# H1 2020 RESULTS: STRONG INCREASE IN MARGINS PROFITABLE GROWTH OUTLOOK CONFIRMED

- EBITDA: **€3.6m (up 45%)**
  EBIT: **€1.8m (up 85%)**
  NET INCOME: **€1.7m (up 80%)**
  NET CASH: **€4.1m (up €1,1 million)**

- STREAMWIDE (FR0010528059 – ALSTW – eligible for the French PEA PME), the expert in critical communications software solutions, today announces a sharp increase in first half earnings and operating profit margins driven by growth in revenue from its new **team on mission** and **team on the run** business communications solutions ("platforms" business) and efficient cost control.

**SUMMARY IFRS INCOME STATEMENT (**)**

| in K€ | HY 2020 | %Rev | HY 2019 | %Rev | FY 2019 | %Rev | Var. (K€) |
|---|---|---|---|---|---|---|---|
| Revenues "Platforms" | 4 002 | 61% | 2 643 | 51% | 4 973 | 49% | 1 359 |
| Revenues "Legacy" | 2 558 | 39% | 2 494 | 49% | 5 236 | 51% | 64 |
| **TOTAL REVENUES** | **6 560** | | **5 137** | | **10 209** | | **1 423** |
| Payroll expenses | -2 196 | 33% | -1 746 | 34% | -3 767 | 37% | -450 |
| G&A and external expenses | -1 080 | 16% | -1 153 | 22% | -2 327 | 23% | 73 |
| Other expenses / products | 333 | -5% | 254 | -5% | 412 | -4% | 76 |
| **TOTAL EXPENSES before amortisation** | **-2 943** | | **-2 644** | | **-5 682** | | **-301** |
| **EBITDA (*)** | **3 617** | 55% | **2 493** | 49% | **4 527** | 44% | **1 122** |
| Amortisation | -1 808 | | -1 517 | | -3 317 | | -291 |
| **EBIT (*)** | **1 809** | 28% | **975** | 19% | **1 210** | 12% | **830** |
| Other operational expenses / products | - | | 10 | | 4 | | -10 |
| Financial expenses / products | -50 | | -10 | | -23 | | -40 |
| Fiscal expenses / products | -14 | | -6 | | -50 | | -5 |
| **NET RESULTS** | **1 745** | 27% | **970** | 19% | **1 141** | 11% | **776** |

*(*) EBITDA (EBIT before depreciation and amortisation) equals the difference between operating income and operating expenses before depreciation, amortisation and impairment of non-current assets.*

*EBIT includes depreciation, amortisation and impairment.*

*(**) The first half consolidated financial statements are currently being audited.*

## GROWTH IN EARNINGS AND SIGNIFICANT LEVERAGE

The increase in first half 2020 revenue (up €1.4 million), resulting from the new critical business communications solutions (up €1.4 million or 51% and accounting for over 60% of Group revenue for the first half) had a direct positive impact on EBITDA (€3.6 million), which rose by €1.1 million (+45%) to €3.6 million. The increase in EBITDA thus represents 79% of the increase in revenues recorded at June 30, 2020, and 55% of income. After depreciation and amortisation, EBIT amounted to €1.8 million, up €0.8 million or 85%, and represented 28% of first half revenue versus 19% in H1 2019.

Excluding depreciation and amortisation and after IFRS 16 restatement of lease expenses (€0.3 million decrease for H1 2020 and 2019), operating expenses amounted to €2.9 million versus €2.6 million in H1 2019. The €0.3 million increase is attributable to a €0.4 million net increase in payroll costs after capitalisation of development costs, partly offset by a €0.1 million decrease in external charges. Before activation of the payroll costs due to product development, the payroll increases by €1.1 million linked to the increase in headcount between 30 June 2019 (147 employees) and 30 June 2020 (178 employees). As such, the increase in staff costs is solely due to the increase in headcount, as the average salary paid by the Group remained stable.

After a limited net financial expense of €50k and an almost negligible tax expense (€14k), net income came to €1.7 million, up sharply (+80%) versus H1 2019. *Accordingly, H1 2020 EBIT and net income exceeded the full-year figures for 2019.*

## STRONG CASH AND FINANCIAL STRUCTURE

The balance sheet total at 30 June 2020 was €23 million versus €20.3 million at 31 December 2019 (see appendix below).

