

Mission 2027: our new strategic plan to become a leading player in the global server market

A strong ambition: cross the €400m revenue threshold by 2027

Strasbourg (France), 7 November 2022 – 2CRSi (EPA: 2CRSI, ISIN: FR0013341781), a designer and manufacturer of high-performance energy-efficient IT solutions, is presenting its new strategic plan called “Mission 2027”, which aims to reinforce 2CRSi’s position as a globally recognized leading player in the dynamic and high-growth server market, and cross the €400m revenue threshold by 2027 (at the end of the fiscal year closing on 28 February 2028).

“Since our initial public offering, 2CRSi is recognized for designing high-performance and energy-efficient servers. We are now ready to accelerate: our strategic plan, Mission 2027 is focused on sovereignty and sustainable development, as well as energy reuse and sales volume increase. Growth, innovation, profitability are key elements of our future!”, declared Alain WILMOUTH, cofounder of 2CRSi.

A successful first development phase as a solid foundation to the new plan

Since its creation in 2005, 2CRSi has been committed to a clear strategy, with a unifying thread: the ambition to establish itself as an innovative player in custom high-performance energy-efficient IT solutions, offering products with an optimal performance / energy consumption ratio.

Focused on profitable revenue growth above all, this approach has been relying mainly on 3 strategic lines: boosting sales momentum, diversification of the customer portfolio and international expansion.

As a result, since its IPO in 2018, 2CRSi has seen between the end of 2017 and the end of fiscal year 2021/22:

- Its headcount being multiplied by 5, going from 75 to 390 employees,
- The number of customers going from over 100 to over 1,200,
- Its organisation going from 3 offices and 2 production sites to a global presence with 20 offices and 6 production sites,
- Its revenue being multiplied by 6 to reach €183.6m,

- The contribution of international business to total revenue increasing from 27% to 87%, covering 50 countries (versus 25 initially).

Beside the organic growth momentum, this development phase has been marked by transforming acquisitions such as TranquilPC in 2018 and the Boston Ltd group in 2019. These acquisitions completed the Group's offering and reinforced its international reach.

All of these developments form a solid foundation upon which the Group can rely for this new strategic turn, with the launch of the Mission 2027 plan.

Mission 2027: 3 strategic lines to address the new technological and ecological challenges

In 2022, all manufacturers (INTEL™, AMD®, NVIDIA®, etc) have launched new generations of high-performance IT components. However, they have increased energy consumption. 2CRSi aims to design and manufacture servers allowing its customers to reduce operational expenses (OPEX) down to a minimum.

The Mission 2027 plan relies on 3 strategic lines:

1. Add to the performance / consumption ratio 2 new inseparable dimensions: "sovereignty" and "sustainable development"

Beyond performance and OPEX reduction, today's needs also include ecological and as revealed by the health crisis, technological independence requirements. To best address these needs, 2CRSi will continue to invest in its *multi-local* development strategy, a model focused on a strong local presence, heavily integrated within the local ecosystem. Also a priority, the deployment as soon as 2023 of an integrated solution, combining storage and computing power, with the recovery of fatal heat from servers.

2. Reinforce R&D capabilities to integrate energy reuse

As announced, to tackle today's and tomorrow's issues, 2CRSi is looking to further its eco-responsible approach for its products. To achieve this, R&D teams will be reinforced to develop 2 innovations by 2025: electricity production from server fatal heat and its reuse.

3. Expand 2CRSi's innovative offering towards mainstream servers

Leveraging its technical expertise, developed in the design and construction of eco-responsible high-performance servers for niche markets (HPC, FGPA, immersion, etc.), 2CRSi has the experience to launch a new range of general-purpose servers and associated services for mainstream markets.

Clearly identified new growth drivers

In addition to the organic growth trajectories already established for all of the Group's activities, 2CRSi will also benefit from new growth drivers identified in the Mission 2027 plan:

- Strong opportunities in North America, India and Africa.
- Development of sales through distributors.
- New sources of revenue from R&D programs that are currently subsidized (EUPilot, ReNESENS, etc.),
- And finally, increasing revenues from data center services.

A strong ambition: cross the €400 million revenue threshold by 2027

The roadmap established within the framework of Mission 2027 should enable 2CRSi to become a leading player in the global server market by the year 2027. This ambition will be financed by cash flow generation as well as other sources of financing as needed.

With a structurally buoyant market, the current sales momentum, and identified growth drivers, Mission 2027 carries with it ambitious short and long-term financial objectives:

- By 2023/24:
 - o Reach revenue of €250m (it is reminded that the objective for fiscal year 2022/23 was to pass the €200m mark),
 - o Increase operating profitability, with an EBITDA margin equal or greater than 5%.
- By 2027/28:
 - o Cross the €400m revenue threshold,
 - o An EBITDA margin greater than 7%.

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About 2CRSi

Founded in Strasbourg (France), 2CRSi group develops, produces and sells customised, high-performance and environment-friendly servers. In the 2021-22 financial year, the Group generated revenue of €183,6 million. The Group today has around 400 employees and markets its offer of innovative solutions (processing, storage and network) in more than 50 countries. 2CRSi has been listed since June 2018 on the regulated market of Euronext in Paris (ISIN Code: FR0013341781). For further information please visit: www.2crsi.com.

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