

MICROPOL GROUP 1st HALF-YEAR INCOME 2020 CURRENT OPERATING INCOME SHOWING GOOD RESILIENCE AT 3.5%

- **Stable operating income**
- **Net cash flow showing clear improvement**

<i>In million euros - IFRS Norms (under audit)</i>	1H/Y 2020	1H/Y 2019
Turnover	57.7	55.9
Current operating income	2.0	2.0
<i>as % of turnover</i>	3.5%	3.8%
Expenses and non-operational products	(0.5)	(0.7)
Operating Income	1.5	1.5
<i>As % of turnover</i>	2.6%	2.7%
Financial performance	(0.5)	(0.4)
Taxes	(0.5)	(0.6)
Net earnings ongoing business	0.5	0.5
<i>As % of turnover</i>	0.8%	0.9%
Net earnings divested business	-0.2	0

Micropole's Board of Directors, meeting on September 22nd 2020, approved the consolidated financial statements for the first half of 2020. The financial statements have been subject to a limited review by the Statutory Auditors; their reports are currently being issued.

Profitability holding up well in an exceptional context

Micropole, an international consulting and innovative technologies Group, specialized in Data & Digital Experience, achieved a first half-year turnover 2020 of 57.7 million euros as against 55.9 million euros over the same period in 2019, an increase of 3.3%. Like-for-like, the turnover growth is 1.9%.

The current operating income amounts to 2.0 million euros over the first half-year 2020, representing 3.5% of the turnover as opposed to 2.1 million euros in the first half-year 2019, this being 3.8% of the first half-year turnover 2019. Given the 2020 health crisis, this stability of the current operational profitability underlines the resilience of the Group.

- Over the Europe zone (Group excl. China), the current operating income stands at 3.8%.
- Regarding China, business was impacted by a marked slowdown in the local market, but this area now represents only 0.3% of the consolidated turnover.

Operating income is stable at 1.5 million euros, after 0.5 million euros of exceptional expenses (of which 0.1 related to Covid measures).

Net income from ongoing business is stable at 0.5 million euros.

Net income from divested business is solely due to the loss incurred from the divestment of the training business which occurred in February 2020.

A solid financial structure

To June 30th 2020, the Group's financial structure is solid, with a treasury amounting to 21.2 million euros and net financial debt of 2.8 million euros (excl. IFRS 16 rental debt) as opposed to 9.5 million at the end of December 2019, with shareholder's equity up at 52.6 million euros. This substantial improvement in the financial structure includes the effects of « Covid » extensions for social contribution deadlines to the amount of 6.1 million euros. State guaranteed loans were contracted for an amount of 5 million euros with the main banking partners, enabling further securing of the Group's financial situation.

Continuation of the commercial recovery

From the beginning of the Covid-19 crisis, priority has been given both to the protection of our employee's health by deploying all the necessary measures of prevention as well as to our service continuity. Micropole has felt the impacts of the Covid-19 pandemic, but has shown its capacity to absorb the shock of the crisis as much at operational as at financial levels. The resilience of the operational capability of the Group, the expertise of its teams and the quality of its positioning has enabled it to continue serving its customers with efficiency and agility.

To meet the challenge of the sudden slowdown in business and to partly attenuate the cost of team under-employment, Micropole had recourse to partial employment programs from March onwards, but has gradually reduced its use of such programs as projects have begun to resume.

During the first half-year, the Group pursued its strategy of differentiation based on Added Value and Innovation:

- The extremely high level of Micropole's expertise on all Digital and Data-related issues corresponds exactly to the investment objectives of all corporations facing the undoubted acceleration in the digitalized economy.
- On AWS: the Group launched its « Lucy in the Cloud » brand in June and has recently obtained the « Advanced Consulting Partner » partnership level as well as the Data and Analytics Competency certification issued by AWS.
- On Salesforce: the group has launched its « albert Agency » brand and the first business successes have been recorded.
- As regards cybersecurity, the Group has launched its new « Go Cloud & Security » offer, which has got off to a very satisfactory start.

Business trends for the second half-year

Business is still marked by a 'wait and see' attitude on the customer side, decidedly more apparent in the French regions, with, however, more dynamic segments such as those relating to the Cloud offers. Highly impacted in April, orders have picked up since June but remain under pre-crisis levels. The third quarter turnover will therefore also be down. The Group is however expecting a progressive return to previous business levels over the last quarter and is readying itself with this prospect in view, while continuing with the cost structure adjustment measures to adapt to the new economic context.

The positioning of the Micropole Group remains more than ever suited to the planned investments of its customers. In view of this, Micropole maintains its mid-term ambitions, especially that of profitability, but has not formulated annual financial objectives for FY 2020.

**Next financial date Thursday November 12th 2020
for the publication of the 3rd quarter turnover 2020**

Get all Micropole financial information free by e-mail by registering at: www.actusnews.com

ABOUT MICROPOLE | www.micropole.com

An international consulting and innovative technologies group, MICROPOLE is specialized in the fields of Data & Digital Experience. From its 16 agencies located in Europe and China, the Group's 1200 #INNOVATIVE PEOPLE (consultants, data scientists, IT architects, business experts, engineers, UX designers...) partner their clients all over the world on all phases of their projects, from consulting to implementation through to change management /training. MICROPOLE achieves 34% of its turnover internationally and is listed on the Eurolist compartment C of Euronext Paris. Next Economy segment.

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