The €2.7 million increase was mainly due to changes in intangible assets (net capitalized value of €1 million) and tangible assets (lease assets down €0.3 million) and the increase in trade receivables (up €1.2 million) in line with the increase in revenue and gross cash and cash equivalents (up €1 million). The change in liabilities was mainly due to the increase in shareholders' equity following H1 2020 net income (€1.7 million), tax payables (up €0.6 million) and deferred income (up €0.7 million).

Gross cash and cash equivalents increased by €1.0 million reaching €5 million June 30th 2020, driven by revenue and earnings growth.

Operating cash flow (€2.9 million including a €0.3 million impact from IFRS 16 reclassification of items from operating to financing cash flows) dipped slightly due to the change in working capital over the period (+€0.2 million due to the activity growth during the period), while recurring capital expenditure on product development remained high at €2.5 million (see appendix below).

The €0.9 million research tax credit receivable in respect of 2019 was paid in May 2020. Lastly, financing cash flow amounted to a €0.4 million outflow mainly due to the negative variation in lease liabilities (€0.3 million decrease following application of IFRS 16).

Accordingly, the Group's financial structure remains strong with shareholders' equity at €11.6 million and a healthy net cash balance of €4.1 million (excluding lease liabilities) June 30th 2020. The Group continues to pay back the bond loan issued by the GIAC in 2013 in quarterly instalments (€90k). The outstanding balance was €0.8 million at the end of June 2020.

The payment of the PGE state-guaranteed loan obtained in late June 2020 (€2.5 million) and the sales of treasury shares in July 2020 (€2.6 million), only took place in July 2020 and are not included in 30 June 2020 statements.

## OUTLOOK: GROWTH AND PROFITABILITY INCREASE IN 2020 CONFIRMED

Given the positive revenue trend seen so far in the second half of this year, the Group expects to achieve sustained growth in 2020 full-year revenue in line with the strong performance in 2019. Given tight management of costs, primarily staff costs, positive leverage should deliver a sharp improvement in full-year 2020 margins and earnings.

In the short term, the Group's business does not seem to be affected by the prevailing global health crisis. The Group has successfully refocused on new strategic and fast growing markets. The **team on mission** ("MCPTT/MCx") solution developed in-house is in the process of becoming a market benchmark, particularly in France and Europe where the number of ongoing projects with recognised market players (integrators, distributors, operators) illustrates the current dynamic. Meanwhile, the business-critical **team on the run** solution is well positioned in the vast enterprise market. The potential of this solution is demonstrated by ongoing contracts with Enedis and EDF in France and fleet management contracts obtained in the USA.

These solutions will also soon be enhanced with a set of features related to real-time shared communications (conference and screen-sharing), in response to requirements and practices that have emerged and multiplied over the last few months, following in particular the period of confinement, in order to adapt to new digital collaborative restrictions.

These developments have been implemented and integrated in secure sovereign architectures, thereby offering a considerable advantage over mass market solutions currently in use and generating real value-added for businesses and government agencies.

The telecom operator solutions sector remains a niche market in which major business opportunities for renewing services with our existing telecom solutions.

Over the coming months, the Group will maintain a high level of investment in the new **team on mission** and **team on the run** critical communications solutions. The current and future developments (SDK, API, provisioning, FSM and new operational features) should allow the Group to further increase its technological lead and confirm its position as a key player in the critical communications market.

All Group indicators (revenue, profit margins, cash, and development plans) are well on track and should all show growth in 2020. Given this strong momentum and the numerous major projects currently underway, the Group expects 2021 to be another year of growth.

