



## FIRST-HALF RESULTS 2013

Strong Cloud growth: + 16 % SaaS (Software-as-a-Service) revenues

Turning point in Q2 Turnover: + 2.2 %

Operating Profit: -6.7% partly due to Target25 implementation

Strong Operating Profit Margin: 21.5%

Growth in Net Profit: +2.8%



(Paris-FR0010202606-ALBFR), the European leader of Financial CRM provided as a SaaS, publishes today its financial results for the first-half of 2013.

### CONSOLIDATED ACCOUNTS FOR 2013 FIRST-HALF RESULTS

Sidertrade Group (in €'000)	H1 2013	H1 2012	Change
Revenue	6,614	6,884	<b>(3.9%)</b>
Operating profit	1,424	1,527	<b>(6.7%)</b>
Net Profit before Tax	1,519	1,552	<b>(2.1%)</b>
Tax	- 373	- 411	<b>(9.2%)</b>
Net profit	1,146	1,115	<b>+ 2.8%</b>
Operating Profit Margin	21.5 %	22.2 %	-

*The Sidertrade Group's 2013 H1 results are consolidated and unaudited.*

Consolidated turnover at €6.61M saw a year-on-year decrease of 3.9%.

This modest reduction is accounted for partly by an unfavourable base effect comparison, as well as a sizeable drop in services revenues (Business Process Outsourcing, Consulting). These activities saw a drop of more than 34% during the first half of 2013 to €1.63M (2012 H1: €2.47M). This decrease is attributed to the termination of a Business Process Outsourcing contract, and the exit from Treasury Consulting, deemed as non-strategic within the framework of the 'Target25' plan (see 30<sup>th</sup> April 2013 press release). The resulting turnover loss (€839K) curtailed overall growth by 12.5%, obscuring a strong advance in the SaaS business.

In a difficult economic environment, the roll out of the 'Target 25' plan has started to yield positive results.

Following a year-on-year decline of 9.8% in Group Turnover during the first quarter, the second quarter marked a turning point, with a return to year-on year-growth of 2.1%. This growth is expected to ramp up through the second half of 2013.

### STRONG CLOUD GROWTH: +16% SAAS REVENUES

In the context of a challenging economic backdrop, the success of the SaaS business model continues to prove itself, as demonstrated by strong growth in volumes processed. In excess of 16.3M invoices were loaded onto the Sidertrade Cloud during the first half of 2013 (2012 H1: 14.6M), representing a 12% increase.

During this period, notable subscription-based customers to go live included Geodis Wilson (Denmark, USA, Indonesia and Mexico), Loxam Spain, Akso Nobel France, Emfi and Layher France. At the same time, commercial inroads achieved by the Sidertrade UK branch enabled successful go-lives for Linde Materials UK, INK (UK and Singapore) and Atkins UK.



SaaS subscription-based revenues for the first half of 2013 amounted to €4.33M, growing by 16% (2012H1: €3.73M). The product-mix revenue dynamic continues to develop favourably towards the Sidetrade Network business line, where revenues of €4.98M (including implementation services and training as well as subscriptions) make up more than 75% of Group turnover for the period. The Sidetrade Cloud continues to be the primary growth driver of the group.

## OPERATING MARGIN STRENGTH MAINTAINED

Despite a difficult economic environment, Sidetrade continues to demonstrate the strengths of the SaaS model, where over a certain volume threshold; operating costs remain largely fixed as volume continues to grow. This leverage effect has once again been recorded over the first half of 2013, thus supporting continued Operating Margin strength at 21.5% (2012 H1: 22.2%), as well as absorbing the majority of increased operating costs associated with the launch of the "Target25" strategic plan.

The first half posted Operating Profit of €1,424K, a modest year-on-year decline of 6.7% (2012 H1: €1,527K).

Operating Profit for the first half includes a Research & Development Tax Credit of €390K (2012 H1: €300K) as well as a €136K provision for employee profit sharing (2012 H1 provision: €215K). In contrast, a more conservative R&D capitalisation policy resulted in only €150 K capitalised over the first half compared to €300 K for 2012 first half. The Group continues to support an innovation-oriented investment programme, notably through the 'EH Intelligence by Sidetrade' solution – the first automated credit insurance policy management application, created in partnership with the Euler Hermes group.

A provision for Corporation Tax of €373K has been made as at June 30<sup>th</sup> 2013 compared to €411K at June 30<sup>th</sup> 2012. Subsequently, Group Net Profit of €1,146K saw growth of 2.8% (2012 H1: €1,115K).

## BALANCE SHEET STRENGTH

As of June 30<sup>th</sup> 2013, the balance sheet of the Group remains healthy with net liquidity comfortably in surplus, exceeding €7.2 M (2012 H1: €6.9 M), taking into account dividend payments of €1.2 M for the period. Furthermore, the Group continues to operate free of debt.

## 2013 OUTLOOK

The partnership between Sidetrade and Euler Hermes, world number one in credit insurance, was celebrated at the time of the MEDEF\* 2013 Business Innovation summer university. The two groups were awarded the Business Innovation "Software" prize for the 'EH Intelligence by Sidetrade' solution. This partnership initially covers the French and UK markets, and is expected to be a significant growth area in the future.

In parallel, Sidetrade continues to strengthen the teams in France and England. Sidetrade is also establishing a pan-European centre in Dublin with a dual objective: deliver services across Europe as well as to support the launch of additional branches in key European markets.

In line with the Target25 plan, the Group continues to pursue an innovation-focused investment policy, which in the coming months will translate into the launch of new solutions, particularly in the mobile space. These innovative developments, unique in the business-to-business credit sector, will have a catalyst effect to spread the 'cash culture' through all clients' business functions (Sales, Operations, Administration).

Commenting on the 2013 first half results, Olivier Novasque, CEO and Chairman of Sidetrade Group, states:

"By capitalising on the success of our customers, our capacity to innovate and our sales focus, Sidetrade is on the cusp of a new growth cycle, reinforcing our dominant global market position. Our strong positive cash position provides the backing to enable the aggressive pursuit of our Target25 plan. At the same time, in the short term, Sidetrade is confident in its ability to deliver growth throughout the 2013 period".

## NEXT ANNOUNCEMENT

2012 Q3 Turnover: October 29<sup>th</sup>, 2013 (after Stock Market close)

\* 1st French union of employers



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## 🔗 ABOUT SIDETRADE GROUP ([www.sidetrade.com](http://www.sidetrade.com))

Independent group listed on NYSE Euronext (ticker: ALBFR), Sidetrade offers companies the opportunity to digitise the management of their financial relationships with customers. Sidetrade's market-leading solutions, complementary to ERPs, meet the challenges of securing what is often a company's largest asset, its accounts receivable, by reducing late payments and controlling customer risk. With sales in 65 countries, the Group enables 50,500 users from companies of all sizes and all sectors to collaborate via its cloud solution and accelerate cash-flow generation.