

## MICROPOLE GROUP: GROWTH IN TURNOVER AND PROFITABILITY HOLDING UP.

- Turnover at **€135.2 m**, up **10,7%**
- Current operating Income at **4,1%**

### ◆ PRESS RELEASE

**Levallois-Perret, April 11th, 2023.** Micropole, an international consulting group specialized in corporate transformation through data, presents its annual 2022 accounts, audited and approved by the Board of Directors on April 6<sup>th</sup>, 2023.

For the full year 2022, revenues reached 135.2 million euro compared to 122.1 million euro the previous year. On a like-for-like basis, sales increased by 8.8%.

In million euros –IFRS Norms (audited figures)	2022	2021
<b>Turnover</b>	<b>135.2</b>	<b>122.1</b>
<b>Current operating income</b>	<b>5.5</b>	<b>6.5</b>
<b>In % of turnover</b>	<b>4.1%</b>	<b>5.3%</b>
Expenses and non-operating income	(2.2)	(1.5)
<b>Operating income</b>	<b>3.3</b>	<b>5.0</b>
<b>In % of turnover</b>	<b>2.5%</b>	<b>4.1%</b>
<b>Net income from continuing operations</b>	<b>1.0</b>	<b>3.0</b>

Current operating income has dropped by 15% to 5.5 million euros as opposed to 6.5 million euros for the previous financial year. This unfavorable development is mainly due to:

- A change in the rules governing holiday leave rollover in France (Previous year's untaken leave no longer allowed to be rolled over to the following year) which caused the loss of about 0.6% in our margins. This is a one-off effect.
- An industrial accident in Switzerland: a mismanaged increase in headcount led to a drop in the activity rates notably in 2022. The related loss of profitability impacted the group operational income by 1.7%. This situation is currently being addressed.
- An overall investment strategy: renewal of Levallois, Lyon and Brussels premises, strengthening of the recruitment and marketing teams, re-engineering of the corporate image and website, reinforcement of IT security and obtention of the ISO27001 certification. These investments have weighed on profitability but were necessary for the group dynamic going forward.

As to the operational income, it attained 3,3 million euros as opposed to 4.9 million euros in 2021. Non-current expenses amounted to 2.2 million compared to 1.5 million in the previous year and include 0.8 million of restructuring expenses in Switzerland.

Despite the drop in some financial indicators linked to exceptional phenomena, the Group maintains its strong competitive advantages:

- The Group retains its good industrial positioning, with high value-added digital transformation solutions, always at the cutting-edge of the markets;



- The pursuit of Data activity in the Cloud, notably centered around AWS, Microsoft Azure and GCP solutions. The Go Cloud & Security offer, incidentally, completes these offers with a security part, strategic on the market;
- The ongoing innovation of the Group R&D teams on technologies enable anticipation of future client stakes.

Net income from continuing operations was positive at EUR 1 million, compared with EUR 3 million in the previous year. The financial result includes a foreign exchange loss of EUR 0.5 million linked to the fluctuation of the CHF/€ exchange rate impacting the Swiss activities invoiced in Euros. An exchange rate hedge has been contracted in 2023 to protect against such a variation.

### The Group's financial situation remains solid

Group gross treasury stands at 14.9 million as against 23.3 million euros at December 31st, 2022, with net debt at 9.8 million, excluding rental debts (compared with net treasury of 3.6 million at December 31, 2021), for shareholders' equity of 53.9 million euros. In 2022, the Group proceeded with the €4.8 million deferred payment of the Urssaf PPR tax credit loan of €7.9 million granted in 2020, and has suffered a delay in the collection of the expired research tax credit for 4.9 million euros. The Group contracted a PPR loan of 6.8 million euros in 2022 (repayment over 8 years with a 4-year grace period).

### Business growth per geographical zone

The 2022 financial year has enabled us to note Micropole Group growth across all countries:

- Business in Belgium, for which growth in 2022 stands at 6.6% (3.8% like-on-like), benefitted from sustained demand but has experienced some tension in terms of resources;
- Switzerland is showing strong growth of 18% (9.6% like-on-like) but good management of this growth was lacking;
- Business in France stands at 9.8% like-on-like, with Data, Cloud, and cybersecurity areas especially dynamic.

Lastly, China remains non-significant in terms of the Group (under 1% of turnover). The agency continues to focus on maintaining the support business for European clients.

### Human resources

Regarding Human resources, 2022 was characterized by significant recruitment activity (341 throughout the year) but also by over 20% of churn. The Group is actively pursuing its actions to improve the employer brand and retain talent. The Levallois, Lyon and Brussels premises have been adapted to the new usages. The Group also renewed its HappyAtWork and HappyTechAtWork labels in 2022, a strong sign from our staff of attractiveness and acknowledgement of the actions taken.

### Social and Environmental Responsibility

In 2022, the Group attained its progress objectives on different SER themes. The Group notably received the Silver Ecovadis label and was labelled Responsible Digital (Numérique Responsable), a distinction which demonstrates our commitment for a more regenerative, inclusive and ethical digital environment. Micropole intends to maintain its investment in all these subjects going forward.

### Prospects

The war in Ukraine, the return of inflation, social tension at national level have generated uncertainty as to developments in the economic environment in the short term. At this stage the Group has not observed any alteration in its business activities. In this still uncertain period, Micropole maintains its mid-term ambitions, in particular that of profitability, and remains confident in the future developments of the markets on which the Group is positioned.

**Next Financial date Monday September 25th, 2023  
For the publication of the 2023 1st quarter results.**



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## **About the MICROPOLE GROUP | [www.micropole.com](http://www.micropole.com)**

*An international consulting Group specialized in corporate transformation through Data, MICROPOLE partners its customers through a holistic approach: « Data Driven », Cloud Acceleration, Digital business strategy. From the 14 agencies, in Europe and in China, the 1200 #INNOVATIVE PEOPLE of the Group bring their expertise, from consulting to implementation, to assist their clients to stay one step ahead and have a positive business impact through Data innovation.*

*MICROPOLE achieves 40% of its turnover internationally and is listed on the Euronext Growth market.*

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