## Appendix

### Consolidated financial position at June 30, 2020 and December 31, 2019

| in K€ | 30 June 2020 | 31 December 2020 |
|---|---|---|
| Intangible assets | 9 066 | 8 090 |
| Tangible assets | 2 167 | 2 439 |
| Other financial assets | 460 | 451 |
| Deferred tax assets | 150 | 145 |
| **NON-CURRENT ASSETS** | **11 843** | **11 126** |
| Receivables | 4 501 | 3 279 |
| Other receivables | 1 143 | 952 |
| Other financial assets | 505 | 916 |
| Cash and cash equivalent | 5 001 | 4 007 |
| **CURRENT ASSETS** | **11 150** | **9 155** |
| **TOTAL ASSETS** | **22 992** | **20 280** |
| Capital | 292 | 292 |
| Paid-in capital | 7 931 | 7 931 |
| Consolidated reserves | 3 227 | 2 057 |
| Self-owned shares | -1 596 | -1 604 |
| Net result - Group share | 1 746 | 1 141 |
| Non-controlling interests | - | - |
| **TOTAL EQUITY** | **11 599** | **9 817** |
| Financial Liabilities | 574 | 642 |
| Rental liabilities | 987 | 1 271 |
| Non-current provisions | 318 | 297 |
| Deferred financial revenues | 1 391 | 1 345 |
| Deferred tax liabilities | - | - |
| **NON-CURRENT LIABILITIES** | **3 270** | **3 554** |
| Financial liabilities | 365 | 366 |
| Rental liabilities | 414 | 417 |
| Current provisions | 1 | 7 |
| Payables | 669 | 678 |
| Social and financial debts | 2 170 | 1 620 |
| Deferred fiscal products | 695 | 672 |
| Deferred revenues | 3 809 | 3 149 |
| **CURRENT LIABILITES** | **8 123** | **6 909** |
| **TOTAL EQUITIES AND LIABILITIES** | **22 992** | **20 280** |

Paris, 21 September 2020

**PRESS RELEASE**

## Consolidated cash flow HY 2020, FY 2019 and HY 2019

| in K€ | HY 2020 | FY 2019 | HY 2019 |
|---|---|---|---|
| **Consolidated net result** | **1 746** | **1 141** | **969** |
| Capacity of self-financing before cost of debt and taxes | 3 211 | 4 017 | 2 194 |
| - Variation of working capital | 214 | -2 731 | -1 155 |
| **Net operating cash flow** | **2 997** | **6 748** | **3 349** |
| Change in fixed assets | -2 521 | -4 217 | -1 947 |
| Change in other cash flow linked to investment operations (CIR) | 884 | 1 374 | 635 |
| **Net investing cash flow** | **-1 637** | **-2 843** | **-1 312** |
| **Net financing cash flow** | **-366** | **-2 562** | **-466** |
| **Cash variation** | **994** | **1 343** | **1 571** |
| Cash at the end of the period | **5 001** | **4 007** | **4 235** |

*Next financial release: FY 2020 revenue, Monday 22 February 2021*

---

About STREAMWIDE (Euronext Growth: ALSTW)

A major player in the critical communications market for 20 years, STREAMWIDE has successfully developed its **team on mission** (mission-critical) and **team on the run** (business-critical) software solutions for government agencies and businesses.

These solutions designed for smartphones and PCs and available in SaaS mode or under licence offer a wide range of features, including multimedia group discussion, VoIP, push-to-talk (MCPTT and MCx new generation 4G/5G LTE), geolocation tracking and business process digitisation and automation. These innovative solutions meet the growing needs for digital transformation and real-time coordination of operations. They allow field teams to transform individual contributions into collective successes and to act as one in the most demanding professional environments.

STREAMWIDE also operates on the value-added services software market for telecom operators (visual voice messaging, real-time call billing and taxation, interactive voice servers, applications and announcements), which serves over 130 million end users worldwide.

Based in France with operations in Europe, USA, Asia and Africa, STREAMWIDE is listed on Euronext Growth (Paris) – FR0010528059.

Read more at http://www.streamwide.com and check out our pages on LinkedIn @streamwide and Twitter @streamwide.

STREAMWIDE has been awarded the Bpifrance "innovation company" label and its shares are eligible for inclusion in French FCPI innovation funds and PEA-PME personal equity plans.


**Contacts**

Pascal Beglin | Olivier Truelle
Président Directeur Général | DAF
**T** +33 1 70 22 01 01
investisseur@streamwide.com

Grégoire Saint-Marc
Investor Relations
**T** +33 1 53 67 36 94
streamwide@actus.fr

Vivien Ferran
Press Relations
**T** +33 1 53 67 36 34
vferran@actus.fr


team on mission

team on the run

ELIGIBLE PEA PME

ENTREPRISE INNOVANTE bpifrance

ALSTW EURONEXT GROWTH