

Increase in 2017 half-year results

- Revenue: + 3.2% to €87.2m
- EBITDA: + 2.6% to €17.5m
- Net income, group share: + 63.3% to €6.8m

3rd quarter 2017 revenue: + 4,4%

IFRS Unaudited - in €m	H1 2017	H1 2016	Change
Consolidated revenue	87.2	84.5	+ 3.2%*
EBITDA	17.5	17.1	+ 2.6%
As % of revenue	20.1%	20.2%	
Current operating income	10.6	7.4	+ 43.6%
As % of revenue	12.1%	8.7%	
Operating result	9.8	7.3	+ 34.9%
As % of revenue	11.2%	8.6 %	
Net income, Group share	6.8	4.2	+ 63.3%
As % of revenue	7.8%	4.9%	

* on a comparable basis, the change is +2.4%

3.2% increase in half-year revenue

Over the 1st half of 2017, Prodware's consolidated revenue totaled €87.2m, up 3.2% (+ 2.3% on a comparable basis), driven by a 26% increase in SaaS sales and 3.1% growth in the publishing activity. Over the period, SaaS sales totaled €12.5m (14.3% of the Group's revenue) versus €9.9m in the 1st half of 2016, and the publishing activity generated €30.0m in revenue (34.4% of the Group's revenue) versus €29.1m in the 1st half of 2016.

Over the first six months of financial year 2017, the French-speaking zone generated €49.1m in revenue, or 56.2% of overall activity. International sales totaled €38.1m and represented 43.8% of the Group's revenue.

Strong growth in profitability

Prodware achieved significant profitability growth over the 1st half.

This performance was driven by the commercial strategy of refocusing on the most profitable markets, the boom in SaaS sales and the growth (+€2.4m) in revenue generated in the service which represents €45.4m on the periode (increase of billing ratios and rise of Business Consulting). The structural expenses were reduced from €0.5m.

With the decline in purchases consumed (switchover to SaaS mode) and despite the increase in personnel expenses, related to recruitment in consulting, EBITDA increased by 2.6% to €17.5m (quasi-stable rate of 20.1%).

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Prodware is eligible for inclusion in FCPI (mutual funds that invest in innovative companies) - Prodware is a responsible company and is a signatory to the UN Global Compact.



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Current operating income increased by 43.6% to €10.6m, driven by the €2.5m reduction in depreciation charges over the period. The COI rate increased to 12.1% of revenue, up 3.4 points compared with the 1st half of 2016.

Other non-current operating income and expenses presented, at the first half-year, a €0.7m expense related to the bonus ordinary share issue plan and free preferences.

After taking into account a financial result that improved by €0.6m to €(2.0)m and a tax increase of €1.3m, the group share of net income totaled €6.8m, an increase of 63.3%.

A reinforced balance sheet structure

At June 30, 2017, Prodware's balance sheet structure presented €129.1m in equity, up 13.2% from June 30, 2016.

The Group's net debt rate (gearing) decreased by 8.6 points to 49.1% compared with 57.8% at the end of 2016, driven by improved operational cash flow.

Shareholders strategy

Thanks to the good orientation of its activity, the recovery of its profitability, Prodware has decided to maximize its creation of market value for its shareholder.

The Group realized two cancellation operations of 776 000 securities held for €6m thus increased earnings per share by 9.55% of the capital (concerning 276 000 canceled securities in September 2017).

Confident in the Group's outlook, the leaders and some keys managers exercised, at the end of June 2017, of share subscription warrants for €1.8m. Since 2016, the leaders are strengthening of equity interests for €4m.

Prodware will continue its policy of dividends for the exercises to come (as a reminder, dividend 2016: + 33% compared to 2015).

Favorable outlook

Controlled development in the USA

Mainly focused on Europe, Prodware has started to develop its presence in the USA as part of the joint venture created in 2016 with the North American company I Love Mobile Group.

Prodware expects from the new strategy of Microsoft editor, who decided to focus on the only Dynamics 365 platform for the Business Application.

This represents very good outlook for activity for Prodware – Leader in EMEA in Dynamics IT- with the implementation potential of its Dynamics 365 platform in USA and with migrations estimated of 40 000 Microsoft customers using aging platforms.

At first, the joint venture covers the most promising states: New York, Florida, and Texas. This measured, prudent strategy of penetration of the North American territory should make a contribution to the Group's results in the coming three years.

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Continued recovery of profitability

Prodware aims to continue to improve its profitability. To achieve this goal, the Group intends to accelerate sales of services, particularly in consulting, develop SaaS on the most profitable offerings, and quickly incorporate the new Microsoft offerings with MS Dynamics 365, which offers new levers for growth.

4,4% revenue increase in 3rd quarter 2017

Unaudited revenue figures under IFRS (in €m)	2017	2016	Change	Change on a comparable basis
1 st quarter	43.3	42.5	+ 1.8%	+ 2.2%
2 nd quarter	43.9	42.0	+ 4.6%	+ 2.5%
3 rd quarter	33.7	32.2	+ 4.4%	+ 3.0%
9 months	120.9	116.8	+ 3.5%	+ 2.5%

In 3rd quarter 2017, Prodware generated €33.7m in revenue, up 4.4% (3.0% on a comparable basis). This performance was driven by SaaS which continued its growth (+23.3% to €4.9m vs. €4.0m) and services (consulting, integration and maintenance) (+1.4% to €17.3m vs. €17m).

Over the first nine months of the financial year, Prodware generated €120.1m in revenue, up 3.5% (2.5% on a comparable basis).

SaaS sales increased by 25.1% to €17.4m, bringing the share of SaaS revenue to 14.4% of overall revenue versus 11.9% over the same period in 2016.

Publishing sales increased 2.8% to €41.5m, and services (consulting, integration and maintenance) generated €62.0m in revenue, a decrease of 0.9%.

Over the period, the French-speaking zone sales amounted to €64.3m, up 8.0%, and represented 53.2% of the Group's revenue.

Next publication: Revenue for 4th quarter 2017: February 22, 2018, after close of trading

About Prodware

Founded in 1989, Prodware (www.prodware.fr) is an international group specializing in publishing/integration and hosting management solutions for businesses.

Prodware is Microsoft's premier partner in the EMEA region and has nearly 1,240 employees supporting 20,000 customers in 14 countries.

Armed with a powerful R&D structure, unique expertise in industrializing best practices and top-notch strategic alliances, the group aims to deploy its Prodware Adjust solution worldwide.

Prodware is a corporate citizen and supports its customers in their sustainable development approach with its range of GreenTude services (www.greentude.fr). Prodware is one of the top companies in the Gaia Index.

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Prodware is a company eligible for FCPI (innovation funds), SRI funds and SME PEA (equity savings plan) and is part of the EnterNext PEA-PME 150 index.

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