

2CRSI announces its 1st half 2018 results

- Very strong revenue growth x4 to €25.3m vs. H1 2017
- Strong improvement in operating profitability with EBITDA margin of 8.0%, already in line with the annual target
- Strengthened balance sheet of €43.7m (before exercise in full of the overallotment option and excluding transaction costs) following the resounding success of the Initial Public Offering

Strasbourg (France), 27 September 2018 at 6.00 p.m - 2CRSI, manufacturer of very high performance servers, today announces its interim results for the period ended 30 June 2018 and reviews its business activity.

Chairman and Chief Executive Officer Alain Wilmouth comments: *"Our very strong revenue growth and the generation of a strong operating profitability are the result of our increased activity both in France and internationally. In order to pursue our technological and commercial aims, we have stepped up our recruitment and strengthened our investment capacity, thanks in particular to the resounding success of our initial public offering on the Euronext market in Paris. As a result, we are now able to confirm our operating profitability target with a margin of at least 8% in 2018."*

In € million	30 June 2018	30 June 2017
Revenue	25.34	5.68
Other ordinary operating income	2.49	0.03
Income from ordinary activities	27.83	5.71
Purchases used	(22.49)	(4.68)
External charges	(1.36)	(0.54)
Tax	(0.12)	(0.05)
Staff costs	(1.76)	(0.69)
Other operating income and expense	(0.07)	(0.02)
EBITDA	2.03	(0.27)
<i>EBITDA margin</i>	8.0%	(4.8%)
Net depreciation and provisions	(0.79)	(0.31)
Other non-current income and expense*	(0.76)*	0
Operating income	0.48	(0.58)
Net financial income/(expense)	(0.28)	(0.06)
Consolidated net income	0.29	(1.12)

* Includes in particular a proportion of exceptional costs relating to the IPO

Half-year financial results

Revenues to 30 June 2018 totalled €25.3 million, an increase of +346% relative to the first half of 2017. As a reminder, revenues in 2017 were €30.55 million.

The Group's revenues break down as follows:

- The signing of the contract with Blade (in the second half of 2017), which generated revenues of €5.05 million in the first half of 2018 in connection with the delivery of new servers in France;
- The direct sale of equipment to Blade (servers, cards etc.), representing €3.23 million in the second quarter of 2018;
- Winning of new clients, generating a total of €3.27 million in the first half of 2018;
- The acquisition of Tranquil PC, which generated revenues of €0.53 million during the period from April to June 2018.

During the period to 30 June 2018, deliveries are addressed to an increasingly diversified customer portfolio and are achieved in France for 68% of revenues and deliveries outside France represented 32% (primarily the United States). During the the period to 30 June 2017, the breakdown was 78% in France and 22% outside France (primarily the United States).

Strong business growth, mainly thanks to the signing of the contract with Blade, resulted in an increase in purchases consumed and external costs, which rose by +381% and +153% respectively. Furthermore, the average number of full-time employees was 91 people in the first half of 2018 compared with 42 in the year-earlier period. This increase in the number of employees, mainly due to the recruitment of production staff to serve the Blade contract and increasing the professionalism of the management team, was accompanied by a +154% increase in staff costs to €1.76 million.

The Group generated positive EBITDA during the first half of 2018 of €2.03 million compared with an EBITDA loss of €0.27 million for the year-earlier. EBITDA margin as a percentage of revenues was 8.0%, reflecting the high level of added value offered by 2CRSI's solutions.

The group sustained a consolidated net income in the first half of 2018 of €0.29 million compared with a loss of €1.12 million in the first half of 2017.

At 30 June 2018, cash and cash equivalents stood at €37.7 million compared with €3.7 million at 31 December 2017. The Group's cash position was strengthened considerably thanks to the IPO, representing an amount of €43.7 million (recognised on 30 June before exercise in full of the overallotment option).

Highlights and business overview for the 1st half of 2018

On 4 April 2018, the Group acquired 80% of the shares of Tranquil PC Limited. This acquisition strengthens 2CRSI's positioning as a manufacturer of innovative server solutions, enhancing its offering of low-energy server solutions and its expertise in providing a comprehensive and bespoke range of products.

Over the period, the company successfully carried out its initial public offering on the Euronext Paris market, raising an amount of €50.3 million after exercise in full of the overallotment option on 5 July 2018.

In September, the 2CRSI shares were included in the CAC® Small, CAC® Mid & Small and CAC® All Tradable indices on Euronext, reflecting the high level of liquidity of the shares, which will now benefit from increased visibility among investors.

Strategy and outlook

Driven by ever more robust worldwide demand, the 2CRSI group is continuing to develop and market its bespoke servers, which aim to respond to client needs for storing their data, increased demand for computing power and changes in storage solutions on offer (artificial intelligence, energy efficiency and sustainable data centres).

Thanks to the strengthening of its teams, the group is continuing to roll out its innovative solutions despite even more restrictive supplies of components.

Against this backdrop, the company is resolutely confident about its ability to maintain a very high rate of revenue growth and confirms its target of EBITDA margin of at least 8% in 2018, perfectly illustrating its profitable growth model.

The interim financial report will be available in the Investors section of the company's website: <https://investors.2crsi.com/fr>

About 2CRSI

Based in Strasbourg, and with subsidiaries in Manchester, Dubai and San Jose at the heart of America's Silicon Valley, 2CRSI specialises in the design and manufacturing of very high-performance computer servers. The Group already has more than 100 customers in 25 countries, to whom it has supplied innovative processing, storage and data transfer solutions. In 2017, the 2CRSI Group had consolidated revenue of €31m, an increase of 169%, with an EBITDA margin rate of 7.3%. It currently employs more than 130 persons.

For more information: www.2crsi.fr

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