ⁱ⁾ 2018

Tangible:	€2.3m
Intangible:	€3.9m ⁽ⁱⁱ⁾
Total:	€6.2m



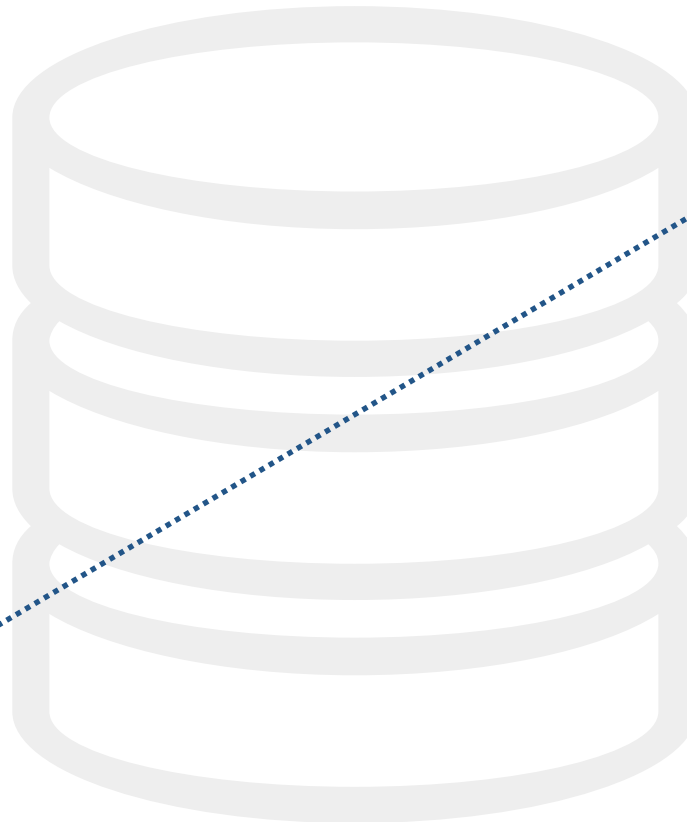
Pro forma amortisation ⁽ⁱ⁾ 2018

Tangible:	€1.3m
Intangible:	€2.4m
Total:	€3.7m

⁽ⁱ⁾ Including ID&O (FY) - excluding Sword Apak, Sword Performance, Tipik and Magique Galileo

⁽ⁱⁱ⁾ In addition to capitalized R&D, non-capitalized 2018 software R&D represents 13% of the Revenue of the same scope

Backlog



[31/12/2017]

Backlog:

€390.9m

(24.3 months)

[31/12/2018] ⁽ⁱ⁾

Backlog:

€400.6m

(24 months)

⁽ⁱ⁾ Excluding Sword Apak, including Tipik

2018 Currency Breakdown

Currency	%
EUR	35.7%
GBP	36.0%
CHF	14.6%
USD	6.0%
Others	7.7%

Top 10 Clients

Company	Location
BP	UK
Chrysaor Holdings Limited	UK
ConocoPhillips	UK
DG Customs	BeLux
DG Justice	BeLux
Eurostat	BeLux
Ministry of Business Innovation & Employment	New Zealand
Repsol	UK
Richemont	Switzerland
Serica Energy	UK




The **first 10 clients** represent **20.7%** of the **2018 Consolidated Revenue**



The **first client** represents **4.7%** of the **2018 Consolidated Revenue**

FY2018 Staff

 31/12/2018	DBS			NDBS	Total
	Employees	Freelancers	Total		
Software	115	14	129	25	154
IT Services	833	641	1,474	119	1,593
Offshore	187	102	289	7	296
Holding	-	-	-	24	24
Total	1,135	757 ⁽ⁱ⁾	1,892	175	2,067 ⁽ⁱⁱ⁾

(i) 471 full time equivalent (FTE) staff

(ii) 1,781 full time equivalent (FTE) staff (NDBS included)

2019 Dividends: €1.2

2017

+20%

2017 Total Share Return (TSR)

01/01: €29.19 - 31/12: €33.84

Dividend paid in 2017: €1.2

+20.8%

CAC MID&SMALL

2018

0%

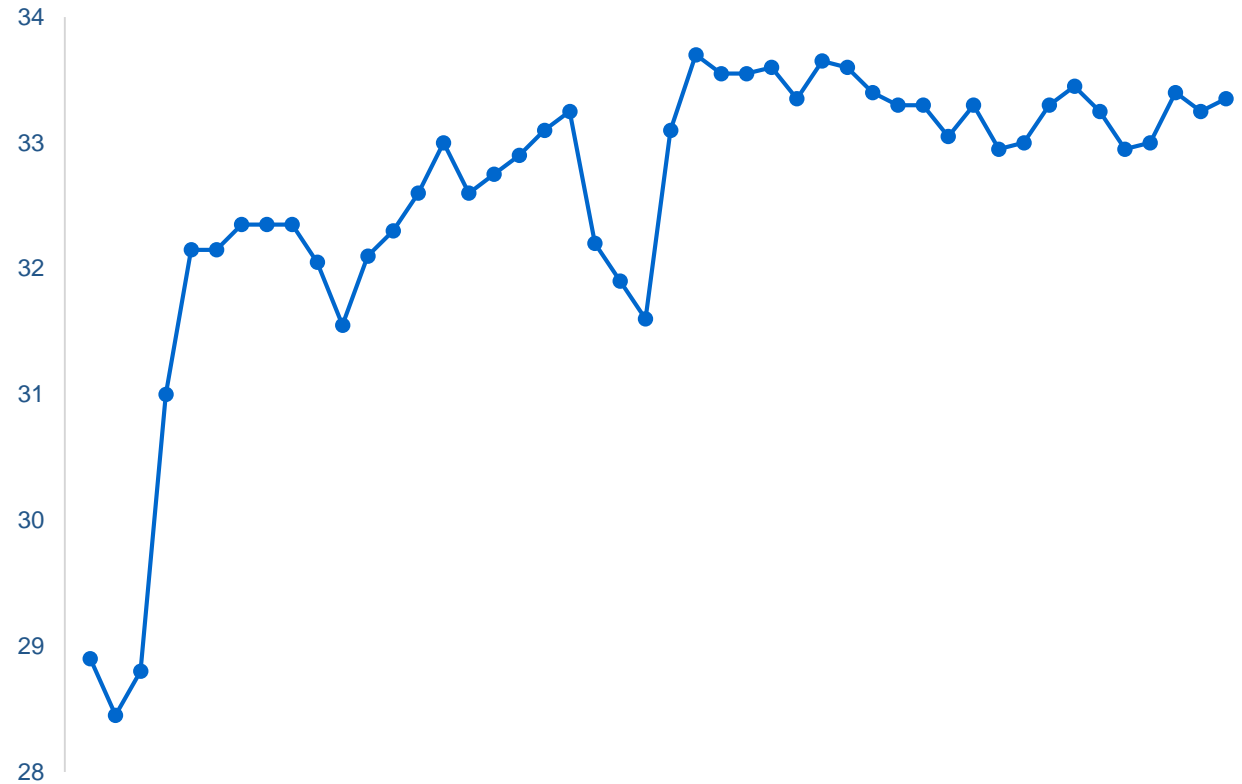
2018 Total Share Return (TSR)

01/01: €33.84 - 31/12: €29

Dividend paid in 2018: €4.8

-21.8%

CAC MID&SMALL



01/01/2019 - 06/03/2019



2019 Figures



2019 Revenue



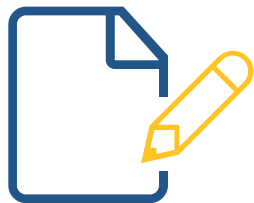
→ Targeted EBITDA margin: **13%+ (i)**

(i) included 1 point of improvement related to the application of IFRS16

2019 Budget

		% Rev / Total Rev
Software 	GRC	9%
	IP + Others	3%
Services 	BeLux	22%
	France	22%
	UK	22%
	Switzerland + Others	22%

Financial Calendar



PUBLICATIONS

- **25/04/2019**
2019 Q1 Results
- **25/07/2019**
2019 Q2 Results
- **24/10/2019**
2019 Q3 Results
- **27/01/2020**
2019 Q4 Results
- **11/03/2020**
FY2019 Results



MEETINGS

- **29/04/2019**
Annual Shareholders Meeting | 2018
- **12/09/2019**
SFAF Meeting in Paris | H1-2019 Results
- **12/03/2020**
SFAF Meeting in Paris | FY2019 Results
- **28/04/2020**
Annual Shareholders Meeting | 2019

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